



Approach Paper

Dominican Republic 2013-2016

Country Program Evaluation



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ABBREVIATIONS

BCRD	Central Bank of the Dominican Republic
CPE	Country program evaluation
CRI	Cash recovery index
EIU	Economist Intelligence Unit
GDP	Gross domestic product
IIC	Inter-American Investment Corporation
IMF	International Monetary Fund
MEPyD	Ministry of Economy, Planning, and Development
MIF	Multilateral Investment Fund
MSME	Micro, small, and medium-sized enterprise
OMJ	Opportunities for the Majority Sector
OVE	Office of Evaluation and Oversight
PBL	Policy-based loan
PCR	Project completion report
PDVSA	Petróleos de Venezuela, S.A.
PMR	Progress monitoring report
PPP	Purchasing power parity
PSR	Project status report
SCF	Structured and Corporate Financing Department
SPNF	Nonfinancial public sector
TFFP	Trade Finance Facilitation Program
WEO	World Economic Outlook
XPSR	Expanded project status report

I. INTRODUCTION

- 1.1 **This paper defines the scope and methodology for the evaluation of the IDB Group's country program with the Government of the Dominican Republic for the period 2013-2016.** In accordance with the Protocol for Country Program Evaluation (document RE-348-3), the main objective of country program evaluations is "to provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance".
- 1.2 **Taking an independent and holistic view, the CPE will analyze the IDB Group's relationship with the country, in particular the relevance, efficiency, effectiveness, and sustainability of the program.** The analysis will cover financial and nonfinancial products offered by the IDB Group (with the exception of the MIF) during the period under review. As established in the protocol, this exercise will serve as an input for preparation of the new country strategy with the Dominican Republic for the period 2017-2020.
- 1.3 **The 2013-2016 CPE will be the fourth independent evaluation conducted by the Office of Evaluation and Oversight (OVE) of the Bank's country program with the Dominican Republic and the first to cover the work of the entire IDB Group in the country.** The evaluation will cover the IDB Group's program during the period 2013-2016, which was guided by the Bank's country strategy for the same period (document GN-2748).¹ Previous evaluations covered the periods 1991-2003 (document RE-306), 2004-2008 (document RE-371), and 2009-2013 (document RE-453). Given the Bank's recent merge-out and OVE's new mandate to cover the activities of the entire IDB Group, the CPE will be the first to evaluate activities carried out by all windows as part of the country program.

II. CONTEXT OF THE COUNTRY PROGRAM 2013-2016

- 2.1 **The Dominican Republic, a middle-income country and one of the largest nations in Central America and the Caribbean, has seen robust economic growth over the past decade, posting one of the strongest rates in the region, while also improving its business climate and competitiveness (Annex I.A).** With a population of around 10 million people, the country's GDP tops US\$69 billion,² and its GDP per capita was US\$14,188 (PPP) in 2015, the third highest in the Central America-Dominican Republic region, after Costa Rica and Panama. The country's economy has performed well over the past decade, posting one of the highest growth rates in the region. Its GDP grew at an annual average rate of 5.1% between 1990 and 2013, with came in at 7.6% and 7.0% in 2014 and 2015, respectively. The International Monetary Fund is forecasting

¹ Although the country strategy was approved in January 2014, the years under review run from 2013 to 2016 because there was a period of overlap between the previous country strategy (2010-2013) and the current one (2013-2016).

² GDP estimate as of March 2016 by consensus of the Ministry of Economy, Planning, and Development, the Ministry of Finance, and the Central Bank of the Dominican Republic. Source: Ministry of Finance.

growth of 5.4% and 4.5% in 2016 and 2017, respectively (WEO, April 2016). Growth has been underpinned by robust investment, the U.S. economic recovery, rising tourism and remittances, and falling oil prices. Traditional exports (industrial and agricultural exports) have slipped in recent years, and the Dominican Republic has come to rely more on the U.S. economy with the 2007 signature of the Free Trade Agreement between the Dominican Republic, Central America, and the United States, tourism, and the establishment of specialized export-processing zones in the in-bond assembly (*maquila*) industry.³ Mineral exports (gold) have increased in importance and presently account for 14.2% of total exports.

