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DOMINICAN REPUBLIC

COUNTRY STRATEGIC OPPORTUNITIES PAPER
(COSOP)

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CURRENCY EQUIVALENTS

Currency Unit	=	Dominican peso (DOP)
USD 1.00	=	DOP 17.05
DOP 1.00	=	USD 0.06

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

ABBREVIATIONS AND ACRONYMS

CEA	State Sugar Council
COSOP	Country Strategic Opportunities Paper
GDP	Gross Domestic Product
GTZ	German Technical Cooperation Agency
IDB	Inter-American Development Bank
KfW	<i>Kreditanstalt für Wiederaufbau</i> (German Credit Institution for Reconstruction)
LAC	Latin America and the Caribbean
NGO	Non-Governmental Organization
ONAPLAN	National Planning Office
OPEC	Organization of the Petroleum Exporting Countries
PRO-COMUNIDAD	Promotional Fund for Community Initiatives
PROPEUR	South Western Region Small Farmers Project
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

GOVERNMENT OF DOMINICAN REPUBLIC

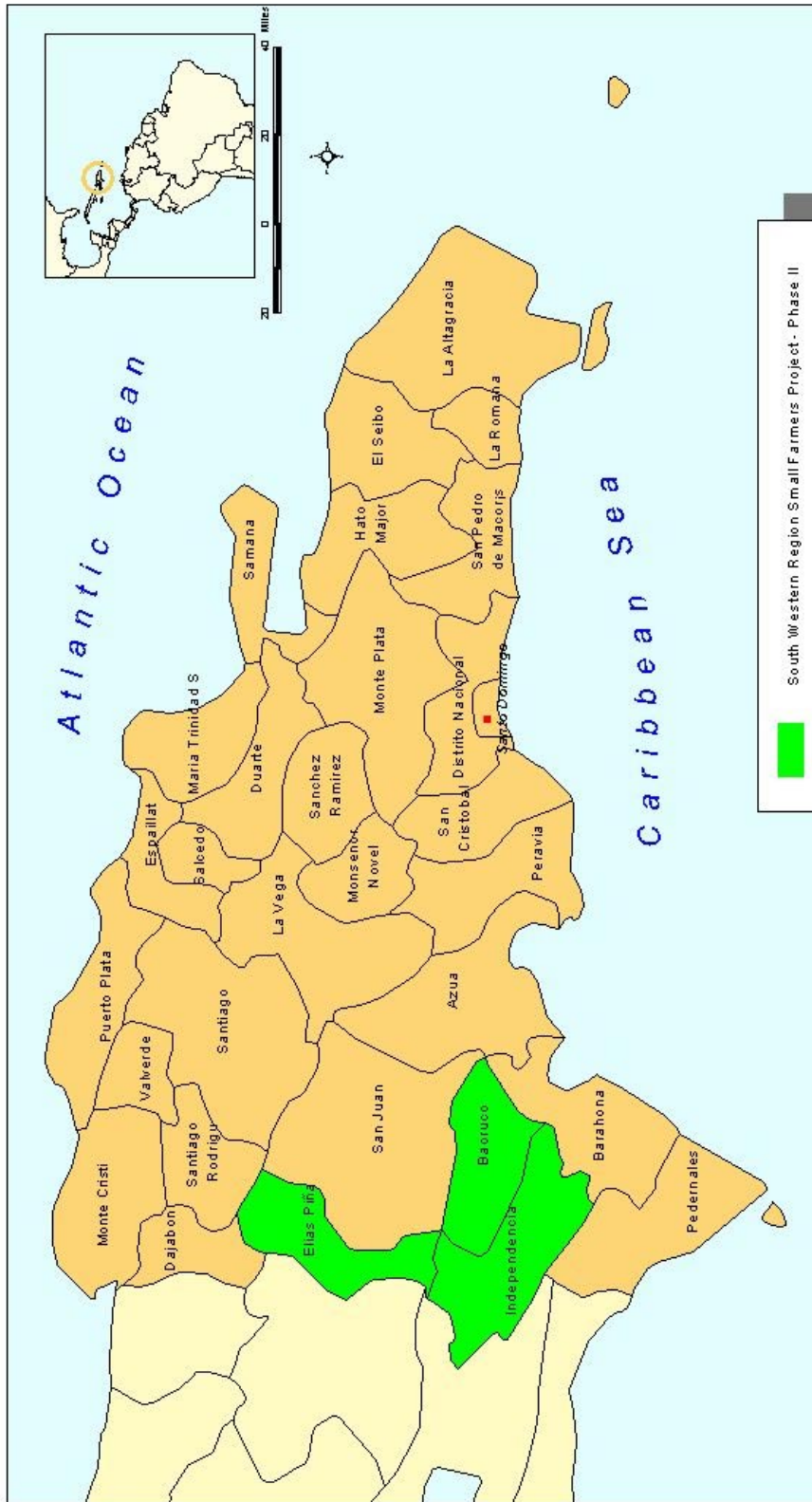
Fiscal Year

1 January - 31 December



LOCATION OF IFAD PROJETS

DOMINICAN REPUBLIC



Source: IFAD
The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof



DOMINICAN REPUBLIC

COUNTRY STRATEGIC OPPORTUNITIES PAPER (COSOP)

Executive Summary

The Dominican Republic occupies the eastern two thirds (49 000 km²) of the Island of Hispaniola in the Western Caribbean Sea, bordering to the west with the Republic of Haiti. In 2000, the total population was estimated at 8.3 million, of which 37% was settled in rural areas.

During the 1990s, the country showed a strong economic performance with a Gross Domestic Product (GDP) annual average growth rate of 5.7%. Growth was achieved under conditions of low inflation and stable exchange rates. Dynamic sectors were tourism, industrial free trade zones and more recently telecommunications, while the traditional economic sectors, agriculture and industry, showed reduced economic performance. This poor performance meant that the otherwise strong economic growth was unable to generate new jobs and income-earning possibilities for a broad sector of the population. Public social spending rose during the 1990s from 3.8% of GDP in 1991 to 6.6% in 1999, a level still lower than in most countries in the Latin American and the Caribbean (LAC) region. This low social expenditure was coupled with large inequalities in income distribution. The richest 10% of the population earned 38% of total income while the poorest 10% accounted for only 2% of total national income.

The agricultural sector's contribution to GDP has been in decline, falling from 20.1% in 1980 to 11.1% in 2000. Decreasing international commodity prices have severely affected agricultural production. Between 1996 and 2000, the main agricultural exports of coffee, sugar cane, cacao and tobacco dropped both in volume and monetary terms and export earnings suffered losses of between 48 and 60%. These market losses have meant a difficult situation for commercial and small farmers of these products.

The last decade has seen only a modest reduction in urban poverty in the country and poverty levels in rural areas remain unchanged. Vulnerability to natural phenomena is a further significant threat to the living conditions of rural poor. The latest official poverty assessment estimated that 56% of the population (or 4.6 million) lived below the poverty line and 19% (or 1.6 million) below the extreme poverty line. Results also showed a wide urban/rural poverty gap with 46% urban poor versus 82% rural poor, a level higher than in most LAC countries. The highest incidence of poverty and extreme poverty is found in the Dominican-Haitian border regions and those areas with a high concentration of *bateys*¹, settled by extremely poor Dominicans of Haitian origin and migrant seasonal workers from Haiti hired for sugar cane plantations.

The rural poor include heads of households (both men and women), small and landless farmers, microentrepreneurs, small merchants, rural dwellers, permanent sugar cane plantation workers and labourers. The extremely poor in rural areas are a very vulnerable population segment that includes Dominicans of Haitian origin, rural women and children. Their vulnerability is derived from their low income, poor living conditions and, in the case of Dominican-Haitians, social exclusion and prejudice. Over the years, due to political and economic conditions in Haiti, many seasonal workers remained in the Dominican Republic, settling primarily in *bateys* or in city slums, and bore children on Dominican territory. Social exclusion and prejudices meant that birth

¹ *Bateys* are settlements established at the beginning of the century in sugar cane plantations to house poor seasonal migrant workers from Haiti for the harvest period. Today, *bateys* house a permanent population of Dominicans of Haitian origin, as well as seasonal Haitian workers. Both groups are considered the country's poorest of the poor.



registrations and certificates were difficult, if not impossible, to obtain. This group is an ignored segment of society: no precise statistics document its numbers and it has no regular access to social programmes, education or health services.

There are about 400 *bateys* in the country, two thirds in Government-owned land. It has been estimated that these *bateys* house between 30 and 40 thousand families (comprising a total of 180 to 240 thousand members) during the non-harvest season. This number more than triples with the arrival of seasonal Haitian harvest workers. During the harvest season, holders of Dominican birth certificates earn a monthly family average of USD 112, those with Haitian birth certificates USD 86 and those without documents USD 78. The daily average per capita income of the *bateys* population is USD 0.6, an income far below the country poverty line of USD 60 per capita/month, and close to the extreme poverty line of USD 30. Over 40% of the population working in sugar cane are unemployed for most of the non-harvest season. According to a survey of the United States Agency for International Development (USAID), during the sugar cane non-harvest season, 36% of the *bateys* population went to bed hungry from one to three consecutive days.

Under successive past governments, poverty issues were neglected and low priority was accorded to social issues. Finally, national poverty levels, particularly in rural areas, impelled the Government to establish the National Plan of Social Development in 1996. After the elections in May 2000, President Hipólito Mejía enacted the National Plan to Combat Poverty. The plan aimed to assist vulnerable populations and selected geographic areas with a high incidence of poverty through social investment, public works and employment generation and subsidies (mainly food allowances). The initiative has increased availability of school breakfasts, health services, vaccination programmes and medical services in the targeted areas. However, lack of experience and appropriate tools have delayed direct assistance to rural poor families. For the Government, the plan has been a learning process on the type of public administration strategies required for efficient programme delivery.

