



**Executive Board of
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Population Fund**

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UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

SECOND EXTENSION OF THE THIRD COUNTRY
PROGRAMME FOR ANTIGUA AND BARBUDA

Note by the Administrator

I. JUSTIFICATION

1. The third country programme for Antigua and Barbuda (1992-1996) was approved by the Governing Council at its thirty-ninth session in March 1992. The Government requested a one-year extension of the programme, through December 1997, which the Administrator granted and of which he informed the Executive Board accordingly at its third regular session 1997. The Government has requested a further one-year extension of the third country programme to delineate the focus and extent of the new programme areas for UNDP support and to finalize its national economic development plan.

2. The Government has identified capacity-building in development planning and management as a priority area for UNDP support under the proposed country cooperation framework (CCF). The first extension of the third country programme was granted to assist the Government in formulating a comprehensive development plan. UNDP and the Government are still discussing the precise modalities for advancing this initiative, including identification of the key elements of an appropriate development framework and the relative priorities to be assigned to them. It is expected that a decision on strategy and methodology will be reached during the first quarter of 1998, leading to the implementation of UNDP support for formulation of the plan during the remainder of the extension period. The additional one-year extension will therefore facilitate the definition of the proposed development plan, the identification of funding sources, and the finalization of the CCF. It is expected that the development plan will act as a catalyst for the return of traditional donor support.



II. OBJECTIVES

3. Antigua and Barbuda's Medium-Term Economic Strategy (1996-2000) identifies the following key national priorities: (a) protection of the country's environment and natural resources; (b) public sector reform; and (c) economic management.

4. In the fifth cycle, environmental issues were being addressed under the physical planning and environment management project. Implementation of this project has been delayed because of weak institutional arrangements and the high rate of turnover of project personnel. These weaknesses were addressed during the first extension of the country programme. The final project review has been concluded and the project will end in March 1998. The second extension will also allow Government time to further advance actions relating to the creation of an effective public sector, including a commitment to improve fiscal management and rationalize the operations of public services, through ongoing public sector reform measures. The deployment of human resources will form a critical part of this activity.

5. Economic management continues to be a priority for Antigua and Barbuda given the country's slow growth rate and debt-servicing obligations. Activities to be undertaken during the period of the second extension will include a UNDP-supported needs assessment of the economic sector. A common country assessment (CCA) for Antigua and Barbuda is being prepared and will be finalized in 1998. Antigua and Barbuda has also agreed to the elaboration of a country strategy note (CSN), an exercise planned for 1998. The CCA, the CSN and other initiatives listed above will inform the final formulation of the CCF which will also take into account Government's current efforts within the context of the ongoing structural adjustment reforms and review of national goals and priorities.

III. PROGRAMME DESCRIPTION

6. During the additional one-year period of the second extension, the following activities will be undertaken:

(a) Ongoing programme activities under the physical planning and environment management project will be concluded by March 1998. An integrated land-use plan comprising key economic, social and environmental information will be completed and a Geographic Information System will be established in Government;

(b) Consultations with the Government will continue in order to arrive at consensus on the nature and form of future UNDP support and the elaboration of the development plan. Once this has been secured, UNDP will organize joint missions of donor agencies to assist the Government in mobilizing resources in support of sectoral needs and priorities;

(c) UNDP will assist the Government in the design and establishment of an appropriate institutional structure that will integrate the planning process and ensure its sustainability.

7. The Government has made a commitment to completing the activities listed above with UNDP support during the first half of 1998. At the end of the period of the second extension, the first CCF for Antigua and Barbuda, which will clearly delineate the scope of the proposed economic development planning and management programme, will have been formulated.

IV. RECOMMENDATION

8. The Administrator recommends that the Executive Board approve the extension of the third country programme for Antigua and Barbuda for a period of one year, through December 1998.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR ANTIGUA AND BARBUDA (1997-1998)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	402	
TRAC 1.1.1	80	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	-	
Subtotal	482 ^a	
NON-CORE FUNDS		
Government cost-sharing	-	
Sustainable development funds	-	
Third-party cost-sharing	-	
Funds, trust funds and other	-	
Subtotal	-	
GRAND TOTAL	482 ^a	

^a Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.