- 2.2 **As the country's economy has grown, there has been a sustained fiscal deficit and a gradual reduction in the deficit in the balance-of-payments current account (Annex 1.A).** In 2013 and 2014, the fiscal deficit of the NFPS was 4.1% and 3.2% of GDP, respectively, considerably smaller than in 2012, when it was 6.9%, but larger than the 2009-2011 average (3.0% of GDP). Although the deficit came in at just 0.2% of GDP in 2015,⁴ deficits in excess of 2.0% of GDP are expected for 2016 and 2017 (EIU). Despite these fiscal imbalances, economic growth and prepayment of the country's debt to Petrocaribe⁵ paved the way for a reduction in the NFPS debt from 37.9% of GDP in 2013 to 35.9% of GDP in 2015. The deficit in the current account of the balance of payments shrank from 6.6% of GDP in 2012 to 2.4% of GDP in 2015 on rising tourism and remittances and falling oil prices.
- 2.3 **This economic growth has been associated with an improvement in the Dominican Republic's ranking in the WEO Global Competitiveness Index** (from 105th to 98th position, of a total of 140 countries) between 2012-2013 and 2015-2016. Despite this improvement, the country is still below the average for Latin America and the Caribbean and for Central America, and challenges persist in terms of strengthening institutions, enhancing labor market efficiency, and improving the delivery of basic social services. The macroeconomic environment pillar is the most responsible for pushing up the country's ranking. Institutions, meanwhile, is the weakest pillar, followed by innovation, labor market efficiency, and health and primary education. A further challenge to long-term growth is low labor productivity in nearly all sectors of the economy, especially among micro, small, and medium-sized enterprises (MSMEs), which make up 97% of the country's business sector but generate just 30% of GDP.⁶ Low productivity

³ Services in the largest sector of the Dominican Republic's economy (66.9% of GDP), led by the hotels, bars, and restaurants segment (8.2% of GDP). It is followed by industry (27.3% of GDP), which includes local manufacturing (11.4% of GDP), construction (10.4% of GDP), and manufacturing in export-processing zones (3.8% of GDP). Agriculture is the third largest sector (5.8% of GDP).

⁴ This was fundamentally the result of a sharp increase in the grants line due to the prepayment to Petrocaribe (see subsequent footnote).

⁵ The collapse in oil prices, which have plummeted from US\$115 per barrel in 2014 to US\$35 per barrel in March 2016, has not only sharply reduced the cost to the country of oil imports but also its dependence on Petrocaribe. The Dominican Republic paid off 98% (US\$4.027 billion) of its outstanding debt with Petróleos de Venezuela, S.A. (PDVSA) with a payment of US\$1.933 billion in January 2015 (at a discount of 52%). As at end-2014, this transaction lowered the external debt of the nonfinancial public sector from US\$23,811,300,000 (37.2% of GDP) to US\$21,717,200,000 (34.0% of GDP). The prepayment was financed with proceeds from a sovereign bond issue at 19.7 years (compared with 11.4 years of debt with PDVSA).

⁶ Consejo Nacional de la Competitividad [National Competitiveness Council], 2012, IDB, DR-L1072.

among a majority of the country's workforce is accompanied by high rates of informality (70% of wage earners do not contribute to social security).

- 2.4 **A low tax ratio, low efficiency of public spending, and management problems in the electricity industry hinder the public sector's capacity to provide basic infrastructure and social services and mitigate and respond to the risk of climate-related events to which the Dominican Republic is vulnerable.** Both current revenue and expenditure increased with the 2012 Fiscal Consolidation Act but remain among the lowest in the region. Total NFPS revenue totaled 14.6% of GDP in 2015, nearly 2% of GDP above the average level for 2009-2011 (12.9% of GDP). Current expenditure was 14.2% of GDP in 2012 (compared with 12.3% in 2009-2011). Capital expenditure in 2015 returned to the vicinity of the 2009-2011 average (3.5%) following a sharp increase to 6.4% of GDP in 2012 to finance infrastructure, mainly roads. The management problems in the energy sector are contributing to the fiscal imbalance and making the economy less competitive. Generation capacity has expanded but action is still needed to resolve distribution losses, improve management at distribution companies, and overhaul the rate structure (EIU, June 2016) to cope with sector operating deficits that are requiring a fiscal effort of 0.8% of GDP per year (BCRD, 2015).
- 2.5 **The 2012 fiscal consolidation program redirected a portion of public spending to the social sectors in order to improve services, but coverage and quality challenges continue to impair well-being and human capital accumulation in the country.** Health expenditure is still lower than expected, given the country's per capita income level. The allocation of resources by levels of complexity and for prevention is weak, and there are challenges related to quality (Annex I.B). The education system also faces problems with coverage (the net enrollment rate for pre-school, at around 40%, was the lowest in the Central America and Dominican Republic region in 2012, and for primary school was just 86.5%), internal efficiency (repetition, dropout, and overage rates), and quality (e.g., a ranking of 125th among 140 countries in terms of quality of primary education, and 138th of 140 countries in math and science in the Global Economic Forum ranking) (Annex I.B).
- 2.6 **Poverty fell sharply in 2014 and 2015 after a period of low sensitivity to economic growth.**⁷ The banking crisis plunged nearly half the population into poverty in 2004, the highest rate in recent times. Between 2004 and 2009, the rate dropped to 42.1% but then stalled until 2013, despite a period of strong economic growth. Poverty has since fallen sharply, to 32.1% in 2015 (similar to levels prior to the 2004 crisis). The extreme poverty rate followed a similar path but has fallen even more sharply in recent years (Annex I.B).