IFAD has financed five projects in the Dominican Republic (for a total of SDR 37.5 million on intermediate terms); four of which have closed and one is ongoing. On the request of the Government², small poor farmers have been the primary target of IFAD projects. Operational thrusts have therefore been related to the improvement of agricultural production through extension services, strengthening of producers' base organizations, credit, irrigation and drainage infrastructure, and investments. The South Western Region Small Farmers Project (PROPEUR) Phase II, the only ongoing project, has broadened its target group of men and women small farmers to include Dominicans of Haitian origin settled in *bateys* in the project area, in an initial attempt to address their needs.

PROPEUR Phase I brought mixed results. While water users' associations and women's groups were organized satisfactorily, credit targeted at small farmers for agricultural production provided fewer tangible results; and there was little coordination among components and participating government institutions. In the long run, the top-down approach of the executing agency acted as a disincentive to beneficiaries. Moreover, the strong bias of Phase I towards infrastructure investment (irrigation and drainage) made it difficult to implement a demand-driven and participatory approach. PROPEUR Phase II is implemented by the National Planning Office (ONAPLAN), which has an approach that is more compatible with IFAD's poverty reduction and rural development strategies.

The appalling poverty and social conditions of the country's vulnerable populations underline the need to widen the scope of the target group in joint operations between IFAD and the Government of the Dominican Republic. As a result, while very small or landless farmers and rural women

² Although the Dominican-Haitians settled in *bateys* in all sugar cane plantations are considered the country's poorest of the poor, prejudices against them have meant they have received very limited support from past governments. However, the current Government is finally addressing the pressing needs of this segment of the population.



continue to be the primary targets, new operations will also target other vulnerable rural populations. Under the present more democratic political scenario, efforts can be re-directed towards a comprehensive programmatic nationwide approach to rural poverty and rural development. Since rural poverty is concentrated in the Haitian border region and in *bateys* distributed along the central and eastern sugar cane-producing regions, these areas have been selected by the Government as the priority target areas for new IFAD operations. The strategic framework in forthcoming IFAD operations will focus on the empowerment of rural poor organizations to improve social, political and economic conditions. Proposed strategic thrusts include: (i) human capital development; (ii) social capital development; (iii) income-generation; and (iv) improvement of the poverty reduction institutional framework. Cross-cutting thrusts address gender issues and environmental management and conservation.

To improve their economic status, vulnerable groups need recognition of their civil rights (through birth certificates and legal identification documents), better housing, education, health and sanitation services, and nutritional programmes for rural children. Labourers depending on the declining sugar cane activity need skill training to help them obtain higher income jobs beyond the *bateys* and the sugar industry. Efforts must be made to help integrate socially and politically marginalized groups (such as Dominicans of Haitian origin) into the social fabric of rural communities, thereby improving their civil status and self-esteem. Such measures constitute the first step in empowering vulnerable groups to achieve a sustainable improvement in their livelihoods. The success of proposed efforts depends on strategic partnerships with the Government, multilateral and bilateral donors, and particularly with grass-root civil-society organizations.

The Government's decentralization efforts will help establish a demand-led participatory approach to rural poverty reduction. As part of their strategic approach in the Dominican Republic, IFAD and other donors will support the establishment of an institutional structure capable of planning, implementing and monitoring country-level poverty reduction and rural development programmes. Participation in the design of poverty reduction and rural development activities within ONAPLAN will underpin IFAD's country activities, policy dialogue and its strategic linkages with other donors. Areas for dialogue between IFAD and the Government include: (i) an institutional framework for poverty reduction; (ii) decentralization; and (iii) inclusive development of the Dominican-Haitian border area.

It was agreed with the Government that future IFAD operations in the country will be programme-oriented and in two phases. Phase I will focus on the rural poor (small poor farmers and microentrepreneurs) and extremely poor (Dominicans-Haitians in *bateys*, rural women and children) living in the provinces of the border area with Haiti. The first operation of the new lending programme will be the Social and Economic Development Programme for Vulnerable Populations Phase I: The Border Provinces. The second operation will be the Social and Economic Development Programme for Vulnerable Populations Phase II: *Bateys* from the Central and Eastern Provinces. Together, these operations will reach the areas with the highest concentrations of rural poor.

The scope, components and activities of IFAD interventions will be determined in consultation with the Government of the Dominican Republic and beneficiaries using participatory instruments during programme formulation. The lending programme for the Dominican Republic is estimated at around USD 30 million over a ten-year period. The first operation will include an IFAD loan of USD 15 million, with possible cofinancing of USD 4.5 million by the Organization of the Petroleum Exporting Countries (OPEC) Fund. Its proposed duration is six years.



DOMINICAN REPUBLIC

COUNTRY STRATEGIC OPPORTUNITIES PAPER (COSOP)

I. BACKGROUND

1. The Dominican Republic occupies the eastern two thirds (49 000 km²) of the island of Hispaniola in the western Caribbean Sea, bordering to the west with the Republic of Haiti. In 2000, the total population was estimated at 8.3 million, of which 37% was located in rural areas.

2. IFAD started operations in the Dominican Republic in 1979. In December 1998, IFAD's Executive Board approved the last ongoing project in the country. An IFAD mission was fielded from 11 to 23 November 2001 to prepare the COSOP in collaboration with Government officials. The mission held an initial working meeting with the Director of ONAPLAN³ in which the main objectives and general strategies were discussed. The mission then travelled to some rural areas chosen by the Government because of their high poverty levels. Interviews were held with small farmers, labourers and officials from grass-root organizations, as well as with several non-governmental organizations (NGOs) working with poor and vulnerable groups. Accompanied by local organizations and families, the mission visited *bateys* in the border area and examined their ideas on improving existing social and economic conditions.

3. The mission held a final interview and working session with the President of the Dominican Republic, Mr Hipólito Mejía. Also in attendance were senators and representatives from the poorest provinces, the Director of ONAPLAN and the IFAD country portfolio manager. The general outline and strategies of the COSOP were presented and discussed. The President indicated his agreement with the proposed IFAD strategic country programme.

II. ECONOMIC, SECTORAL AND RURAL POVERTY CONTEXT

A. Country Economic Background

4. During the 1990s, the Dominican Republic showed a strong economic performance with a GDP annual average growth rate of 5.7%. This growth rate was particularly high at the end of the decade, with annual rates ranging between 7.3 and 8.3%. GDP growth was achieved in conditions of low inflation and stable exchange rates. Dynamic sectors of the economy, such as tourism, industrial free trade zones and more recently telecommunications, operating in a highly competitive environment and closely linked to the world economy, have functioned as the main engines of growth in the country. The more traditional economic sectors, such as agriculture and industry have not enjoyed similarly high growth rates. These areas operate under heavy state interventionism in the form of excessive protectionism, price regulation and lack of protection for property rights, and are subject to innumerable bureaucratic procedures. As a result, the otherwise strong growth failed to generate new jobs and income earning possibilities for a broad sector of the population.

5. Preliminary data for 2001 indicates that the growth rate has decreased dramatically. During the first semester, growth was estimated at 0.1%, while estimates for the entire year range from 1 to 1.5%. This modest economic performance is related to corrective measures taken by the new Government to meet fiscal and external imbalances, slow economic growth in Europe and USA, and high petroleum prices.

³ This office is located under the technical secretary of the Presidency and responsible for poverty alleviation and decentralization programmes.



6. Despite this decline, general macroeconomic performance in the country looks positive. Fiscal policy has been tight, inflation low and both public debt and total debt service have been decreasing. However, behind these figures there are issues that need addressing in the future, in order to guarantee favourable growth prospects.

7. Although public social spending rose from 3.8 % of GDP in 1991 to 6.6% in 1999, this rate is still lower than that of most other countries in the LAC region. Between 1985 and 1987, education absorbed an amount representing 1.3% of GDP. Ten years later (1995-97), the share had increased to only 2.3% of GDP. In 1990 public health expenditure accounted for 1.6% of GDP, in 1998 the share had increased to only 1.9%. Low social expenditure is matched by large inequalities in income distribution. According to a United Nations Development Programme (UNDP) report in 2000, the poorest 10% of the population had 2.1% of total income, while the richest 10% earned 37.9% of total income. Therefore, despite the strong economic growth of the last decade, large segments of the population still suffer exclusion, hardship and extreme poverty.

B. Agriculture and Rural Development

8. In the Dominican Republic, as in other LAC countries, the contribution of the agricultural sector to GDP is in decline, falling from 20.1% in 1980 to 11.1% in 2000 (Table 1). The service sector plays a dominant role in the economy, accounting for more than half of GDP. Table 1 shows the evolution of the country's economic structure.

**Table 1: Sectoral Structure of the Economy
(in %)**

Sectors	1980	1990	1999	2000
Agriculture	20.1	13.4	11.4	11.1
Industry	28.3	31.4	34.2	34.1
Manufacturing	15.3	18.0	16.8	17.0
Services	51.6	55.2	54.5	54.8

Source: World Bank. 2000. World Economic Indicators

9. The most important agricultural products are meat and dairy products (18% of total sale value), followed by poultry and eggs (12.7%), fruit (11.2%), rice (11.2%), coffee (9.5%) and bananas (8.3%). Sugar cane, an important source of income in the 1970s, accounted for just 6.3% of total sales in 1999. Meat and dairy production in particular increased strongly in the 1990s. Cultivation of tropical fruit (such as papaya and mangoes) has been successful in meeting the increasing demands arising from tourism in most areas of the country.

10. Falling international commodity prices have hit agricultural production hard. Production of major agricultural export items such as coffee, sugar cane, cacao and tobacco decreased between 1996 and 2000, both in volume and monetary terms. Exportation of coffee decreased in volume by almost 60%, while sugar cane and cacao fell by 30-40% (Table 2). All three exports suffered severe losses in earnings, in the range of 48-60%. Price falls in tobacco have been smaller as production has specialized in high quality cigars, which are less influenced by international tobacco prices.

