

Dominican Republic: Social Investment Fund "PRO-COMUNIDAD"

Ex-post evaluation

OECD sector	16310 – Social welfare/social services	
BMZ project IDs	1995 66,530 (investment) 1996 70 084 (Personnel Support)	
Project-executing agency	Fondo de Promoción a las Iniciativas Comunitarias „PRO-COMUNIDAD“	
Consultant	SANIPLAN/INBAS	
Year of ex-post evaluation	2004	
	Project appraisal (planned)	Ex-post evaluation (actual)
Start of implementation	Q 2 1996	Q 1 1999
Period of implementation	3 years	2.5 years
Investment costs	EUR 8.4 million	EUR 10.3 million
Counterpart contribution	EUR 0.7 million	EUR 2.6 million
Financing, of which Financial Cooperation (FC) funds	EUR 7.7 million	EUR 7.7 million
Other institutions/donors involved	-	-
Performance rating	4	
• Significance / relevance	4	
• Effectiveness	4	
• Efficiency	4	

Brief Description, Overall Objective and Project Objectives with Indicators

The objective of the open, multi-sector programme was to improve poor people's access to sustainably functioning social and economic infrastructure facilities and to create employment and income for a limited period of time (programme objective). This was intended to improve the social and economic situation of the poor and extremely poor population in the northeast of the Dominican Republic (overall objective). The target group was the entire poor population in the programme region.

To measure the achievement of the programme objectives, three indicators were formulated but without defining their levels of aspiration in the framework of programme implementation:

- Indicator 1: regional distribution of the funds according to the degree of relative poverty (no major deviations from the ex-ante planning).
- Indicator 2: proper operation and maintenance (serious problems occurred only in a maximum of x% of individual projects).
- Indicator 3: implementation of construction measures with local labour (x% of total labour input) or with an impact on employment and income (wages account for at least 25% of the costs).

Project Design / Principal Deviations from the original Project Planning and their main Causes

in response to the devastation wrought by hurricane Georges (October 1998) the project, initially conceived as an open, multi-sector programme, was broken down into a "Regular Programme" (mostly for the construction of schools, health posts and water supply) and a "Reconstruction Programme" (mostly for the reconstruction of schools, repair and improvement of housing, rehabilitation of plantations and income creating measures). The originally planned programme area was reduced from nine provinces with 35 municipalities to five provinces with 18 municipalities. The reconstruction measures focused on three of these five provinces. Under the regular programme, 56 facilities of social and economic infrastructure were built and 78 social and economic infrastructure facilities were rehabilitated and productive projects to restore the foundations for employment and income creation were implemented in the framework of the reconstruction programme. The 134 individual projects of both sub-programmes were planned on a participatory basis and supported by social work and counselling in the implementation phase. Along with the investments in fixed assets, a complementary measure to encourage the participation and instruction of user groups in maintenance and operation was applied in the same 18 municipalities.

The project-executing agency was the social investment fund PRO-COMUNIDAD ("Fondo de Promoción a las Iniciativas Comunitarias"). It was established by decree in 1993 with the social-policy mission of promoting the access of poor groups of the population to basic public services. It is the Dominican Republic's only social fund.

The technical supervision of construction was outsourced and monitored by inspectors of PRO-COMUNIDAD. So-called "contralores sociales" were appointed from the user groups; they acted as civil inspectors to supervise the construction and were trained for this function. These inspectors as well as further representatives of the users were instructed in maintenance and operation, and care was taken to have the different groups of the population properly represented by gender and age. The projects carried out under the reconstruction programme to support subsistence farming (productive projects) were implemented with the participation of non-governmental organisations.

On balance, 55% of the funds were used for the regular programme and 45% for the reconstruction programme. Under the regular programme the most important measures were water supply systems/wells (40%), schools (25%), health posts (17%) and electrification (12%). The most important measures of the reconstruction programme were schools (45%), productive projects (20%) and housing (17%). Productive projects comprised measures that safeguarded income, such as the rehabilitation of production plants and the establishment of commodity exchanges for tools and seeds, the provision of teams of oxen and livestock for rotating natural funds. One-third of the funds of the overall programme were used for schools and a good one quarter for water supply facilities. The sectoral distribution differs slightly from the planning at the time of project appraisal, which was necessitated by the needs of the reconstruction programme and by the participatory selection process.