⁷ Source: Antonio Morillo Perez, 2015, *República Dominicana: Estimaciones oficiales de pobreza monetaria en Marzo 2015 y determinantes agregados de cambios recientes*.

III. IDB PROGRAM IN THE DOMINICAN REPUBLIC

A. Country strategy (2013-2016)

- 3.1 **The country program for 2013-2016 was guided by the Bank's country strategy with the Dominican Republic for 2013-2016.** The country strategy established three pillars of action: (i) macroeconomic stability and fiscal management conducive to sustainable economic growth; (ii) investment in human capital; and (iii) productive development policies that promote productivity and business competitiveness (Table 3.1 presents the strategic pillars, sectors, and expected results by sector). The country strategy identified gender as a crosscutting area of action in the human capital pillar, and climate change adaptation and mitigation and vulnerability reduction as a crosscutting area in interventions to support the productive development and energy sectors, with an emphasis on the design of logistics and road infrastructure and distribution networks. The strategy also called for support from the private sector windows to promote infrastructure development, human capital, and the productive sectors. The country strategy identified bilateral economic development and integration with Haiti and social security reform as areas where the dialogue with the country should be deepened.

Table 3.1
Country strategy 2013-2016: Strategic pillars, sectors, and targets by sector

Priority areas	Sectors	Expected results
Macroeconomic stability and fiscal management conducive to sustainable economic growth	Fiscal management	<ul style="list-style-type: none"> • Reduction in tax expenditure due to tax incentives in corporate income tax • Increase in percentage of government expenditure under the supervision of SIGEF and Single Treasury Account • Increased in budget predictability
	Energy	<ul style="list-style-type: none"> • Increase in the cash recovery index (CRI) • Reduction in % total losses during distribution
Investment in human capital	Social protection	<ul style="list-style-type: none"> • Alleviation of poverty conditions of poor families • Improved levels of health and education among children and young people in the poorest families • More efficient social assistance spending
	Education	<ul style="list-style-type: none"> • Improved effective promotion rates in basic and secondary education • Improved learning in reading, writing, and math in 3rd and 4th grade • Consolidation of national system of integral care and protection in early childhood
	Health	<ul style="list-style-type: none"> • Improved access to preventive services • Better quality of maternal and infant care services • Increased coverage of population's health insurance
Productive development policies that promote productivity and business competitiveness	Productive development	<ul style="list-style-type: none"> • Better innovation performance by companies • Improved access to credit for MSMEs • More MSMEs access export markets in various sectors and the economy as a whole, and they do so more efficiently

- 3.2 **The areas identified as priorities in the 2013-2016 strategy continue to be regarded as the major areas for medium-term support by the IDB Group in the country.** The Bank's country strategy for 2010-2013 identified nine areas for intervention: public finance; social protection; education; workforce integration; energy; transportation; water and sanitation; agriculture; and tourism. The 2009-2013 CPE prepared by OVE described the strategy as relevant and noted that the Bank's program emphasized support for structural reforms in key sectors of the economy, through a programmatic approach, but with mixed results.
- 3.3 **The 2013-2016 strategy identified the most significant risks as vulnerability to external shocks**, inasmuch as the economy is small, open, and heavily dependent on the U.S. economy; **vulnerability to natural disasters**; and **weak executing capacity by local counterparts**. To mitigate these risks, the strategy called for the provision of technical assistance, financial instruments, and contingency lines of credit, the adaptation of programs to local conditions, and the strengthening of country systems.

B. Bank's portfolio of operations 2013-2015

- 3.4 **Between January 2013 and June 2016, the IDB Group approved nearly US\$1.65 billion in 17 new loan operations.** The total amount of approvals has been slightly higher than the amount proposed in the country strategy (US\$1.528 billion between 2013 and 2016) and lower than the amount approved in the previous evaluation period (29 loans for US\$2.1877 billion approved between 2009 and 2012, Figure 3.1). Since 2013, the approved portfolio has focused on the three strategic pillars identified in the 2013-2016 country strategy: strengthening of human capital (48.4% of total approvals); macroeconomic stability and spending efficiency (19.1% of total approvals); and productive development and competitiveness (27.5% of total approvals). In addition, direct support was provided to the private sector (5% of total approvals, Annex II.A). The legacy portfolio includes 18 active operations as of the first half of 2013 with an undisbursed balance of more than 30%. The legacy portfolio was originally approved for US\$748.9 million, with an undisbursed balance of US\$598.29 million at the beginning of the evaluation period.⁸

⁸ The undisbursed balance of the legacy portfolio was calculated based on the amount that was originally approved. It excludes undisbursed amounts for the three private sector projects (productive sectors).