Table 2: Evolution of Exports of Selected Agricultural Products

	Volume (in mt)			Value (in '000 USD)		
	1996	2000	% Change	1996	2000	% Change
Sugar cane	494 532	332 765	-32.71	175 799	89 569	-49.05
Coffee	27 873	11 620	-58.31	64 144	33 034	-48.50
Cacao	54 184	33 624	-37.94	64 689	26 079	-59.69
Tobacco	16 290	13 200	-18.97	51 793	44 693	-13.71

Source: Central Bank of the Dominican Republic, 2000

11. Market losses on major agricultural exports have meant a difficult situation for farmers of these products. Traditional agriculture needs investment in productivity and quality to improve its competitiveness. In many sectors, diversification in new products of higher commercial value (such as tropical fruit, exotic vegetables, timber and flowers) should also be considered. However, diversification can be difficult due to growing conditions, particularly in the case of coffee, which is cultivated in high land where options for alternative crops are limited. Domestic tourism also offers interesting possibilities for expansion of agricultural production, as does organic cultivation.

12. In the past, the Government-managed State Sugar Council (CEA) owned and operated most of the country's sugar cane plantations and controlled production, processing and marketing. All sugar cane plantations were privatized under the last government. While the Government still controls land ownership, long-term operation contracts (of 40 to 50 years) have been signed with foreign corporations, who currently manage production, processing and marketing. The *bateys*, traditionally populated by seasonal migrant workers of Haitian or Dominican-Haitian origin, have in most cases been excluded by the privatization contracts, creating a vacuum with regard to responsibility for their maintenance and repair. Furthermore, *bateys* damaged by Hurricane George in 1998 still lie in disrepair, further undermining the poor living conditions of permanent and migrant workers. CEA, through its Social Development Unit, has been involved in some limited social relief activities in *bateys*.

13. Sugar cane production began in the nineteenth century, using illegal Haitian migrants as its unskilled labourers. These labourers worked for nearly a century under very poor conditions. Housed in *bateys* during harvest season and they were paid very low salaries. Over the years, many Haitian workers settled permanently in the *bateys* and bore children on Dominican soil. Many of these children lacked an official nationality due to their fathers' migrant status and failure to register them in Haiti. The inhabitants of *bateys* were increasingly marginalized by Dominican society and subjected to intense discrimination. Today, they represent the poorest of the poor.

C. Rural Poverty Context

14. Typically of other LAC countries, the sustained economic growth of the last decade in the Dominican Republic brought about only a modest reduction in urban poverty and no improvement in rural poverty levels. The continuing prevalence of rural poverty is due in combination to the current economic model which focuses on tourism, industry and services, poor performance by the agricultural sector and limited government investment in rural social and productive issues. Vulnerability to natural phenomena, exemplified by the effects of Hurricane George still visible in rural areas four years later, is a further threat to rural living conditions.



15. Accurate assessment of poverty levels in the country over the last decade has been difficult due to the inconsistent methodologies used. Most analysts⁴ agree that economic development has reduced urban poverty levels but has not been of benefit to rural areas. The latest official poverty assessment⁵ estimated that 56% of the population (4.6 million) lived below the poverty line, and 19% (1.6 million) below the extreme poverty line. This study used a multivariate statistical analysis combining income and unsatisfied basic needs to calculate the poverty line. Results also showed a wide urban/rural poverty gap of 46% urban poor versus 82% rural poor, a level higher than in most LAC countries.

16. The highest incidences of poverty and extreme poverty are present in the Dominican-Haitian border regions of El Valle (including the provinces of Azua, San Juan and Elias Piña) and Enriquillo (Barahona, Pedernales, Bahoruco and Independencia). Former and ongoing⁶ IFAD projects have targeted these regions because of their poverty levels and relatively poor economic and social development. Yuma (La Romana, La Altagracia, Macoris and Hato Mayor) is a region of particularly striking contrasts, boasting tourism centres, sugar cane operations and industrial development alongside rural poverty levels of 95%. This phenomenon is explained by the high concentration of *bateys*. Significantly, ONAPLAN concluded in its poverty report, that the priority regions for poverty reduction initiatives are those located in the Dominican-Haitian border areas and those with high concentrations of *bateys*.

17. The rural poor include heads of household (both men and women), small and landless farmers, microentrepreneurs, small merchants, rural dwellers, permanent workers of agricultural operations (including sugar cane plantations) and labourers for rural service operators. In the Dominican Republic, the rural extremely poor include Dominican-Haitians, whose vulnerability is derived from their poor income and living conditions and from the exclusion and prejudices they suffer as a result of their Haitian origin.

18. The invasion of the country by the Haitian army in 1844 and the subsequent independence war gave rise to a strong anti-Haitian sentiment in Dominican society, which still exists today. Trends in the use of illegal migrant workers formed over the last century by sugar cane and agricultural operations have persisted in more recent times, with the construction sector also benefiting from the low cost of Haitian construction workers. Over the years, due to political and economic conditions in Haiti, many seasonal workers have remained in the country, settling primarily in *bateys* or in city slums, and bearing children on Dominican soil. Social exclusion and prejudices have made birth registrations and certificates difficult, if not impossible, to obtain. As a result, this group has become an ignored segment of society: no clear statistics document its numbers and it has no regular access to social programmes, education or health services. The inhabitants of *bateys* epitomize the poorest of the country's poor (see Appendix V).

19. Other vulnerable groups in the Dominican Republic include rural women and children (both Dominican and Dominican-Haitian). Rural women have the highest illiteracy (60%) and the lowest educational levels (24.7%) in the country. Only 32% have any form of employment, compared with 78.3% of men, and they earn half as much as their male counterparts. Extreme poverty is prevalent in woman-headed rural households, which tend to have the lowest income levels. Rural living conditions, particularly in *bateys*, make domestic chores problematic. Lack of electricity, running water and sewage systems accompanied by the state of total disrepair of most living quarters increase the time required for domestic activities and present enormous health risks, particularly to small children.

⁴ Santana, I. 1999. *Evaluación del Programa de Combate a la Pobreza en la Sociedad Dominicana*. PNUD. Santo Domingo, República Dominicana.

⁵ ONAPLAN. 1997. *Focalización de la Pobreza en la República Dominicana. Informe Población. Oficina Nacional de Planificación*.

⁶ The ongoing PROPEUR is located in the provinces of Bahoruco, Independencia and Elias Piña.



20. Children, particularly living in *bateys*, make up another segment of the rural poor. According to a USAID study on *bateys*, 33% of children under five suffered from acute respiratory diseases, 44% from high fever and 21% from diarrhoea. Only half of these had access to medical services or had been treated in a hospital or health centre. Child malnutrition is a further result of low household income. In *bateys*, 38% of children under five suffer chronic malnutrition. Lacking birth certificates, 30% of children are denied access to education. The Secretary of Education recently requested school administrators to admit children to basic education without mandatory presentation of birth certificates. However, the situation is more complex for secondary education, which requires the presentation of birth certificates for admission. These low education levels are perpetuating poverty in rural areas.

D. National Strategy for Rural Poverty Reduction

21. The appalling *levels* of poverty, particularly in rural areas drove the Government to establish the National Plan of Social Development in 1996. This followed years of neglect by past governments who accorded low priority on their political agenda to social issues. The current Government rates social investment and poverty reduction as high priority issues. After the elections, President Hipólito Mejía enacted the National Plan to Combat Poverty, an approach based on social investment, public works, employment generation and subsidies (mainly food allowances), which targeted vulnerable populations in geographic areas with a high incidence of poverty. This initiative increased the coverage of basic health services, school breakfasts for children and vaccination programmes and promoted the decentralization of medical services. However, lack of experience and adequate tools have delayed direct assistance to rural poor families. For the Government, the plan has been a learning process on the kind of public administration strategies needed for efficient programme delivery.

22. Although the government institution ONAPLAN is responsible for the planning and implementation of poverty reduction policies, its approach remains dispersive and social investments are delivered by several programmes within its institutional framework. To compound this, the Ministries of Education and Public Health have been operating separate social investment programmes.

23. Since 1993, the Promotional Fund for Community Initiatives (PRO-COMUNIDAD) has been responsible for social investment in rural poor communities. Funded by the Government, the Inter-American Development Bank (IDB) and *Kreditanstalt für Wiederaufbau*⁷ (KfW), this fund has made investments in the repair of schools and health centres, community roads, electrification, water supply and latrines. In 1998 the Government created *Comunidad Digna*, a comprehensive poverty reduction programme embracing the issues of basic education, income-generation, nutrition, housing and basic health with specific attention to vulnerable groups. However the programme has faced budgetary constraints, and lacks experience, accurate poverty diagnostic and targeting tools, and an adequate institutional framework. The Government also intends to develop monitoring methodologies and impact evaluation studies for its poverty reduction initiatives.

24. The present government is addressing two previously neglected areas critical to poverty reduction: deprivation among Dominicans of Haitian origin and the need to improve conditions in the *bateys*. In speeches and political declarations, the President has acknowledged the need for an inclusive social development initiative to assist this historically marginalized segment of Dominican society. This official acknowledgement has opened the doors for multilateral and bilateral donors to collaborate with the Government in addressing problems of poverty and social integration among this marginalized group. For IFAD operations, it offers the opportunity to broaden the target group and support the Government in the design of policies and programmes focused on the poorest of the poor. Furthermore, it will help legitimize the efforts of civil-society organizations that for many years have worked with Dominicans of Haitian origin (see paragraphs 47-49).