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COUNTRY COOPERATION FRAMEWORK AND RELATED MATTERS

EXTENSION OF THE FIFTH COUNTRY PROGRAMME FOR HAITI

Note by the Administrator

I. JUSTIFICATION

1. The fifth country programme for the Republic of Haiti (1992-1996) was approved by the Executive Board at its annual session 1996. The huge socio-economic transformation and reconstruction exercise undertaken by the Government towards the end of the programme meant that all available resources had to be directed towards achieving concrete results. Thus, the limited absorptive capacity of the Government made it impossible to proceed with regular programming in partnership with UNDP in accordance with the programming procedures newly instituted by the Executive Board. The Board therefore approved a one-year extension of the programme at the beginning of 1997, while UNDP and the Government decided to pursue regular consultations during 1997 aimed at formulating a new country cooperation framework (CCF) for approval at the end of 1997 or the beginning of 1998. The first step in this process has been the formulation of the preliminary version of the advisory note by the country office in consultation with its national and international partners.

2. The country has, however, been experiencing a political crisis since August 1997, with the day-to-day management of State affairs entrusted to the caretaker Government. The Prime Minister's announcement on the 20th of October 1997 that he was giving up his caretaker responsibilities was closely followed by the resignation of a number of other Ministers whose functions have now been combined with those of the few other Ministers who remained in their posts.

3. The report of the Secretary-General of 31 October 1997 to the Security Council on the United Nations Transition Mission in Haiti identifies the following key elements of the Haitian crisis: (a) political differences around



the orientations of the social problems; (b) an electoral crisis stemming from the lack of credibility and the absence of transparency of the electoral process, which has led the Secretary-General to suspend technical assistance to the Provisionary Electoral Council. According to the report, the prevailing power vacuum and the economic and social crisis have greatly weakened the country.

4. Without anticipating or prejudging the outcome of the ongoing consultations being conducted by the Prime Minister Designate, or the implications of the recent resignation of six of the nine members of the Provisionary Electoral Council, it is clear that the present conditions are not conducive to the undertaking of a normal CCF programming exercise. It is also clear that no meaningful programming process could be launched before the formation of a new government based on a broad national consensus.

II. OBJECTIVES

5. The second one-year extension of the country programme would pursue a two-fold objective. First, it would enable an in-depth review, carried out in cooperation with the new government that will be formed, of the priority technical cooperation needs to be identified in the policy orientations emerging from the new national political consensus. Second, the extension would enable continued focus by UNDP on the essential dimensions of its partnership with Haiti, which address such priority themes as good governance, economic management, poverty eradication, environmental protection and management, and capacity-building for the formulation of better national development policies.

III. PROGRAMME DESCRIPTION

6. Activities carried out during the extension period would enable the United Nations system, under the coordination of the Resident Coordinator, to undertake a common appraisal of the situation in Haiti, provide concerted support to the search for national political consensus, and lay the groundwork for improved complementarity in the future through joint programming.

7. The three objectives of the fifth country programme remain valid. They are: (a) to provide support to the three major branches of the Government (Executive, Legislative and Judiciary) and to civil society in order to enable them to restructure and reorganize themselves and at the same time adopt management methods and practices that are conducive to social cohesion and consensus; (b) to create an environment that allows for better economic management and sustainable livelihoods for the most vulnerable groups of the population through improved delivery of social services; (c) to mobilize the State and the entire population to combat alarming environmental degradation, which represents a growing threat to present and future generations.

8. A number of other areas linked to Haiti's special situation status will also continue to be addressed. Under the guidance and coordination of the Special Representative of the Secretary-General, UNDP is providing technical assistance to the new Haitian police force; for the reintegration of high-risk

social groups into the development process; for subregional integration (starting with the improvement of bilateral relations with the Dominican Republic); and for the provision of support to returning Haitian exiles. The report of the Secretary-General referred to earlier highlights the important role that UNDP can and should play in all these complex areas in conjunction with the ongoing efforts of the international community.

9. Programming activities leading to the formulation and approval of a new country cooperation framework in line with the procedures laid down by the Executive Board will be resumed as soon as possible.

IV. RECOMMENDATION

10. The Administrator recommends that the Executive Board approve the extension of the fifth country programme for Haiti for a period of one year, through December 1998.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR HAITI (1997-1998)
(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	6 662	
TRAC 1.1.1	6 179	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	4 016	
SPPD/STS	596	
Subtotal	17 453 ^a	
NON-CORE FUNDS		
Government cost-sharing	995	
Sustainable development funds		
Third-party cost-sharing	2 300	
Funds, trust funds and other		
UNCDF	6 485	
Subtotal	9 780	
GRAND TOTAL	27 233 ^a	

^a Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund.