Figure 3.1
Annual loan approvals by type of instrument 2006-2016⁹

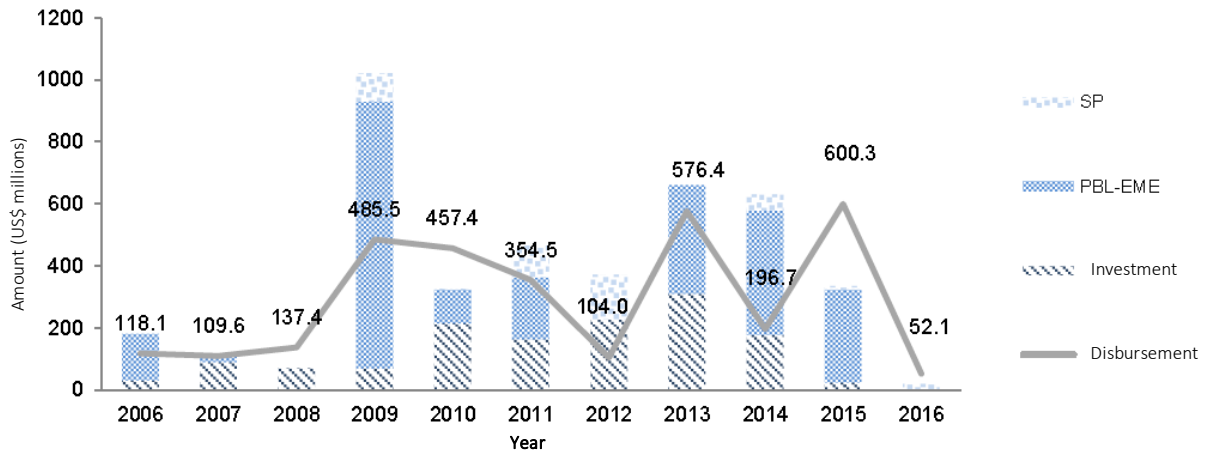
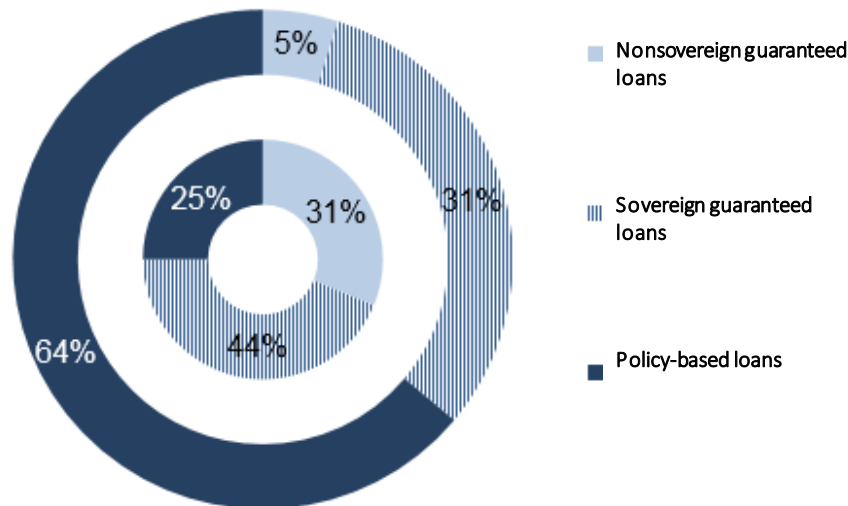


Figure 3.2
Portfolio of approved loans by instrument, 2013 – June 2016



Note: The outer circle reflects the percentage of funds approved; the inner circle represents the percentage of operations approved.

3.5 Sovereign guaranteed loans accounted for nearly 95% of total amount of approvals during the evaluation period, and most were programmatic policy-based loans (Figure 3.2). Between January 2013 and June 2016, the Bank approved 11 sovereign guaranteed loans totaling around US\$1.56 billion.

⁹ For 2016, only disbursements to May have been considered.

Roughly 64% of the total lending envelope from the IDB Group was channeled into four fast-disbursing loans—specifically, policy-based loans (PBLs). Between 2009 and 2012, PBLs accounted for 53% of the total amount approved by the IDB Group during the period.