⁷ German Credit Institution for Reconstruction



25. The ongoing government decentralization programme, although still in need of improvement, provides an adequate vehicle for empowerment and participation of the target group. The IFAD-financed PROPESUR has provided systematic support to ONAPLAN in perfecting decentralization legislation and mechanisms.

III. IFAD EXPERIENCE

A. Present Strategy and Operations

26. IFAD has financed five projects in the Dominican Republic (for a total of SDR 37.5 million on intermediate terms). Four of these have closed and one is ongoing. Closed projects include the Consolidation and Development of Rural Settlement Project (Loan 028-DO), closed in December 1988; the Small Scale Food Producers Development Project (Loan 098-DO), closed in June 1989; the South Western Region Small Farmers Project (Loan 216-DO), closed in December 1997; and the Agricultural Development Project in San Juan de la Maguana (Loan 345-DO) initiated and cofinanced by the IDB, closed in December 2001. PROPESUR Phase II is the only ongoing project and was approved by the Executive Board in December 1998.

27. Small poor farmers are IFAD's primary target group. As such, operational thrusts are directed towards strengthening producers' base organizations, provision of credit and irrigation and drainage infrastructure investments. PROPESUR has broadened its target group of small poor farmers to include Dominican-Haitian families⁸ from *bateys* in the project area, in an initial attempt to address the needs of these poorest of poor. Most IFAD operations have been located in the provinces of the southern border region of the country because of the high incidence of poverty there.

B. Lessons Learned

28. PROPESUR Phase I had mixed results. While water users' associations and women's groups were organized satisfactorily, credit targeted at small farmers for agricultural production provided fewer tangible results and there was little coordination among components and participating government institutions. In the long run, the top-down approach of the executing agency acted as a disincentive to the beneficiaries. Moreover, the strong bias of Phase I towards infrastructure investment (irrigation and drainage) made it difficult to implement a demand-driven and participatory approach.

29. Lessons learned from past IFAD operations highlighted the importance of: (i) selecting projects identified by community and beneficiary groups; (ii) involving beneficiary groups as equal partners in the process of selecting, designing and building infrastructure, and ensuring their participation in monitoring the quality of design and execution; (iii) performing a rigorous *ex ante* analysis of the institutions in charge of managing credit; (iv) balancing institutional participation with a mix of public and private institutions and local associations contracted through competitive mechanisms; and (v) promoting women's participation and providing equal opportunities for rural women at all levels of project activities and organization. The Ministry of Agriculture, the Agricultural Development Bank and the National Institute for Water Resources were the implementing institutions in all completed projects. PROPESUR is being implemented by ONAPLAN, whose approach of promoting demand-led and participatory schemes among beneficiary organizations is more compatible with IFAD's poverty reduction and rural development strategies,

⁸ This group is considered the country's poorest of the poor but has received little government assistance to date due to historical, political, social and ethnic prejudices. The current Government is finally addressing the pressing needs of this deprived segment of the population.



IV. STRATEGIC FRAMEWORK FOR IFAD

A. Country Strategy and Proposed Thrusts

30. Three elements have been taken into consideration in revising, updating and proposing IFAD's future strategic framework in the Dominican Republic.

- Despite positive economic growth over the last decade, levels of rural poverty have barely been reduced and a large segment of the rural population still lives below the poverty line.
- The current Government has clearly expressed its political will to strengthen its efforts in poverty reduction and government decentralization. Furthermore, the new more democratic environment provides improved conditions for success.
- The need to help the long neglected, very poor Dominican-Haitian population has been finally publicly acknowledged by the Government. Members of this group are potential beneficiaries of future IFAD/Government poverty reduction operations.

Country Strategic Framework – IFAD Approach

31. The appalling living conditions of the Dominican-Haitians in *bateys* highlights the need to widen the scope of the target group in joint operations between IFAD and the Government. Very small and landless farmers and rural women will continue as priority targets, but this additional vulnerable group will also be included. With the present more democratic political climate, efforts can be re-directed toward a programmatic and comprehensive nationwide approach to rural poverty and rural development. Since rural poverty is concentrated in the border region with Haiti and in *bateys* distributed along the central and eastern sugar cane-producing regions, these have been selected by the Government as priority areas for new IFAD operations. The strategic framework for forthcoming IFAD operations in the country will focus on the empowerment of rural poor organizations by improving social, political and economic conditions.

32. Poverty reduction measures need to be comprehensive and must extend beyond improving the income-generating capacity of the target group. As an initial step, the civil rights of vulnerable groups need formal recognition through birth certificates and legal identification documents. They are also in urgent need of improvements in housing, education, health and sanitation services, as well as nutritional programmes for children. Labourers depending on the declining sugar cane industry need skill training to help them obtain higher income jobs beyond the *bateys* and the sugar industry. This approach will help establish the economic rights of marginalized groups. This scheme implies the 'de-bateyzation' of the rural space, shifting the traditional axis of the labour market and transforming *bateys* into rural communities with limited or no relationship with the sugar industry. This complex scenario needs innovative approaches to poverty reduction, matched by consistent government support, if extreme poverty is to be addressed. Finally, the socially and politically excluded Dominican-Haitians need to be integrated into the social fabric of rural communities, thereby improving their civil status and self-esteem. Such integration would be the first step in empowering this segment of the rural population to achieve a sustainable improvement in their livelihoods.

33. Since IFAD initiatives will address this social and economic exclusion, a phased approach will be included in project design. Phase I will focus mainly on human/civil rights (citizenship, birth certificates, identity cards) and empowerment as a precondition for the social and economic betterment of the target group. Phase II will concentrate on the promotion of income-generating activities, while Phase III will consolidate the sustainability of policies and actions developed for the target group.



34. Attention will be paid during project formulation to conflict resolution, since the project will deal with prejudices and exclusion issues with historical roots. The inclusion of Dominican-Haitians in the target group means a correspondingly balanced approach should be taken with the rural Dominican population to prevent biases arising from proactive action necessary for the specific needs of this new group. An ethnic conflict resolution specialist is needed for the formulation mission so that balanced and inclusive approaches appropriate to all target group members are established from the outset. Newly designed projects for the Dominican Republic and Haiti require the methodological capability to capture lessons learned from border country problems and conflicts, while looking into ways of promoting social and economic development schemes capable of stopping the inflow of migrant workers.

35. Proposed poverty reduction efforts call for strategic partnerships with the Government, multilateral and bilateral donors, and particularly with grass-root civil-society organizations. Thus, future IFAD operations will seek cooperation and participation by beneficiary groups, and by local and national private organizations working with vulnerable populations. The Government's decentralization efforts will facilitate the establishment of a demand-led participatory approach to rural poverty reduction.

36. As part of their strategic approach in the Dominican Republic, IFAD and other donors will support the establishment of an institutional structure capable of planing, implementing and monitoring country-level poverty reduction and rural development programmes. Participation in the design of poverty reduction and rural development activities within ONAPLAN will underpin IFAD's country activities, policy dialogue and its strategic linkages with other donors. Systematic efforts will also be made to consolidate improvements in the livelihoods of poor rural women that have been brought about by previous IFAD projects.

(a) Proposed Thrusts

37. The proposed country strategic framework comprises four thrusts:

- **Human capital development.** The starting point of the framework will focus on the development of human capital in the vulnerable rural population. This thrust involves three complementary sets of activities: (i) civil rights⁹ (support in obtaining birth certificates, identification documents and legal counsel for undocumented Dominican-Haitians); (ii) improvements in living conditions (housing, sanitation and basic services); and (iii) improved access to health, education and child nutrition services. Proposed actions should attain the basic goal of transforming *bateys* into decent rural communities disengaged from the sugar industry and linked to their corresponding municipal government. Also, with the support and agreement of CEA (still the legal owner of the *bateys*), ownership of housing facilities¹⁰ should be transferred to project beneficiaries. Some small agricultural plots have already been transferred to families in *bateys*, with the support of CEA and the agrarian institute. New IFAD operations will assist CEA and the Government in their land transfer activities through the implementation of participatory demand-led technical assistance programmes.

⁹ Attachment IV provides the proposed action plan developed to support the Government in the implementation of civil rights actions to promote the active citizenship of Dominicans of Haitian origin.

¹⁰ CEA has an ongoing ownership transfer programme, albeit with limited financial resources, whereby houses (generally in total disrepair) are transferred to *bateys* dwellers without cost. However, payment is required for the relevant piece of land.



- **Social capital and community development.** New interventions will continue to promote social, capital and community development. They will also support training programmes aimed at improving the capacities of beneficiary organizations. Grass-roots organizations and other formal and informal groups will be encouraged as vehicles for participatory involvement in rural development. Empowerment of the rural poor and their grass-roots organizations is the ultimate goal of this thrust, therefore particular efforts will be made to strengthen their participation in the Government's decentralization programme and in local development committees. A coordination mechanism will be established for civil-society organizations to work with project beneficiaries. Leadership training and support services will be provided to strengthen women's organizations. The project will enhance the negotiation capacity of marginalized stakeholder groups through leadership training, effective grass-root organizations, rural development participatory schemes and will encourage dialogue between the Government and the target group.
- **Income-generation.** Resources need to be devoted to raising the income levels of rural poor households. Efforts will focus on agricultural and non-agricultural production, as well as on off-farm local and urban labour opportunities. Agricultural innovations¹¹, alternative high income crops and cutting-edge technologies will be offered to farmers' groups to facilitate their participation in local, national and regional markets. Productive services for agricultural and small rural enterprises will be demand-led with participatory mechanisms already implemented by IFAD projects. Market opportunities will guide the planning of technical support services for agricultural and small rural enterprises, so that productive technologies are provided for products with high market demand. Training will be a further service offered to the rural poor, particularly to youth and women from *bateys*.
- **Institutional framework for poverty alleviation.** Evaluations¹² of poverty reduction and rural development activities in the Dominican Republic indicate that efforts have been only partially successful. Inadequate targeting and delivery mechanisms and fragmentary programmes are quoted as the main causes of limited success. The current poverty reduction policy framework therefore needs to be re-developed on a more effective and institutionally sustainable basis. The development of an adequate institutional framework will improve the focalization, targeting and sustainability of poverty reduction activities. To aid this process, a permanent seminar on rural poverty reduction will be jointly organized by IFAD and the Government to create a forum for government, civil-society, grass-roots and political organizations to discuss appropriate approaches, methodologies and policies. The seminar will generate, on an annual basis, recommendations to improve the country's institutional framework, and promote a broad consensus on the right of Dominican-Haitians to full citizenship.