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THREE-YEAR FINANCIAL FORECAST OUTLINING THE FINANCIAL
COMMITMENTS AS OF 31 DECEMBER 1997

I. PURPOSE

1. The present conference room paper has been prepared in response to paragraph 6 of Executive Board decision 98/3 on a funding strategy for the United Nations Development Programme. The Executive Board requested the Administrator to present a three-year financial forecast outlining the financial commitments as of 31 December 1997 entered into by UNDP as a result of Board decisions on country cooperation frameworks, regional and global programmes, and other policy, administrative and reform measures.

II. CORE RESOURCE PROJECTIONS

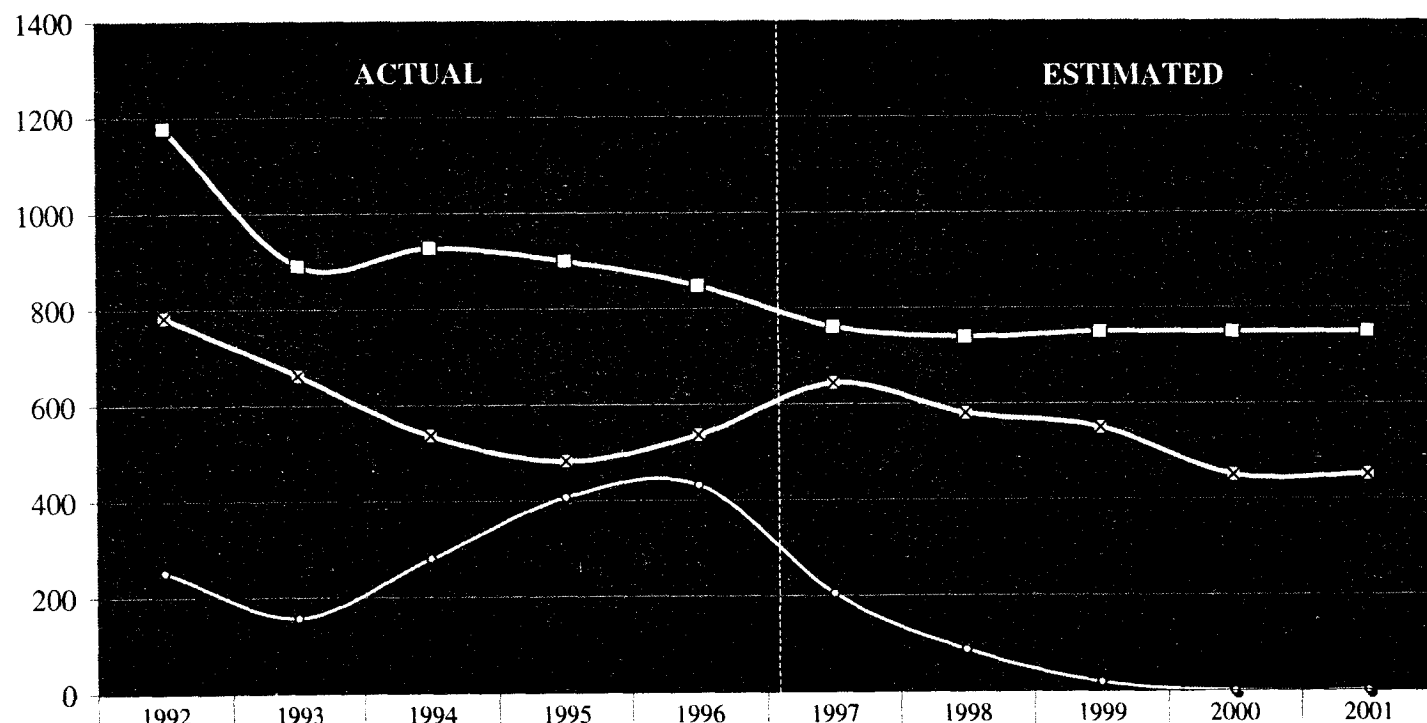
2. It may be recalled that a key element of decision 95/23 on the successor programming arrangements was the adoption for planning purposes of an initial figure of \$3.3 billion for core resources for the three-year period 1997-1999 (para. 7).