- 3.6 **The Bank also approved 26 nonreimbursable technical cooperation operations totaling US\$8.5 million, a sizeable reduction from the amount approved in the previous period (40 operations for US\$15.3 million).** The program of technical assistance approved since 2013 was not limited to the pillars targeted by the loan portfolio, but there was significant alignment. Specifically, nine technical cooperation operations were approved in the human capital pillar, three in the productive development and competitiveness pillar, and six in the macroeconomic stability and spending efficiency pillar. Another four were approved to support Group C and D countries. The remaining four deal with areas related to transportation, road safety, and emerging cities (Annex II.B).
- 3.7 **In addition, the IDB Group's private sector windows (excluding the MIF) approved six loans—four loans from the Structured and Corporate Financing Department (SCF), the first loan for the Dominican Republic from the Opportunities for the Majority Sector (OMJ), and a loan from the Inter-American Investment Corporation (IIC)—for a total amount of approximately US\$80 million.** Between 2009 and 2012, the private sector windows approved 10 loans for roughly US\$340 million. All loans approved between 2013 and 2016 were credit lines for financial intermediaries. The bulk of these resources (nearly US\$70 million) are loans approved for Banco de Reservas de la República Dominicana (Banreservas) through the Trade Finance Facilitation Program (TFFP). The remaining lines of credit are with commercial banks that support small and medium-sized enterprises and finance home improvements.

IV. EVALUATION QUESTIONS

- 4.1 **This CPE will use the traditional evaluation criteria of relevance, effectiveness, and sustainability (OECD-DAC).** These dimensions offer a full picture of the program, not only in terms of its importance but also its results and the means used to achieve them. The portfolio that will be analyzed for the country program evaluation 2013-2016 will include all active operations during the period. The evaluation questions that the CPE will attempt to answer are described in the Protocol for Country Program Evaluation (document RE-348-3, paragraph 19 and Annex I) approved by the Bank's Board of Executive Directors. The evaluation dimensions are described below, with examples of the most relevant questions for the CPE:

A. Relevance

- 4.2 Relevance refers to the degree of consistency between (i) the design and objectives of the IDB Group's strategy and program of assistance, and (ii) the needs of the country and the government's development plans and priorities. On this dimension, the CPE sets out to answer the following questions:
- How did the IDB Group position itself in the country given the social and economic conditions, its development challenges, and the government's priorities?

- Were the Bank's strategic objectives relevant to the country's long-term needs and the government's priorities? To what extent was the Bank program aligned with its strategic objectives?
- Was the mix of instruments used by the IDB Group in its loan portfolio consistent with the capacity, needs, and macroeconomic conditions of the country? What accounts for differences in the mix of instruments used in 2009-2012 and 2013-2016?
- To what extent were the reforms supported by policy-based loans relevant, given the country's development priorities and macroeconomic conditions?

B. Implementation and effectiveness

4.3 The analysis of implementation looks at the extent to which the Bank program achieved the proposed outputs at a reasonable cost and schedule, touching on crosscutting elements such as efficiency of the executing agencies, use of country systems, and quality of the technical and administrative support provided by the Country Office and Headquarters. The analysis of effectiveness looks at the extent to which the program objectives agreed upon by the Bank and the country were met. On this dimension, the CPE seeks to answer the following questions:

- To what extent did project execution mechanisms contribute to the efficiency and effectiveness of executed projects?
- How efficient has project implementation been (in terms of cost and time of preparation and implementation)?
- How effective has the IDB Group's program been? What have been the most effective interventions? What have been the factors of success? Did the interventions contribute to achievement of the Bank's strategic objectives?
- How effective was the technical cooperation program and how did it contribute to the Bank's strategic objectives with the country? To what extent have the technical cooperation operations and the policy-based loans been complementary?
- What role have the Bank's private sector windows played in the country and how effective have they been? Were the IDB Group's public and private sector windows satisfactorily aligned and coordinated during the period under review?
- To what extent was there coordination with other donors and what role did they play in preparing the 2013-2016 strategy and implementing the IDB Group's program?
- What support did the Bank provide to strengthen country systems for use in the program that was implemented?

C. Sustainability

4.4 Sustainability refers to the likelihood that program results will persist in the long run. On this dimension, the CPE seeks to answer the following questions:

- What evidence is there that the results of the IDB Group's program are sustainable?

- To what extent did the IDB Group consider sustainability challenges/risks in the design of the program and the operations?
- What factors have contributed, whether positively or negatively, to the sustainability of program results?