¹¹ Opportunities for innovation in agricultural activities are related to the cultivation of tropical fruits (such as mangoes, papaya, citrus) and vegetables for local and tourist markets. The cultivation of organic crops such as coffee, fruit and vegetables also offers interesting opportunities. Agricultural innovations will be supported by investments in small irrigation and drainage works, and soil and water conservation in the Dominican-Haitian border areas. Innovative opportunities for small enterprises include small-scale food-processing, crafts, small-scale retailing and rural services. The presence of four important border area markets should help improve the marketing possibilities of agricultural and small enterprise products.

¹² Santana, I. 1999. *Evaluación del Programa de Combate a la Pobreza en la Sociedad Dominicana*. PNUD. Méndez, J.E. 2000. *Informe sobre la Situación de Pobreza en los Bateyes de la República Dominicana*. Banco Mundial. World Bank. 1999. Country Profile.



(b) **Cross-Cutting Thrusts**

- **Gender equity.** IFAD projects will continue to promote gender equity. Proven gender-oriented methodologies will be applied in new interventions with technical support by the Regional Programme to Consolidate Gender-Mainstreaming Strategies in IFAD-financed Projects of Latin America and the Caribbean (PROGENDER)¹³. A wide range of gender-oriented activities will be included in project design to reduce gender inequality in rural areas, particularly affecting Dominican-Haitian women living in *bateys*. Project design will provide women with adult education, training in agricultural and non-agricultural productive activities and ensure their participation in all project components. Proactive schemes will ensure participation of rural women in decision-making mechanisms established by the project. Gender-sensitive operational mechanisms for each project component will be tailored to the specific needs of the beneficiaries and presented during programme development.
- **Environmental management and conservation.** The country's natural resource base is undergoing an accelerated process of degradation, particularly around the mountainous Dominican-Haitian border. As in ongoing projects in both countries, new interventions will support the sustainable use of natural resources either through improvements in agricultural productive methods or as independent components designed for natural resource conservation. Particular attention will be paid to the watershed of the Artibonito River, which covers important areas in both countries.

B. Main Opportunities for Project Interventions and Innovation

38. An IFAD mission discussed the project location and nature of interventions extensively with the President of the Dominican Republic, Government officials and local representatives. To ensure sustainability of activities, it was agreed that IFAD/Government operations will be programme, rather than project, oriented. Two potential settings were analysed: (i) the border provinces (excluding those covered by PROPEUR); and (ii) the *bateys* of the central and eastern sugar cane producing provinces.

39. It was agreed that the border provinces were the priority area for the following reasons:

- The provinces on the Haitian border have the worst social and economic development indicators and therefore the largest concentration of rural poor (small poor farmers and inhabitants of *bateys*).
- PROPEUR operates in only four of the twelve border provinces, leaving eight provinces unassisted.
- There are four dynamic markets for agricultural and industrial products that could become economic development engines for the border areas and expand market opportunities for local small poor farmers and micro-entrepreneurs.
- The Government has agreed that the IFAD-financed initiative will constitute an umbrella programme for government and other donor activities in the border area.
- The development of the border region is an important bilateral interest of the Dominican Republic and Haitian Governments both as a poverty reduction initiative and an instrument to improve their relationship.

¹³ PROGENDER is the new IFAD regional technical assistance grant programme, providing technical support to projects in gender-oriented field methodologies. PROGENDER operates from the Regional Unit for Technical Assistance (RUTA V) for Central American projects.



- The presence of IFAD operations on both sides of the border will create the critical mass of investments and development actions to ensure significant results in poverty reduction and rural development.

40. It was agreed that the first initiative of the IFAD/Government operation will be the Social and Economic Development Programme for Vulnerable Populations Phase I: The Border Provinces. This proposal will encompass innovative poverty reduction approaches, methodologies and instruments using human and social development investments and activities, closely linked to agricultural and microenterprise income-generating support programmes. Skills training will be an important component for young men and women from *bateys*.

41. The second IFAD country operation, the Social and Economic Development Programme for Vulnerable Populations Phase II: *Bateys* from the Central and Eastern Provinces, will focus on inhabitants of the *bateys*. Over 150 000 Dominicans of Haitian origin live in *bateys* in the central and eastern provinces in conditions of extreme poverty. The relatively well developed (in terms of tourism, services and industries) surrounding provinces represent a favourable setting for poverty reduction by providing this vulnerable group with potential employment opportunities.

C. Linkages with Corporate and Regional Strategic Thrusts

42. IFAD will continue the participatory approach to poverty reduction characteristic of the ongoing Dominican Republic portfolio by ensuring the involvement of local base organizations and NGOs. The selection and design of future projects will be based on consultations with the Government, stakeholders and community. Grass-roots groups, NGOs, and municipal and local institutions will be mobilized for the planning and implementation of project activities. Innovative approaches to rural development require training of project beneficiaries and technical staff and the regular exchange of experiences among interested parties. Ongoing training and technical support networks provided by IFAD's Latin America and Caribbean Division (PL) enable systematic upgrading of rural development skills and knowledge, technical and operative support to programmes, and facilitate exchange of rural development experiences in the region.

43. In line with IFAD's strategy in the region, future projects in the Dominican Republic will emphasize impact assessment and provide stronger implementation support. IFAD will develop innovative tools for measuring project impact in terms of sustainable poverty reduction and ensure that the results influence the design and implementation of new and ongoing projects. Special attention will be accorded to: (i) greater beneficiary participation as a way of increasing project effectiveness and accountability; and (ii) exploring innovative and cost-effective methods for monitoring and impact assessment.

44. In-country networking of projects, combined with sub-regional and regional networking, has proved a useful tool in project improvement. FIDAMERICA, the Internet network that links IFAD's projects in the region will continue to provide a forum for exchange of experiences through its on-line seminars on topics such as rural credit, private extension services and marketing. PROPESUR is currently participating in this network.

45. Furthermore, PROGENDER, PL's new gender strengthening network will support all projects in the Dominican Republic through workshops and training events. The Rural Microenterprise Support Programme in Latin America and the Caribbean, a PL grant targeting small rural enterprises, will support microenterprise and handicraft development. In February 2001, the Programme for Strengthening the Regional Capacity for Monitoring and Evaluation of Rural Poverty-Alleviation Projects in Latin America and the Caribbean (PREVAL), the monitoring and evaluation technical



assistance grant, held a presentation meeting in Guatemala, which was attended by IFAD project staff from ongoing operations in the Dominican Republic.

D. Opportunities for Strategic Linkages with Multilateral and Bilateral Donors and Civil-society Organizations

46. IDB, the World Bank and the European Union (EU) are the most important multilateral donors operating in the Dominican Republic. IDB has the largest portfolio, with loans and operations totalling over USD 800 million. Projects focus on Government reform and the provision of water and electricity supplies, sewage systems, roads, education and health investments. The World Bank portfolio totals over USD 300 million with investments in health (HIV/AIDS prevention and control), electric power market development, education and post-Hurricane George reconstruction. The EU 1996 – 2000 indicative plan contemplated investments of USD 125 million in education, health and market development for the urban and rural populations of the border regions with Haiti.

47. Bilateral donors include USAID, KfW and the German Agency for Technical Cooperation (GTZ), and the governments of Japan, Italy and Spain. Even though the USAID country programme has been reduced in past years, its contribution to the reconstruction work following Hurricane George totalled close to USD 100 million. Its new operational programme, awaiting the United States Congress approval, includes support for HIV/AIDS prevention and control, and a food-for-education component for children from *bateys*. USAID has completed and published one of the most thorough studies on social and economic conditions of families from *bateys*. The Government, through the technical secretariat to the President, has initiated coordination meetings evaluating by sector, impact and cost-effectiveness of multilateral and bilateral investments. KfW has been supporting the PRO-COMUNIDAD while GTZ supports the Government decentralization programme. Both are implemented by ONAPLAN.

48. The country boasts an ample spectrum of civil-society organizations and church-based institutions concerned with rural development, education, health, social actions, gender, and social and economic research. NGOs and civil-society organizations working with vulnerable groups operate through the church, with external institutional support (governmental or private sector) or through contracts financed by the Government. Some institutions have programmes on both sides of the Dominican-Haitian border, providing support to migrant workers and rural poor in both countries.

49. Private rural development organizations play an important role, providing organizational and technical assistance to PROPEUR. Through training financed by PROPEUR, NGOs are applying participatory demand-led gender-oriented methodologies for rural development, strengthening their operational capacity. Over 75 institutions are devoted to the study, support and social development of the country's Dominican-Haitian community, notably the Centre for Social Studies Father Juan Montalvo, the Dominican Centre for Legal Studies and Support, the Dominican- Haitian Women's Movement, the Jesuit Centre for Refugees, World Vision International, Catholic Relief Services, Co-operative for Assistance and Relief Everywhere and the Latin American School of Social Sciences (FLACSO). However, support tends to be dispersive, lacking coordinating mechanisms and a common strategy, and therefore of limited benefit to the target group.

