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SUPPORT

PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Implementation of Selected Country Programmes

Latin America and the Caribbean

Report of the Administrator

Summary

This report is prepared in accordance with Governing Council decision 81/15 (E/1981/61/Rev.1), which calls for the submission to the Governing Council of an annual progress report on the implementation of the various country programmes, highlighting significant developments in selected programmes.

The report indicates that the Programme has adjusted to new priorities and requirements emerging in the region owing to the current economic crisis and the reduction of programme resources to 55% of the illustrative IPF. At the request of the Governments, a renewed effort was undertaken in the region to mobilize additional resources and to consolidate UNDP's role as co-ordinator of technical co-operation at the country level. The report also gives information on the implementation of the country programmes of Antigua and Barbuda, Brazil, Dominica, Haiti, Peru and Saint Vincent and the Grenadines.

INTRODUCTION

1. The Governing Council has approved 35 country programmes in the Latin American and Caribbean region for the period 1982-1986. 1/ Country programmes for Bolivia and El Salvador are being submitted to this session of the Council, while extensions have been requested for Suriname and Guatemala.

2. At the beginning of 1983 budget commitments in the region had reached about \$192 million or 73% of IPF resources at the 55% level. Since a clear objective of UNDP in the region has been the mobilization of additional financial sources, it is important to point out that cost-sharing commitments for the third cycle totalled \$113 million or 43% of IPF for the region at the 55% level. 2/ For 1983, cost-sharing budgets represented about 39% of total budgets in the region. This positive response from the Governments has permitted the momentum of the programme to be maintained in 1983. At this stage, however, it is difficult to forecast if this trend will continue for the rest of the cycle, since the severe economic crisis from which the region is suffering is limiting the availability of resources.

3. Consistent with the spirit of Governing Council decisions 80/7 and 81/5, considerable emphasis has been placed on continuous programming. This approach has facilitated the successful adaptation of the programme to several changing conditions, such as the reduction of resources to 55 per cent of the IPF, and to new priorities and requirements emerging from the severe economic crisis that affects most of the countries in Latin America. Programme effectiveness is being increased by ensuring that projects are designed properly and that their implementation is evaluated at all stages of the project cycle. Tripartite reviews and mid-term evaluations are being carried out systematically for most of the major projects. Reports emanating from these reviews have proven to be very useful for the undertaking of country programme reviews. Major sectoral reviews across the region are being planned or carried out (e.g., in development planning).

4. Most of the 12 country programme reviews in 1983 occurred against a background of stabilization and adjustment measures taken by Governments to cope with the economic crisis. In addition, UNDP programme resources were reduced to 55% of the illustrative IPF. Therefore, the programmes had to be adjusted to new priorities and requirements, while UNDP renewed efforts to mobilize additional resources. The programme reviews show that UNDP has adapted to these changing conditions and that it is playing an increasingly important role in co-ordinating technical co-operation at the country level.

5. In selecting specific country programmes for the present review, an attempt was made to choose a sample that shows the varying conditions in which the programme is being implemented in the region, and to provide the Council with a perspective of countries at different stages of development and an insight into the specific problems of island developing countries, countries affected by natural disasters and countries undergoing adjustment processes.

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Taking into account the above, the country programmes of Antigua and Barbuda, Brazil, Dominica, Haiti, Peru and Saint Vincent and the Grenadines are reviewed in this report.

I. IMPLEMENTATION OF SELECTED COUNTRY PROGRAMMES

A. Brazil

1. Overview of programme implementation and trends

6. The third country programme for Brazil (1982-1986) has as its central objective the transfer of knowledge and technology, including human resource development. Co-operation between Brazil and UNDP has yielded high quality results. First, Brazil, with its unique absorptive capacity, has made optimum use of the programme in the true spirit of technical co-operation, acquiring knowledge and technology to complement its own resources. Second, the programme has been catalytic in promoting an important flow of horizontal co-operation which has placed the vast experience that Brazil has gained at the service of other developing countries. Brazil is now demonstrating a great capacity to play the key role of middle man in the transfer of development experiences to other countries within and outside Latin America.