D. Evaluation methodology

- 4.5 **The evaluation will follow the methodological guidelines stipulated in the Protocol for Country Program Evaluation (document RE-348-3).** It will draw on an array of information sources. These include interviews of key informants: current and former government employees, individuals involved in executing projects, sector specialists from the IDB Group, international donors, and members of academia and civil society who are familiar with the country's development challenges and the various sectors in which the Bank operates. In addition, an analysis will be performed of the Bank's programming, oversight (PMR, PSR), and evaluation (PCR, XPSR) documents. OVE will supplement the documentary analysis with an analysis of internal and external databases. The evaluation methodology will include a sector analysis comparing different types of interventions.
- 4.6 **Given the importance of PBLs in the period under evaluation, the CPE will conduct an in-depth analysis of their design and execution.** The CPE will apply the methodology developed by OVE (document RE-485-5) to capture static and dynamic aspects of PBLs. Specifically, the analysis will focus on three dimensions of evaluation: (i) the depth of policy conditions (i.e., the extent to which policy conditions have been critical enough to bring about lasting change in the policy or institutional environment); (ii) sequencing (i.e., the extent to which the policy conditions included in each loan of a programmatic series follow a logical sequence over time, in accordance with the stages of the policy reform process); and (iii) vertical logic (i.e., the coherence between the policy conditions and the reform program's objective and results indicators). To the extent possible, OVE will also analysis the progress of programmatic series (including whether series have been completed in full or truncated).
- 4.7 **The CPE will pay special attention to the relationship between policy-based loans and technical cooperation operations.** Given the importance of technical assistance as support for countries in the dialogue and reform process, the CPE will look at the complementarity between technical cooperation operations and policy-based loans.

V. TEAM AND TIMELINE

- 5.1 **The evaluation of the country program with the Dominican Republic will be carried out by a multidisciplinary team,** under the supervision of OVE Director Cheryl Gray. The team will be led by Cesar P. Bouillon, who will have the support of Maria Fernanda Rodrigo, Agustina Schijman, Leslie Stone, Claudia Figueroa, Raphael Seiwald, Patricia Vargas Oliveira, and Ana Ramirez.
- 5.2 **To ensure the relevance and usefulness of the evaluation, the team will establish a dialogue with the Bank's Management and, in particular, with the Country Office in the Dominican Republic. The evaluation will include one or two missions to the country (depending on the needs of the evaluation).** The main tasks of the missions will be: (i) to identify the main

features of the relationship between the Bank and the country; (ii) to collect data and validate project analyses; (iii) to visit specific projects to gather information from the executing agencies and beneficiaries; and (iv) to conduct workshops and focus groups.

- 5.3 **The evaluation timetable has been keyed to the decision-making processes for the Bank's new country strategy with the Dominican Republic for the period 2017-2020.** In accordance with the protocol for country program evaluations, the findings of the country program evaluation should be provided when the government is prepared to make strategic decisions about the use of external assistance. The indicative timeline is described in Table 5.1.

Table 5.1: Indicative timetable of activities

ACTIVITY	DATE
Approach paper	August 2016
Mission	September 2016
Draft sent to Management and the Government of the Dominican Republic for consideration	December 2016
Final document sent to the Office of the Secretary	January 2017
Presentation to the Programming Committee of the Board of Executive Directors	February 2017

ANNEX I

A. Dominican Republic: Economic Indicators 2009-2015

	Average 2009-2011	2012	2013	2014	2015	2016
GDP, prices, and labor markets						
GDP at constant prices (annual percentage change) ^a	4.1	2.8	4.7	7.6	7.0	
Public-private investment (% of GDP) ^b	0.31	0.28	0.26	--	--	--
CPI inflation (end of period) ^b	6.59	3.91	3.88	1.58	3.04	3.96
Exchange rate (end of period) ^a	37.5	40.3	42.7	44.3	45.5	--
External sector						
Exports, FOB (goods, US\$ billions) ^b	2.693	4.129	4.474	4.677	--	--
Imports, FOB (goods, US\$ billions) ^b	12.488	14.939	13.876	13.838	--	--
Net terms of trade (2000 index = 100) ^c	72.2	68.3	67.1	67.4	--	--
Total external debt (% of GDP) ^b		33.2	36.3	37.7	35.1	34.2
Gross international reserves (US\$ billions) ^a	3.724	3.559	4.701	4.862	5.266	--
Current account deficit (% of GDP) ^b	6.6	6.6	4.1	3.1	2.4	3.1
Fiscal sector (central government)^a						
Total revenue (% of GDP)	12.9	13.4	14.4	15.0	14.6	
Total expenditure (% of GDP)	15.9	20.0	17.9	17.9	17.7	
- Current expenditure (% of GDP)	12.3	13.6	14.0	14.8	14.2	
- Capital expenditure (% of GDP)	3.5	6.4	3.9	3.1	3.5	
Deficit (% of GDP)	2.8	6.7	3.4	2.8	-0.1	2.5 ^d
NFPS deficit (% of GDP)	3.0	6.9	4.1	3.2	0.2	
NFPS debt (% of GDP) ^e	27.9	32.2	37.9	37.2	35.9	
NFPS external debt (% of GDP) ^e		21.3	24.4	25.1	23.9	
Money and credit						
Credit to the private sector (% of GDP) ^c	21.4	21.6	23.1	25.4	28.2	--
Rate on 30-day deposits and/or certificates ^f	5.12	4.13	6.17	--	--	--

Sources: a. Central Bank, b. IMF, c. World Bank, d. Economist Intelligence Unit, e. Ministry of Finance, Public Credit Division, f. National Statistics Office, based on Central Bank data.