50. Recently, church-linked organizations and NGOs have started campaigns for the legalization of undocumented persons and for the registration of birth certificates for Dominican-Haitian children. Two networks have been organized for this purpose: the Jacques Viaud Network and the Council of Organizations of the Areas of the *Bateys* and Haitian Population (CONGHA). Activities include the distribution of information on registration procedures, access to legal counselling, training of local operators and a public relations campaign.



51. Several NGOs also deal with the gender and legal aspects of development and have been effective in promoting legal instruments in support of gender equity. In 1989, a central coordinating institution was created comprising 37 centres, 16 of which specialize in gender issues. The Dominican Republic also hosts the International Research and Training Institute for the Advancement of Women¹⁴.

52. Contacts have been initiated with OPEC Fund for possible project cofinancing in the Dominican Republic. Complementary funding estimated at USD 4.5 million would boost the financial capabilities of new IFAD country initiatives. Meetings have been held with USAID and EU country offices to establish coordination procedures for future IFAD operations.

53. During project formulation, civil-society organizations, NGOs, multilateral and bilateral donors and government institutions will be identified for strategic partnerships in areas such as social and civil rights development, education, health, sanitation and housing improvement. IFAD will play a catalytic role in bringing together related institutions and in coordinating public and private investments in the rural poor.

E. Areas for Policy Dialogue

54. As discussed, the Government established a set of policies in 2000 providing guidance on the country's poverty reduction and social investment programmes. The institutional framework for an active policy dialogue between the Government and IFAD involves the participation of ONAPLAN, which is responsible for poverty alleviation and decentralization programmes. As IFAD and ONAPLAN share a similar approach to poverty reduction and can draw on the experience of past and ongoing IFAD projects, policy dialogue will focus on conceptual and operational issues.

55. Areas for policy dialogue include:

- **Institutional framework/methodologies for poverty reduction:** Despite the new government policy framework for poverty reduction of 2000, the country's institutional framework for programme and project implementation still needs revision. Furthermore, the country's poverty reduction efforts require substantial improvements in their targeting and delivery mechanisms. IFAD, to date, has located its projects in the poorest provinces of the border region and targeted its interventions primarily at small poor farmers. The current more democratic government is now willing to address the social and economic problems of the vulnerable Dominican-Haitian community. This willingness, clearly expressed by the President in several public speeches and personally ratified with the IFAD mission, represents a major shift in policy regarding this segment of the population. The current political climate is therefore highly conducive to the development of sustainable programmes and an effective institutional framework for poverty reduction, which will assist vulnerable groups. An active dialogue on relevant issues will be maintained between IFAD and the Government.

Innovative conceptual and operative elements described under Section A need consideration in dealing with vulnerable populations. Policy dialogue must address the plight of undocumented nationals and aim to reduce the social exclusion and prejudice suffered by Dominican-Haitians. The appropriate ministries should be consulted on activities related to women's reproductive health and child nutrition.

- **Decentralization:** Over the last five years, a decentralization process has been implemented by the Government as a social and economic development tool and has brought positive results in the areas of planning, decision-making and implementation of state initiatives by local governments in rural development programmes. However, bureaucracy has prevented the full implementation of decentralization policies. Broad policy dialogue involving IFAD, central

¹⁴ This institute of the United Nations in the past has played an important role in addressing gender issues but is currently facing financial constraints.



government institutions and political decision-makers is needed to perfect mechanisms capable of transferring resources and power of decision to municipal and provincial governments. UNDP and GTZ are supporting ONAPLAN in the implementation of decentralization policies and will be strategic partners in future dialogue. PROPEUR is currently strengthening the role of municipal and provincial governments in rural development and the project's senior technical advisor is a resource person on ONAPLAN decentralization committees.

- **Development of the Dominican-Haitian border area:** For historical reasons the border area between the Dominican Republic and Haiti is the country's least developed region and has the largest concentration of rural poor. Improved relations between the two countries now mean that IFAD can play a catalytic role in promoting bilateral dialogue on the development of these areas. Ongoing IFAD-financed projects in both countries have the potential to support coordinated rural development efforts on both sides of the border. Strengthening border markets¹⁵ is a further initiative that could help small farmers and microentrepreneurs by providing a wider market for local products. Efforts will also strengthen bilateral resource management activities in the watershed of the Artibonito River. Bilateral agreements exist on this issue but have not been implemented due to inadequate financial resources.

F. Lending Framework and Non-Lending Activities

56. The economic model in the Dominican Republic has focused on tourism, services and in-bond assembly for re-export (*maquila*) in tax-free zones, and there has been a decline of the agricultural sector. As a result, poverty continues to be concentrated in rural areas. Rural dwellers, men and women small farmers and microentrepreneurs have been the priority target group of both the country's social development programmes and IFAD projects. Efforts are underway by the current Government to assist vulnerable groups of Dominican-Haitians living in *bateys*. The scope of IFAD operations will therefore widen to include these groups, in addition to its current target group.

57. It has been agreed with the Government that future IFAD operations will have two phases and be programme-oriented. Phase I will focus on the rural poor (small poor farmers and entrepreneurs) and extremely poor (Dominicans-Haitians living in *bateys*, and rural women and children) living in the provinces on the Haitian border. The first phase of the new lending programme will be the Social and Economic Development Programme for Vulnerable Populations Phase I: The Border Provinces, and the second will be the Social and Economic Development Programme for Vulnerable Populations Phase II: *Bateys* from the Central and Eastern Provinces. Together, these operations will reach the areas with the highest concentrations of rural poor. The scope, components and activities of IFAD interventions will be determined in consultation with the Government and project beneficiaries using participatory instruments during project formulation. The lending programme for the Dominican Republic is estimated at around USD 30 million over a period of about ten years. The first six-year operation will include an IFAD loan of USD 15 million, with possible cofinancing by the OPEC Fund of an estimated USD 4.5 million.

¹⁵ Large markets in the border towns of Dajabon, Comendador, Jimani and Pedernales in the Dominican Republic are held on Mondays and Fridays. Between 1 000 and 3 000 small traders buy and sell Dominican and Haitian agricultural and industrial products, representing a weekly sale volume of over USD 2 million.

APPENDIX I

COUNTRY BASIC DATA AND INDICATORS

DOMINICAN REPUBLIC

Land area (km² thousand) 2000 1/	48	GNI per capita (USD) 2000 1/	2 100
Total population (million) 2000 1/	8.6	GNP per capita growth (annual %) 2000 1/	6.3
Population density (people per km²) 2000 1/	177	Inflation, consumer prices (annual %) 2000 1/	6.5 a/
Local currency	Dominican peso (DOP)	Exchange rate: USD 1 =	DOP 17.05
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1980-99 2/	2.0	GDP (USD million) 2000 1/	19 894
Crude birth rate (per thousand people) 2000 1/	24 a/	Average annual rate of growth of GDP 2/ 1980-90	3.1
Crude death rate (per thousand people) 2000 1/	5 a/	1990-99	5.8
Infant mortality rate (per thousand live births) 2000 1/	39 a/	Sectoral distribution of GDP 2000 1/	
Life expectancy at birth (years) 2000 1/	71 a/	% agriculture	11
Number of rural poor (million) (approximate) 1/	0.9	% industry	32
Poor as % of total rural population 2/	30	% manufacturing	16
Total labour force (million) 2000 1/	3.8	% services	58
Female labour force as % of total 2000 1/	31	Consumption 2000 1/	
Education		General government final consumption expenditure (as % of GDP)	8
School enrolment, primary (% gross) 2000 1/	94 a/	Household final consumption expenditure, etc. (as % of GDP)	79
Adult illiteracy rate (% age 15 and above) 2000 1/	16	Gross domestic savings (as % of GDP)	13
Nutrition		Balance of Payments (USD million)	
Daily calorie supply per capita, 1997 3/	2 288	Merchandise exports 2000 1/	5 700
Malnutrition prevalence, height for age (% of children under 5) 2000 1/	11 a/	Merchandise imports 2000 1/	9 700
Malnutrition prevalence, weight for age (% of children under 5) 2000 1/	6 a/	Balance of merchandise trade	-4 000
Health		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2000 1/	4.8	before official transfers 1999 1/	-2 277
Physicians (per thousand people) 1999 1/	1.3	after official transfers 1999 1/	-429
Population without access to safe water (%) 1990-98 3/	21	Foreign direct investment, net 1999 1/	97 a/
Population without access to health services (%) 1981-93 3/	n.a.	Government Finance	
Population without access to sanitation (%) 1990-98 3/	15	Overall budget deficit (including grants) (as % of GDP) 1999 1/	0.6 a/
Agriculture and Food		Total expenditure (% of GDP) 1999 1/	16.3 a/
Food imports (% of merchandise imports) 1999 1/	n.a.	Total external debt (USD million) 1999 1/	4 771
Fertilizer consumption (hundreds of grams per ha of arable land) 1998 1/	893	Present value of debt (as % of GNI) 1999 1/	28
Food production index (1989-91=100) 2000 1/	98.1	Total debt service (% of exports of goods and services) 1999 1/	3.9
Cereal yield (kg per ha) 2000 1/	3 872	Lending interest rate (%) 2000 1/	26.8
Land Use		Deposit interest rate (%) 2000 1/	17.7
Arable land as % of land area 1998 1/	22.1		
Forest area (km ² thousand) 2000 2/	14		
Forest area as % of total land area 2000 2/	28.4		
Irrigated land as % of cropland 1998 1/	16.7		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database

2/ World Bank, *World Development Indicators*, 2001

3/ UNDP, *Human Development Report*, 2000



APPENDIX II

LOGICAL FRAMEWORK
(to be completed during formulation)