7. Brazil's country programme represents a clear example of the effective evolution of a multilateral technical co-operation venture. The country continues to need the services of UNDP to strengthen certain sectors of its development process through the acquisition of knowledge and technology which the programme can provide (e.g. agricultural research, advanced technology, informatics, bio-technology, energy). At the same time, the multilateral infrastructure of UNDP facilitates the participation of Brazilian institutions that have received UNDP assistance in the past and are now in a position to provide assistance to other countries. Clear evidence of Brazil's vocation for horizontal co-operation is seen in the project TCDC (BRA/80/002), which, with a budget of about \$1.2 million fully funded by the Government through cost sharing, has offered a wide range of advisory services and training to other developing countries.

8. The three country programmes of Brazil have been formulated within the framework of the three National Basic Plans for the Development of Science and Technology (PBDCT), the third one covering 1980-1985. This strategy has not only facilitated the identification of projects in support of the Government's higher priorities, but has also enhanced project monitoring and evaluation. Furthermore, it has contributed greatly to the coherence of technical co-operation inputs within the country programme exercise.

9. Project appraisal, approval and monitoring has benefited considerably from the infrastructure for co-ordinating and evaluating technical co-operation which the Government of Brazil has at the Ministries of Planning (SUBIN) and Foreign Affairs (DCOPT). Both ministries have established a systematic process to ensure high standards at all stages of the project cycle, standards which all sectoral ministries must meet.

10. A country programme review took place in early 1983. The coincidence of internal and external factors affecting UNDP technical co-operation in Brazil called for a substantive reassessment of the programme. Internally, UNDP reduced its programming levels to 55% of the IPF. Those cuts affected primarily the years 1984, 1985 and 1986, since delivery for 1981 was close to 100% of the original authorized budget levels (ABL) (80% of the IPF), and programming for 1983 was too far advanced to allow for any major cuts in the overall ceiling.

11. Externally, the repercussions in Brazil of the global economic crisis and the domestic measures taken by the Government to cope with it affected the programme not only because fewer resources could be made available, but also because the Government needed to concentrate attention on urgent conjunctural issues, including balance of payment and resource liquidity problems.

12. There were several factors which allowed UNDP to adapt well to the new economic situation in spite of the above. These included: (a) UNDP's policy of continuous programming which allowed it to respond promptly to punctual and urgent requests; (b) the mobilization of alternative resources and close links with financial institutions, in particular International Bank for Reconstruction and Development (IBRD) and the Inter-American Development Bank (IDB); and (c) the Government's maintenance of sufficient levels of cost sharing through which critical threshold levels were preserved, albeit with budgetary sacrifices.

13. The implementation of the programme was subject to exceptional circumstances which resulted in project adjustments and other remedial actions required to maintain its overall effectiveness. The fluid situation of both the national and the international scene, for example, affected the projected investment programmes, such as the national nuclear energy plan, and some of the projects in the agricultural sector. In the nuclear energy subsector, the Government had to adjust its investment policy. Consequently the ongoing UNDP-supported training project had to be modified. In the case of the agricultural sector, it was necessary to postpone several medium- and long-term investment activities in order to satisfy immediate needs. As a consequence of these steps, the Government decided not to pursue the administrative and legislative measures needed for the establishment of the new institutions which were originally foreseen in the project.

14. Finally, it should be mentioned that because of its sophisticated nature, complex technical problems were encountered in some of the activities carried out under the programme. In a limited number of cases, these problems demanded special measures and adequate technical support which were not always provided on time. This, therefore resulted in delays in implementation. The project Strengthening of Research Institutions Concerned with the Study of Science and Technology Policies (BRA/76/022) falls in this category. Such examples, however, represent exceptional cases which did not jeopardize the comprehensive achievements of the programme.

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2. Completed projects

15. During 1983 field activities were completed for 14 projects. Six of these were operational for a period of seven years or more. The following examples have been selected for further comments.

(a) Training of Merchant Marine Personnel (CIABA)(BRA/76/015)

16. The main objective of this project was to upgrade the teaching of merchant marine personnel at all levels, with emphasis on inland navigation in the Amazon region. During the period 1977-1983, the project provided a total of 235 man-months of experts and short-term consultants; fellowships for teachers at the Centro de Instrução Almirante Braz de Aguiar (CIABA), the counterpart institution, for training abroad in the operation of radar and a navigation aid simulator financed by the project; and training equipment valued at \$1,250,000, including technical books and periodicals for the library of CIABA. The project served to increase the teaching staff of CIABA from 30 to 50, all of whom received training from project experts and consultants in modern teaching techniques, curriculum design, preparation of course materials and the use of UNDP-supplied equipment. Of the total of 3,977 students who were trained at CIABA with assistance from the project, 810 merchant marine cadets graduated. CIABA has now become one of the best merchant marine training centres in Latin America and is receiving trainees from other developing countries.