B. Dominican Republic: Social Indicators 2010-2015

	2010	2011	2012	2013	2014	2015
Poverty and inequality						
Poverty rate (% of population) ^{a l}	41.6	40.4	41.0	41.2	35.8	32.1
Extreme poverty (% of population) ^{a l}	11.4	10.2	10.5	10.0	7.9	5.7
Gini coefficient ^b						0.452
Social programs						
Spending on social services (% of GDP) ^c	6.98	6.80	7.90	8.78	7.73	8.12
Health						
Life expectancy at birth (years) ^d	71.8	72.0	72.3	72.6	72.8	--
Child mortality rate (per 1,000 live births) ^e	27.8	--	27.8	27.0	31.0	--
Neonatal mortality rate (per 1,000 live births) ^f	23.5	23.3	23.0	22.6	22.1	21.7
Maternal mortality rate (per 100,000 live births) ^{f ll}	125.9	--	--	--	--	92.0
Institutional births (%) ^g	--	--	--	98.5	--	--
Education						
Average years of education among the population age 15 and older ^a	8.3	8.4	8.6	8.6	8.7	--
Net coverage rate by educational level ^h						
Initial ^{lll}				41.9		
Basic				90.7		
Intermediate				54.0		
School dropout rates ⁱ						
Incomplete basic education (%)					37.5	
Complete basic education (%)					8.4	
Incomplete intermediate education (%)					16.0	
Complete intermediate education (%)					17.7	
Results of the TERCE test (administered in 15 countries in Latin America and the Caribbean) ^j						
Math ranking, 3rd grade				15		
Math ranking, 6th grade				15		
Reading ranking, 3rd grade				15		
Reading ranking, 6th grade				15		
Labor market						

[illegible]

ANNEX II

A. Portfolio of loans, CPE, Dominican Republic (PBLs appear in bold, cancelled operations with underlining)

Intervention pillar	Sector	Legacy portfolio (year of approval) ¹	Amount (US\$ millions)	Included in evaluation ²	Portfolio approved during evaluation period (year of approval)	Amount (US\$ million)
Investment in human capital	Social protection	DR-L1006 Labor Markets and Social Transfers – Phase I (2005)	10.0	No	DR-L1059 Support for the “Progresando con Solidaridad” Program (2013)	100.0
		DR-L1036 Program to Support the National Employment System (2011)	20.0	Yes		
		DR-L1039 Support for the Social Protection Program – First Phase (2009)	70.0	No		
		DR-L1044 Support for the Social Protection Program – Second Phase (2010)	100.0	No		
		DR-L1047 Support for the Social Protection Program – Third Phase (2011)	80.0	Yes		
		DR-L1053 Support for Consolidation of the Social Protection System (2012)	130.0	Yes		
	Education	DR-L1032 First Individual Loan for the Program to Support the 10-Year Education Plan (2010)	50.0	No		
		DR-L1056 Second Individual Loan for the Program to Support the 10-Year Education Plan (2012)	50.0	Yes		
	Health				DR-L1067 Strengthening Results-based Management in the Dominican Republic's Health Sector (2013)	146.0
					DR-L1069 First Project to Support the Strengthening of Health Sector Management (2014)	100.0
					DR-L1073 Support for Health Sector and Social Security Consolidation (2014)	150.0

¹ The legacy portfolio includes all active loans as of the first half of 2013.

² The projects in the legacy portfolio that will be included in the evaluation had undisbursed balances of 30% or more at the start of the first half of 2013. The following projects, which were cancelled during the period, will also be included: the Bani Wind Energy Project and the PECASA Wind Energy Project.