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions/Risks
<p>Goal:</p> <p>Rural poor organizations empowered to address poverty, exclusion and discrimination through the socio-economic development of the marginal rural border areas and <i>bateys</i> in an economically and environmentally sustainable manner.</p>	<p>Improvement in the poverty head-count in project areas by a specific % of the target group.</p> <p>Increment in rural incomes in a specific % of the target and beneficiary groups.</p> <p>Increment in the number of children with birth certificates in a specific % of the target group.</p> <p>Improvement in the nutritional status of children in a specific % of the target group.</p>	<ul style="list-style-type: none"> • Regional/national poverty statistics. • Project impact evaluation studies. • Monitoring data. • Nutritional evaluation studies. 	<p>Poverty reduction and social development in rural vulnerable populations high on Government agenda.</p> <p>Strengthened government framework and programmes for poverty reduction and economic development.</p>
<p>Purpose:</p> <p>Development of poor and excluded rural areas through human/social capital development, income improvement and community development.</p> <p>Empowerment and development of grass-root and rural women's organizations with increased participation in local and regional development activities.</p> <p>Improvement of government programmes for poverty reduction and social investment through better targeting and delivery mechanisms.</p>	<p>Improved civil and social status of marginal Dominican populations of Haitian origin.</p> <p>Improved housing, basic services, health and education and infrastructure in rural communities.</p> <p>Improved production support and demand-led rural services.</p> <p>Improved farm and off-farm family income.</p> <p>Improved market links for agricultural and non-agricultural products.</p> <p>Improved gender equity in project areas.</p> <p>Improved natural resource management.</p>	<ul style="list-style-type: none"> • Government regional poverty indicators. • Participatory impact assessments. • Nutritional monitoring data. • Monitoring data. 	<p>Project interventions targeted at vulnerable rural communities and rural poor.</p> <p>Demand-led and participatory operational strategies.</p>



TABLE 1. RURAL POVERTY AND AGRICULTURAL SECTOR ISSUES

Priority Area	Government	IFAD	Major Issues	Required Actions
Dominican Republic – Haiti border provinces	High	High	High levels of exclusion, discrimination and poverty in rural populations, particularly among rural women, Dominicans-Haitians and children. Low self-esteem. Low incomes derived from low productivity crop and livestock farming. Degradation of natural resources. Limited access to low quality rural extension and support services. Low levels of nutrition and education in children. High birth rate among vulnerable populations.	High priority targeting and elimination of discriminatory legal framework and practices by the Government. Diversification to higher income-yielding crops. Provision of demand-led participatory rural extension services. Provision of natural resource conservation-oriented productive technologies. Access to government child education and nutrition programmes.
Dominican populations of Haitian origin settled in <i>bateys</i> .	High	High	High levels of exclusion, discrimination and poverty in rural populations, particularly among rural women, Dominican-Haitians and children. Difficulty in obtaining birth certificates and identification documents by native Dominicans and Dominicans of Haitian origin. Low incomes from rain-fed and livestock farming. Degradation of natural resources. Limited access to low quality rural extension and support services.	High priority targeting and elimination of discriminatory legal framework and practices by the Government. Improved housing and sanitation services. Diversification to higher income-yielding crops. Provision of natural resource conservation-oriented productive technologies. Provision of demand-led participatory rural extension services. Access to child education and nutrition programmes, and family planning and reproductive health programmes run by the Government.
Gender	High	High	High levels of illiteracy among rural women. Low levels of labour market skills among women. Limited access to productive support services. Limited access to low quality rural extension and support services.	Provision of basic education programmes targeted at rural girls and women. Training for labour skills. Provision of demand-led participatory rural extension services.
Rural Communities	High	High	Low self-esteem and lack of empowerment of grass-root organizations. Low access to community basic education/health services. Limited investments in rural infrastructure.	Empowerment. Provision of demand-led non-refundable social investment resources for basic rural infrastructure. Establishment of local participatory demand-led mechanisms.

TABLE 2. TARGET GROUP PRIORITY NEEDS AND PROJECT PROPOSALS

Typology	Priority Needs	Project Responses
Small poor farmers	Productive and labour skills training. Financial resources for agricultural and non-agricultural production. Demand-led agricultural extension services. Adequate housing and basic rural services. Education.	Gender-oriented rural support services. Non-refundable productive capitalization funds. Provision of demand-led agricultural extension services. Social investment funds. Training activities targeted at communities.
Microentrepreneurs	Productive and labour skills training. Technical and financial resources for agricultural and non-agricultural production. Demand-led agricultural extension services. Economically oriented organizations.	Training activities targeted at small poor farmers. Non-refundable productive capitalization funds. Gender-oriented rural support services. Provision of demand-led agricultural extension services.
<i>Bateys</i> dwellers (of Haitian origin) and landless	Issuance of identification documents. Productive and labour skills training. Access to land markets and land rental markets. Technical and financial resources for agricultural and non-agricultural production. Market analysis of small rural enterprise opportunities and limitations. Adequate housing and basic rural services. Education.	Legal services to assist with procurement of identity documents. Training activities targeted at landless farmers and rural dwellers. Policy dialogue on the Land Reform Programme. Non-refundable capitalization funds. Financial support for market analysis of small rural enterprises opportunities and limitations. Social investment funds. Training programmes targeted at communities.
Poor rural women	Issuance of identification documents. Literacy and labour skills training. Empowerment and participation. Better and equitable access to rural and agricultural production services.	Education and training actions targeted at rural women. Proactive policy for rural women's participation in project decision-making structures. Gender-oriented rural support services. Investments in timesaving domestic devices, processes. Reproductive health services.
Rural children	Issuance of birth certificates. Basic education. Nutritional support.	Legal services to assist with birth certificates issuance processes. Agreements with Ministry of Education. Improvement of basic education infrastructure in rural communities and <i>bateys</i> .



TABLE 3. INSTITUTIONAL MATRIX (SWOT ANALYSIS)

Institution	Strengths	Weaknesses	Opportunities/threats	Remarks
ONAPLAN	Responsibility for the country's social and economic development programme nationwide. Responsible for current social investment resources. Responsible for the preparation of the national budget. Adequate participatory methodologies and financial resources.	Concentration in social investment, lack of adequate targeting, coordination and delivery mechanisms. Lacks impact evaluation methodologies. Limited activities in income-generation for the rural poor.	Provides an adequate vehicle for IFAD's current and future interventions.	ONAPLAN is the main government interlocutor for IFAD policy dialogue on poverty reduction and rural development.
Secretary of Agriculture	Nationwide field presence.	Top-down approach in extension services. Very limited budgetary resources and operational capabilities.	A reorganization of SA and extension service are required.	Past IFAD operations had difficulties working with SA.
Sugar State Corporation (CEA)	Owens land where <i>bateys</i> are located. Responsible for the improvement and maintenance of <i>bateys</i> .	CEA is in a process of closure and operates on an interim basis. Lack of resources for <i>bateys</i> maintenance and improvement.	CEA land transfer programmes could benefit <i>bateys</i> and rural communities.	Strategic alliances between ONAPLAN and IFAD operations could improve its land transfer programmes.
National Institute for Water Resources	Adequate level of expertise in irrigation and drainage works.	Top-down approach for small irrigation and drainage works. Lacks participatory methodologies.	Could cooperate with selected irrigation and drainage projects.	Requires participatory planning of field irrigation and drainage works.
Civil-society organizations and NGOs	Various degrees of field work experience. Organized by fields of expertise: human rights, social and economic development, gender and natural resources, a situation that could benefit the efficiency of contracted services.	Highly territorial. Paternalistic approach to rural development. Limited resources. Lack of impact evaluation instruments.	With current government policy in the privatization of rural services. NGOs will systematically be involved in the provision of rural social, economic, gender and natural resource management services.	The ongoing IFAD-financed project PROPESUR is gathering valuable experience in contracting, training and evaluating NGO operational capabilities.

TABLE 4. STAKEHOLDER MATRIX/PROJECT ACTORS AND ROLES

Component¹	Activities	Gender Strategies	Project Coverage	Government Institutions	Potential Contractors	Other Partners
Human Capital Development	<ul style="list-style-type: none"> • Legal support to expedite issuance of birth certificates and identification documents. • Housing improvement. • Basic education. • Adult education. • Child nutrition. • Training for labour skills 	Reinforced for rural women. Leadership training for rural women. Domestic timesaving investments.	Included in all projects.	ONAPLAN. PRO-COMUNIDAD. Ministry of Education. Ministry of Health.	NGOs, civil-society and grass-roots organizations.	
Social Capital Development	<ul style="list-style-type: none"> • Development of basic rural services in the community. • Training in organization and rural development. • Participation in decentralization committees. • Social investment funds 	Women's needs identified by participatory methods. Reinforce women's participation and leadership in social organizations.	Included in all projects.	ONAPLAN PRO-COMUNIDAD NGOs and grass-roots organizations GTZ and UNDP decentralization support projects.	NGOs and grass-roots organizations.	
Income-generation	<ul style="list-style-type: none"> • Training for productive skills. • Demand-led agricultural extension services. • Demand-led microenterprise support services. • Market intelligence and development support services. • Formation of beneficiary economic organizations 	Strengthen rural women's economic organizations. Domestic timesaving investments.	Included in all projects.	ONAPLAN	NGOs and grass-roots organizations Universities Private sector TAG CATIE FIDAMERICA PROMER	
Environmental management and conservation	<ul style="list-style-type: none"> • Education and training for environmental awareness. • Environmental conservation activities 	Promote women's involvement in training and environmental activities.	Included in all projects.	ONAPLAN, GTZ and UNDP decentralization support projects.	NGOs and grass-roots organizations Rural communities	

¹ Gender strategies will cut across all proposed components.