(b) Strengthening of Research Institutions Concerned with the Study of Science and Technology Policies (BRA/76/022)

17. The purpose of this project was to assist the National Council for Scientific and Technological Development (CNPq), the national organ responsible for science and technology policy-making and for the application of science and technology to development, in establishing an information base for scientific and technological planning and in upgrading the training of some 1,000 key personnel working in private and public institutions, including CNPq itself, in fields directly related to the implementation of scientific and technological policy. The project contributed significantly towards the establishment of a computerized data base for science and technology, strengthened the academic capabilities of selected universities by bringing to the country 27 high-level consultants who taught post-graduate courses in some 10 institutions, and provided advisory services in aspects related to the planning and management of science and technology activities, including techniques for the indexation and retrieval of information, and project budgeting and monitoring. Project implementation was slow, however, owing in part to the frequent turnover of counterpart personnel and to the difficulties encountered in recruiting a chief technical adviser, which left the post vacant during a critical period of project activities.

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(c) Brazilian Airworthiness Compliance Certification (BRA/73/004 and BRA/82/005)

18. Since 1973 UNDP has been assisting the Government in establishing an administrative and technological infrastructure for compliance certification of national aeronautical products with international civil airworthiness acceptance standards. The first-phase project (BRA/73/004) achieved significant results, such as the development of a certification capacity for normal transport category aircraft, which was later recognized by the United States of America under a bilateral agreement, as well as by France, the United Kingdom and Australia. Two aircraft manufactured in Brazil, the Bandeirantes and the Xingu, were certified for the normal transport category, which includes use in air taxi and commuter transport.

3. Additional resources for the implementation of the country programme

19. The main sources of additional financing constitute project and programme cost sharing. Project cost-sharing originates almost exclusively from counterpart institutions to which assistance is directed and from IBRD loans, while programme cost-sharing originates from the Ministry of Planning Secretariat for Co-ordination of Technical Co-operation. The programme cost sharing aims at financing all local currency costs of international inputs to UNDP projects. Total project and programme cost sharing budgets for 1982-1986 amount to \$21 million, while total programme resources available at 55% of the IPF amount to \$16 million.

B. Haiti

1. Overview of programme implementation and trends

20. The country programme of Haiti has focused on mining activities, education, communications, agricultural and, to a lesser extent, human settlements. Notwithstanding the reduction of IPFs to 55%, most of the projects envisaged are being implemented, albeit at reduced levels.

21. In the case of Haiti, emphasis has been given to tripartite project reviews. Other donors working in the same areas are invited to attend review meetings. Considering that most of the important projects had such thorough tripartite reviews, a substantive country programme review did not take place. A financial review to discuss programme implementation and the allocation of resources is undertaken yearly, however. The reduction of programming levels to 55% of the IPF has left little scope for new projects. An effort has thus been made to concentrate UNDP assistance in fewer, more co-ordinated projects in order to achieve greater impact. UNDP is also undertaking a major effort to ensure co-ordinated approaches to resource mobilization and ensure the coherence of projects of the United Nations System of operational activities.

22. Limited counterpart resources, both human and financial, continued to be a major bottle-neck in Haiti, affecting the implementation of the programme

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and follow-up when external technical co-operation is terminated. Lack of a strong and effective central mechanism to co-ordinate external assistance has also hampered the overall effectiveness of the programme. To overcome this problem, the Ministry of Planning has proposed the establishment of a national project system to create a more logical framework of project development and co-ordination. UNDP is actively supporting this initiative, which has also received the support of other donors at the last meeting of the Caribbean Group for Co-operation in Economic Development (CGCED) in February 1984.

23. Considering that the lack of skilled human resources is one of the most serious obstacles to effective programme implementation, UNDP has undertaken to assist the Government in facilitating the return of qualified Haitian technicians working abroad. UNDP has recruited expatriates to work in the projects Education for Development (HAI/82/001) and Population and Housing Census (HAI/78/P01). Salaries have been established at a level intermediate between international and local remunerations for the returnees.