3. Within six months of the decision, however, it became apparent that a \$3.0 billion figure would more likely be available for the period, and the Administrator planned the release and delivery of core resources accordingly. By May 1997, projected core resources for the period 1997-1999 had considerably declined, to a level of approximately \$2.4 billion. The Administrator, therefore, revised planned programme expenditure levels to conform to this further reduction. Currently, 1997-1999 core resources are projected to decline an additional \$100 million, to \$2.3 billion.



principle, fully funded. Hence, their financing is secured from the outset and not subject to the uncertainties that affect resource planning for the core programme.

Overview of UNDP core resources 1992-2001 (millions of US dollars)



□ Voluntary contributions

× Programme expenditures

○ Balance of liquid core resources

Note: All 1992-1996 figures are actual. All 1997-2001 figures are estimates based on the worst case scenario that, after a further drop in voluntary contributions in 1998 to \$740 million, contributions of future years will level off to \$750 million per annum.

Table 1. Overview of planned UNDP core expenditures
based on average of \$750 million per annum in voluntary contributions
1997-1999
(millions of dollars)

	<u>Planned expenditure</u>
<u>UNDP programmes and support activities</u>	
A. Programmes (see table 2 for details)	
Country	1469
Intercountry	247
Other	57
Subtotal	1773
B. Programme support	
Country offices	295
Headquarters	91
Agencies (see table 2 for details)	168
Subtotal	554
C. Management and administration	188
Total	2515
<u>Support to operational activities of the United Nations</u>	218
GRAND TOTAL	2733

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**Table 2. Overview of planned UNDP core programme expenditures and commitments
based on average of \$750 million per annum in voluntary contributions
1997-1999
(millions of dollars)**

	Original 1997-1999 earmarkings per decision 95/23 (1)	Current 1997-1999 planned expenditure (2)	Funding gap ^{a/} (1) - (2) (3)	1997-1999 actual approvals at end 1997		1998-1999 pipeline ready for approval, of which:	
				\$ (4)	% (4)/(2) (5)	Funded (2) - (4) (6)	Unfunded (7)
A. Programmes							
<u>Country</u>							
Lines 1.1.1 and 1.1.2 - TRAC	1650	1366	284	1312	96.0%	54	232
Line 1.1.3 - TRAC	165	103	62	100	97.1%	3	21
Subtotal	1815	1469	346	1412	96.1 %	57	253
<u>Intercountry</u>							
Line 1.2 - Regional	251	148	103	148	100.0%	-	37
Line 1.3 - Global, interregional and special activities	139	99	40	94	94.9%	5	23
Subtotal	390	247	143	242	98.0 %	5	60
<u>Other</u>							
Line 1.4 - Evaluation	10	6	4	6	100.0%	-	-
Line 1.5 - Special resources for TCDC activities	16	12	4	8	66.7%	4	-
Line 1.6 - Implementation (subline savings)	39	39	-	15	38.5%	24	5
Subtotal	65	57	8	29	50.9 %	28	5
Total programmes	2270	1773 ^{b/}	497	1683	94.9 %	90	318
B. Programme support - Agencies							
Line 2.2 - United Nations system support for policy and programme development	66	57	9	17	29.8%	40	-
Line 2.3 - Technical support services from United Nations specialized agencies	53	44	9	18	40.9%	26	-
Line 1.6 - Implementation (Administrative and operational services)	60	60	-	60	100.0%	-	-
Line 2.4 - Other	-	7	(7)	7	100.0%	-	-
Total programme support - agencies	179	168	11	102	60.7 %	66	-
Grand total	2449	1941	508	1785	92.0 %	156	318

^{a/} The currently estimated 1997-1999 funding gap for the total UNDP core programme is \$1.0 billion calculated as: the difference between the \$3.3 billion financial envelope reflected in decision 95/23 and the \$2.25 billion in currently estimated voluntary contributions based on an average of \$750 million per annum, less approximately \$50 million in estimated miscellaneous income.

^{b/} Had the \$3.3 billion planning figure for 1997-1999 contained in decision 95/23 been realized, about \$2.7 billion in programme expenditure could have been planned for (i.e., \$2.270 billion plus \$0.431 billion in available liquid core resources).