PREVIOUS IFAD LOANS TO DOMINICAN REPUBLIC

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Currency	Approved Loan/ Grant Amount	Disbursement (as % of approved amount)
Consolidation and Development of Rural Settlement Project	IDB	IDB	I	19 Dec 79	21 Apr 80	31 Dec 88	L - I - 28 - DO	SDR	9 300 000	85.12%
Small Scale Food Producers Development Project	IFAD	World Bank: IBRD	I	31 Mar 82	04 Mar 83	30 Jun 89	L - I - 98 - DO	SDR	9 000 000	69.26%
South Western Region Small Farmers Project	IFAD	UNOPS	I	03 Dec 87	20 Apr 90	31 Dec 97	L - I - 216 - DO	SDR	6 100 000	89.99%
Agricultural Development Project in San Juan de la Maguana	IDB	IDB	I	02 Dec 93	25 Feb 97	31 Dec 01	G - I - 12 - DO	USD	100 000	73.41%
Agricultural Development Project in San Juan de la Maguana	IDB	IDB	I	02 Dec 93	25 Feb 97	31 Dec 01	G - I - 576 - DO	USD	22 000	
Agricultural Development Project in San Juan de la Maguana	IDB	IDB	I	02 Dec 93	25 Feb 97	31 Dec 01	L - I - 345 - DO	SDR	4 250 000	99.27%
South Western Region Small Farmers Project Phase II	IFAD	IFAD	I	03 Dec 98	05 Apr 00	31 Dec 05	L - I - 495 - DO	SDR	8 750 000	25.24%



ACTION PLAN REGARDING CIVIL RIGHTS AND CIVIL STATUS

Context

1. The United Nations Millennium Declaration against Poverty recognizes the global responsibility for the respect and the defence of human dignity and equity. The concept of poverty includes both income and human poverty. With particular reference to rural areas in Latin America and the Caribbean, poverty and extreme poverty have been described as a phenomenon with three basic frequently inter-linked indicators: social exclusion and discrimination; lack of access to services necessary for satisfying basic needs; and income levels inferior to the minimum needed for obtaining basic goods and services including food¹.

2. According to universal and inter-american human rights instruments, human dignity includes the right to a name; the right to birth registration; the right to citizenship and the absence of discrimination based on nationality, ethnic origin or gender.

Objectives

3. Interventions aimed at combating poverty in the frontier area and in the *bateys* of the Dominican Republic must address human poverty, and in particular ethnic and gender discrimination, in accordance with the stated policies of the Dominican Government. The following objectives should be envisaged:

- registration of all births in IFAD project areas, and issuance of birth certificates, irrespective of the legal status and the possession of identity documents of the parents;
- retroactive registration of births of all persons for whom there is evidence of being born on Dominican territory, and issuance of birth certificates;
- recognition of Dominican citizenship and issuance of related documents for all persons born on Dominican territory, if these persons would otherwise be without any citizenship, except in cases where parents clearly have been in transit in the country during the period of delivery;
- equal access to education and professional training for women and girls; and
- strengthening community and self-help organizations.

Actions Proposed

Information Dissemination and Counselling

4. The target population must be informed about the right and duty to register births not later than 30 days after delivery, as well as the right to register births after the time limit, and the administrative procedures to follow. Information will be provided through written material; the production of a video; and community meetings.

5. Counselling services must be provided in all *bateys*, at municipalities and community organizations. Lawyers will carry out counselling together with other legal operators especially trained in the fields of civil rights and civil status procedures.

¹ Benjamín Quijandria; Anibal Monares; and Raquel Peña-Montenegro. 1999. *Hacia una región sin pobres rurales. Fondo Internacional de Desarrollo Agrícola, FIDA. Roma, Italia.*



Census of the *bateys* Population

6. Based on the existing population data, the census aims at establishing for each household member: date and place of birth; data regarding parents; and possession/absence of birth certificates and identity documents.

7. In cases where date/place of birth cannot be proved by documents, evidence of the truthfulness of declarations will be sought through a variety of means such as baptism registers, hospital registers, or witnesses² in the community.

8. Data collected during the census will be presented to the competent local authorities (Officials from Civil Registries, Judge of Peace, Prosecutor of the Judicial District, First Level Courts) and solutions will be sought for each case presented by legal counsellors.

Monitoring System

9. A monitoring system will be established on three levels: community (*bateys* and municipalities); provincial; and central.

10. At the community level, legal operators will receive claims regarding alleged acts of discrimination based on nationality, ethnic group or gender, as well on acts that could constitute human rights abuses. Special attention will be paid to women and girls, in particular regarding access to education.

11. If sufficient evidence is provided, in accordance with the provincial level of the system, claims will be presented to the competent administrative or judicial authorities. Actions taken by the authorities will be monitored.

12. At the central level, information will be collected; periodic monitoring reports will be prepared and presented to the competent governmental authorities. The central monitoring level will work in conjunction with the proposed permanent seminar.

First Steps

13. In an experimental stage, the above listed activities could be carried out within the framework of the existing PROPEUR project, and in the project area, particularly in the 18 *bateys* located in Independencia, Bahoruco and Barahona provinces. The relatively advanced stage of community organizations in these areas would facilitate the task.

Actors

Government

14. The action plan should be carried out by or closely coordinated with the relevant governmental institutions: ONAPLAN; Ministry of Education; Ministry of Women's Affairs; *Junta Central Electoral*, based on specific agreements. Members of Parliament elected in the project area should be regularly consulted.

International, Central NGOs and Church Organizations

15. Existing NGO networks already active in the field of legalization and civil rights, such as the Jacques Viaud Network and CONGHA, should be involved in the implementation of the plan.

² Law No. 659 on Civil Status does foresee the role of witness regarding declarations pertinent to registration.



APPENDIX V

Central NGOs and the Latin American School of Social Sciences – FLACSO should in particular participate in training of operators and information activities.

Community Organizations and Local NGOs

16. These should be the principal operational partners. Empowerment, training and logistic support to these organizations are essential parts of the action plan. Special regard should be given to the participation of women’s organizations and women operators. By enabling grass-root organizations to carry out specific activities, the overall capacities and roles of community initiatives would be strengthened.

Linkages with Donors

17. The European Commission is preparing the Ninth European Development Programme, based on the Cotonu Action Plan agreement of June 2000. The programme for the next four years will focus on reinforcement of institutional structures including decentralization, as a pre-requisite for combating poverty and social exclusion in the Dominican Republic.

18. Regarding the specific areas of promotion of human rights, legalization and training of personnel working in legal fields, as well as strengthening of community organizations, the Human Rights budget lines of the European Commission, outside the Cotonu framework, may provide opportunities for linkages with IFAD interventions.

19. Regarding the same areas of action, bilateral donors already interested in the *bateys* population, (mainly the Italian and Spanish cooperation programmes and USAID) may provide additional linkages. Italy is already involved with UNDP in the programme for Local Human Development, which includes activities in the *bateys* zones, implemented through ONAPLAN. USAID has supported an extensive field study resulting in the publication “Government *Bateys*”, released in 2001.

**BATEYS INHABITANTS: THE POOREST OF THE POOR**

1. Inhabitants of the *bateys* are among the poorest and most vulnerable rural populations of the Dominican Republic. *Bateys* are predominantly located mainly in the eastern and southern regions, as well as in the National District, close to actual or former sugar cane operations. They are located on state-owned land and are part of the sugar cane plantations administered until April 1999 by CEA. After that date, the plantations were leased for a 30-year period to four private consortiums. Responsibility for the physical conditions and maintenance of *bateys* was not defined in the law, or in the lease agreements. CEA and the consortiums have taken minimal initiatives to improve basic living conditions in the *bateys*. Moreover, municipal public administration is only marginally exercised in the *bateys*, which, as a result, are a sort of no-man's land. A mixed population of Dominicans, Dominicans of Haitians origin and Haitians inhabit the *bateys*. Contrary to widespread public opinion, which perceives *bateys* dwellers as Haitian, today the majority is formed by Dominicans and by descendants of Haitian immigrants living in the Dominican Republic for more than one generation.

2. Approximately one third of the *bateys* population has no legal identity. Parents who themselves have no identity documents encounter great difficulties in registering a birth, especially if they appear to be Haitians or of Haitian origin. After the age of 13, it is extremely complicated to obtain a birth certificate, which in turn, is the basis for the issuance of any other legal document. In many instances, Catholic priests refuse to baptize children without birth certificates. The lack of any document puts people in a state of *de facto* statelessness that denies them basic civil rights. Even those who can demonstrate their birth on Dominican territory and would therefore normally be entitled to Dominican citizenship can, according to the *ius soli* principle laid down in the constitution, be denied the right to citizenship: the evidence of being of Haitian origin is often grounds for considering them 'in transit' in the country and therefore ineligible for citizenship.

3. There are about 400 *bateys* in the country, two thirds in CEA-owned territory. In the CEA-owned *bateys*, during the non-harvest season there are an estimated 30 to 40 thousand families comprising a total of 180 to 240 thousand members. These are considered stable or permanent inhabitants, 47% own the shacks – albeit without legal title, or ownership of the land – and 38% had their shelters transferred to them by CEA, but without legal documents. Only 5% own their shacks legally. In the majority of cases, housing facilities are in a total state of disrepair, lacking sewage (70%) and running potable water (66%). During the sugar cane harvest season, the number of inhabitants of *bateys* more than triples with the arrival of seasonal Haitian workers.

4. Men from *bateys* work in agriculture (28%), construction (22%) and transport (14%), while 47% of women are employed in domestic service and 23% in small retail. Over 40% of the population working in sugar cane are unemployed for most of the off-harvest season. During the harvest season, the population with Dominican birth certificates earns a monthly family average of USD 112, those with Haitian birth certificates USD 86 and those who are undocumented USD 78. The overall monthly average per capita income in the *bateys* during the six-month harvest season reaches RDS 580 (representing USD 18 per capita/month and USD 0.6 per capita/day). Earnings are way below the poverty line estimated at USD 60 per capita/month and close to the extreme poverty line of USD 30. According to a USAID survey, during the sugar cane off-harvest season, 36% of the *bateys* population went to bed hungry from one to three consecutive days.