The regional distribution of funds duly followed the degree of relative poverty (according to ex-ante budgeting on the basis of the poverty map prepared by the Oficina Nacional de Planificación). There are differences in operation and maintenance in the various sub-sectors (schools, health stations, water supply, electrification, etc), partly with serious and unacceptable problems, particularly in health stations and water supply. Only around 60% of the facilities created have an acceptable developmental effectiveness. According to calculations by the consultant, wages accounted for 19% of the cost of individual projects.

Key Results of the Impact Analysis and Performance Rating

In summary, we rate PRO-COMUNIDAD as an institution that works sluggishly, laboriously and inefficiently in comparison with other Latin American social funds. Its administrative expenses are unacceptably high at 25%. We see a serious weakness in the fact that PRO-COMUNIDAD has no systematic and telling information on the operation and utilisation of the individual projects. It displays a prevailing culture of systematic "delegation of responsibility" to

"upstream", "downstream" or other departments on the same level. The management in charge until August 2004 showed no interest in improving the efficiency or speeding up the implementation. The organisation's further development will depend strongly on how the mandate of the Fund is interpreted in the framework of the decentralisation and to what extent it will be endowed with national budget funds in the future.

To the extent possible, standardised plans and standardised cost estimates were used for the implementation of the individual projects. The investment costs were generally reasonable as well. However, cost efficiency, for instance in the health posts, is considerably limited by the fact that the buildings are too large for their purposes (emergency ward without preventive treatment and without in-patient facilities) and the number of actual users is far below expectations because of these restrictions and because of the unreliable supply with medicine. A large portion of the drilled wells also cannot be used because of defective pumps or lack of ground water. Given the many unusable wells and the only partially used health posts the costs of these project types per user were high and the investments did not adequately fulfil their purpose.

The ministries in charge are only partly assuming their responsibility for ensuring operation and maintenance. The Ministry of Education is relatively reliable in assigning personnel, providing teaching materials and financing repairs, while the Ministry of Health is staffing only some of the health posts and investing little in equipment and maintenance. In this regard the municipalities do not have a clear mandate. We expect the responsibility of the municipal administrations to be redefined in the course of the imminent reform of municipal legislation.

With the exception of parents' associations in the schools, user committees no longer exist. Minor repairs are carried out on the initiative of individuals or on a cost-sharing basis. Major damage, for instance to the water pumps, means a standstill for the facilities. The former "contralores sociales" still remember the training they received. But they do not deduce from this any lifelong duty to perform unpaid sideline work on the maintenance and operation of the facilities of social and economic infrastructure.

An economic return on the capital invested cannot be calculated because the impacts intended with the individual projects are mostly of a social and socio-economic nature. The strengths of the programme include its relative poverty orientation. Basic infrastructure projects cannot distinguish between users who are poor and those who are not, but the majority of the population at the selected project locations is poor. They live in rural areas in which the majority of the population survives on simple forms of crop cultivation and livestock farming or as day labourers. These communities have been reached only indirectly by the economic dynamism of the 1990s. The population at the project locations perceives the individual projects as a contribution to poverty reduction. Most of the beneficiaries surveyed under the ex-post evaluation stated that their living conditions had clearly improved in the last decade and that the projects had contributed to this.

The risks pointed out in the project appraisal report are today as follows: Frequent management replacements at PRO-COMUNIDAD led to major problems. The dreaded political influence on the use of the funds through the board of supervisors, in turn, did not play a role. In the course of project implementation the initial misgivings of the project-executing agency towards non-governmental organisations could be overcome only partly. From today's perspective there is a great risk to the sustainable operation of the facilities (with the exception of the schools), particularly of the health posts and wells.

In a combined assessment of all above impacts and risks we have arrived at the following rating of the developmental effectiveness of the programme.