Intervention pillar	Sector	Legacy portfolio (year of approval) ¹	Amount (US\$ millions)	Included in evaluation ²	Portfolio approved during evaluation period (year of approval)	Amount (US\$ million)
					DR-L1079 Support for Health Sector and Social Security Consolidation II (2015)	300.0
Macroeconomic stability and public spending efficiency	Fiscal management	DR-L1003 Program to Strengthen the National Statistics System (2005)	10.0	No	DR-L1064 Fiscal Strengthening Support Program (2013)	350.0
		DR-L1007 Disaster Prevention and Risk Management Program (2005)	5.0	No	DR-L1070 <u>Modernization of the Dominican Republic's Budget and Financial Management (2015)</u>	25.0
		DR-L1005 Program to Modernize Public Resource Management (2006)	21.0	Yes		
		DR-L1016 Institutional Strengthening of the Internal Revenue Service (DGII) (2007)	10.5	No		
	Energy	DR-L1026 Electricity Distribution Network Rehabilitation Project (2008)	70.0	Yes	DR-L1034 Support for the Power Distribution Network Modernization and Loss Reduction Program (2014)	78.0
Productive development policies that promote productivity and business competitiveness	Productive development and competitiveness	DR-L1031 Program in Support of Subsidies for Innovation in Agricultural Technology (2010)	30.0	Yes	DR-L1065 <u>MSME Development Financing Program (2013)</u>	30.0
		DR-L1035 Tourism Development Program – Colonial City of Santo Domingo (2011)	30.0	Yes	DR-L1068 Productive Development and Competitiveness of the Province of San Juan (2013)	35.0
		DR-L1048 Agrifood Health and Safety Program (2011)	10.0	DR Yes	DR-L1072 Formalization and Productivity Improvement Program in the Dominican Republic (2014)	250.0
		DR-L1054 <u>Agricultural Research and Development Program (2012)</u>	22.0	No		
Other sectors		DR-L1008 Multiphase Program for Road Infrastructure – Phase I (2007)	80.0	Yes		
		DR-L1045 <u>Insurance Facility for Emergencies Caused by Catastrophic Natural Disasters (2011)</u>	24.0	No		
		DR-L1041 INAPA Water and Sanitation Investment Program (2010)	35.0	Yes		
		DR-L1057 Santiago Water Supply Service Improvement Program (2012)	25.0	Yes		

Intervention pillar	Sector	Legacy portfolio (year of approval) ¹	Amount (US\$ millions)	Included in evaluation ²	Portfolio approved during evaluation period (year of approval)	Amount (US\$ million)
		DR-0123 Consolidation of Water Supply and Sanitation Reform (1999)	71.0	Yes		
Private sector	Infrastructure	<u>1 loan</u>	27.6	Yes		
	Energy	<u>1 loan</u>	50.7	Yes		
	Productive sectors	3 loans ³	18.6	Yes	6 loans	83,0
Total		27 Operations	1050.4		17 operations	1647.0

B. Portfolio of technical cooperation operations, CPE, Dominican Republic

Intervention pillar	Sector	TCs approved in the period 2013-2016 (year of approval)		Amount (US\$ million)
Investment in human capital	Social protection	DR-T1103	Long-term Impacts of the Youth and Employment Program (2013)	0.60
	Education	DR-T1104	Support for the Early Childhood Development Strategy (2014)	0.88
		DR-T1108	Support for the International Seminar on an Extended School Day (2013)	0.01
		DR-T1110	Support for the Early Childhood Development Seminar (2013)	0.02
		DR-T1125	Support for a Learning Visit to Argentina (2014)	0.02
		DR-T1130	Improvement of Educational Assessment (2015)	0.45
		DR-T1135	Improvement of Teacher Quality (2015)	0.02
	Health	DR-T1111	Support for Implementation of Health Sector Reform (2013)	0.30
		DR-T1098	Support for Health Sector and Social Security Reform (2014)	0.90

³ This includes an equity investment operation.

Intervention pillar	Sector	TCs approved in the period 2013-2016 (year of approval)		Amount (US\$ million)
Macroeconomic stability and public spending efficiency	Fiscal management	DR-T1117	Streamlining Public Administration Expenditure (2014)	0.50
	Energy	DR-T1112	Best Practices in Managing a Public Electricity Company (2013)	0.02
		DR-T1116	Support for the Power Distribution Network Modernization and Loss Reduction Program (2014)	0.40
		DR-T1122	Support for the Power Distribution Network Modernization and Loss Reduction Program (2014)	0.40
		DR-T1131	Support for the Identification of Potential Solutions for Rural Energy Supply in the Dominican Republic (2015)	0.40
		DR-T1134	Best Practices in Managing a Public Services Company (2015)	0.02
Productive development policies that promote productivity and business competitiveness	Productive development and competitiveness	DR-S1009	Business and Financial Model for the Sustainable Macadamia Farming (2013)	0.21
		DR-T1124	Design of Mechanisms to Support MSMEs. Exchange of Experiences (2014)	0.02
		DR-T1120	ICTs and Broadband as a Financial Inclusion Tool (2015)	0.40
Other sectors		DR-T1101	Support for Implementation of the National Road Safety Strategy (2013)	0.50
		DR-T1102	Strengthening for MEPyD in cargo logistics and the transportation economy (2013)	0.50
		DR-T1109	Road Safety and Traffic Management: The Experience of Guatemala City (2013)	0.01
		DR-T1119	Implementation of the ICES in Santiago de los Caballeros (2014)	1.20
		DR-T1106	Action Plan for Group A and D Countries (2013)	0.26
		DR-T1121	Action Plan for Group C and D Countries (2014)	0.26
		DR-T1133	Action Plan for Group C and D Countries (2015)	0.26
		DR-T1147	Action Plan for Group C and D Countries (2016)	0.42
Total		26 operations		8.98