Effectiveness

The programme objectives - improving the access of the poor groups of the population to sustainably functioning facilities of social and economic infrastructure and creating employment and income for poor groups of the population over a limited period of time - were not sufficiently met overall. In total, only around 60% of the measures implemented (in terms of volume of funds) were developmentally successful. The sub-component schools (priority investment), which accounted for 34% of the volume of funds, is functioning satisfactorily. Homes,

community centres, electrification, latrines and part of the productive measures had sufficient developmental effects. However, around 40% of the measures carried out (in terms of volume of funds) have a clearly insufficient developmental impact. The sub-components health posts and water supply are characterised by serious sustainability problems. Overall, we rate the project's effectiveness as slightly insufficient (**sub-rating: 4**).

Significance / relevance

All measures carried out under the regular programme and the reconstruction programme were in principle developmentally relevant. However, given the serious weaknesses in operation and in the utilisation of sub-components the programme cannot generally be regarded as having made a sufficient contribution towards durably improving the social and economic situation of the poor and extremely poor people in the five programme provinces. We rate the project's significance/relevance as slightly insufficient (**sub-rating: 4**).

Efficiency

We rate the production efficiency as clearly insufficient. Given the implementation conception chosen, we rate the implementation of the construction measures as adequate (standard estimates, standard prices). Unit prices and technical design were generally reasonable. However, some of the individual projects are oversized as they are being only partly used. Moreover, PRO-COMMUNIDAD operates very inefficiently as a project-executing agency. At around 25% of the programme cost, the project planning, preparation, monitoring and administration costs were unacceptably high. There are great weaknesses in the administrative-financial implementation of the individual projects; they apply both to the slow implementation rate, which calls into question the conception of the programme as a social fund (as a "quickly effective employment programme and rapid implementation instrument"), and to the lack of transparency and documentation of decisions and data. What we rate particularly negatively is that PRO-COMMUNIDAD is evidently not capable, despite repeated requests, of delivering information on the operation and maintenance of the facilities created and also sees no need for action in this regard. We rate the allocation efficiency as satisfactory. The individual projects were chosen in a largely participatory approach and on the basis of a poverty map. Overall, weighing the two sub-criteria we rate the project's effectiveness as no longer adequate (**sub-rating: 4**).

In the final analysis, accounting for the above sub-criteria, we rate the developmental effectiveness of the project as insufficient (**Rating 4**).

General Conclusions applicable to other Projects

The participation and identification of the users with the facilities constructed are a necessary but not a sufficient condition for a sustainable operation. Further conditions include the need for accurately defining responsibilities for different tasks and ensuring the availability of funding for maintenance and operation of the social and economic infrastructure facilities created.

The expectation that poor target groups are capable of operating social and economic infrastructure facilities on their own must be put in a relative perspective. Although they are capable of organising minor repairs, the municipalities and sector ministries must be involved for major repairs or complex technical problems as well as detailed utilisation conceptions.

In an ex-post analysis, a social fund does not appear to be an optimal approach for problem-solving and implementing a programme if the fund selected as project-executing agency operates inefficiently in some aspects and is too far removed from the target group, has major professional weaknesses and does not consider operation and maintenance to be relevant fields of involvement. In an environment of this sort the social fund approach is unable to unfold the strengths and potential inherent to it. In a setting of this kind, the desired developmental impact might be achieved more efficiently with classical sector programmes involving the relevant line ministries.

Legend

Developmentally successful: Ratings 1 to 3	
Rating 1	Very high or high degree of developmental effectiveness
Rating 2	Satisfactory degree of developmental effectiveness:
Rating 3	Overall sufficient degree of developmental effectiveness
Developmental failures: Ratings 4 to 6	
Rating 4	Overall slightly insufficient degree of developmental effectiveness
Rating 5	Clearly insufficient degree of developmental effectiveness
Rating 6	The project is a total failure

Criteria for the Evaluation of Project Success

The evaluation of the "developmental effectiveness" of a project and its classification during the ex-post evaluation into one of the various levels of success described in more detail below concentrate on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient **significant developmental effects** (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?
- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project conception)?
- To the extent that undesired (**side**) **effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms, or to carry on with the project activities on their own and generate positive results after the financial, organisational and/or technical support has come to an end.