2. Completed projects

24. One of the most successful projects has been the UNDP/UNCDF project for the Rehabilitation of St. Martin and Drouillard Sites and Services (HAI/77/012), initiated in 1979 and terminated in 1983. The rehabilitation of St. Martin aimed at improving living conditions of approximately 65% of the population of Port-au-Prince. Population density in St. Martin is about 1,600 persons per hectare and the monthly income varies between \$40 and \$100 per household per month.

25. Approximately 30,000 persons have benefited from the project. With an investment from UNCDF of \$1.2 million and \$846,000 from UNDP for technical co-operation, the project has provided sidewalks, fire hydrants, public water pipes, street lights, and a multi-purpose community centre. It also undertook the on-site building of 700 houses. A health clinic with a nutrition centre was constructed under a grant from UNFPA.

26. Human Resources and Employment Planning (Phase II) (HAI/81/003) successfully prepared feasibility studies for: (a) seven irrigation and drainage projects; (b) ten rain-water reservoirs of 100,000 gallons each; (c) one reforestation project and one rural access road project. The Government of Switzerland has now officially informed the Government of Haiti that it will finance projects of the phase beginning in 1985. Interest has also been shown by the Governments of Canada and the Federal Republic of Germany in executing projects starting late 1984.

27. Experience has been gained from some unsuccessful projects, such as Limbé Watershed Management (HAI/77/005), terminated in 1982, and Prefeasibility Study for a Textile Complex (HAI/80/002). The former aimed at the elaboration of appropriate solutions to watershed management problems in Haiti by studying the Limbé basin, undertaking concrete measures of reafforestation and erosion control and establishing a training centre for peasant farmers and technicians. The project, supported by a \$1 million food aid programme,

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developed an area of 106.49 hectares and was successful in the training programmes. Further activities of this kind, however, could only be sustained if food aid would continue to be provided. Thus, the outcome of the project is questionable. In the case of the second project, a feasibility study for a textile complex, was completed, but investment has not been mobilized.

3. Additional resources for the implementation of the country programme

28. In project work UNDP plays a central role in co-ordinating its resources with those of other funds such as the United Nations Capital Development Fund (UNCDF), World Food Programme (WFP), United Nations Fund for Population Activities (UNFPA) and United Nations Children's Fund (UNICEF). In so doing, it acts as a catalyst in mobilizing external resources to meet sectoral or regional objectives. Several donors are currently financing projects in Haiti initiated with IPF funds. An effort is also being made to mobilize third-party cost sharing, through the participation of donors in project reviews and through meetings of the Caribbean Group for Co-operation in Economic Development (CGCED), of which UNDP is one of the sponsoring institutions.

29. In addition, the Joint Commission for the Implementation of External Co-operation Programme with Haiti,^{3/} supported in part through the Special Measures Fund for the Least Developed Countries (SMF/LDC), provides a forum for discussions between the Government and donor agencies of global and sectoral problems affecting Haiti's socio-economic development. The Special Netherlands Contribution for LDCs will allow for additional activities in this regard.

30. The project, Assistance for the Establishment and Development of Co-operatives (HAI/78/022) has been aided by a number of sources. IPF funds were utilized for technical co-operation activities, UNCDF funding for the purchase of land for coffee plantations, for setting up a revolving fund for grain purchase, for building warehouse, coffee storage and drying facilities; and WFP food supplies were provided for the farmers.

31. Sites and Services for Co-operative Housing (Drouillard) (HAI/76/C32) has elicited the interest of the Federal Republic of Germany which has approved a similar project for Linthau. The Arab Gulf Fund is now financing Rural Handicrafts (HAI/81/009) which was initiated with IPF funds.

C. Peru

1. Overview of programme implementation and trends

32. The implementation of the third country programme was affected considerably by a number of factors: (a) the reduction of resources available for programming to 55% of the IPF, which determined an across-the-board reduction of all projects under either implementation or formulation, with a consequent loss of impact, fragmentation of the programme and cancellation of some large-scale projects foreseen in the country programme when it was

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approved in 1982 (e.g. Municipal Development (PER/81/016) and Agro-industry Development (PER/81/017) for a total amount of \$1,500,000); (b) economic losses and severe damages to the infrastructure as a consequence of a severe drought in the south and floods in the north. This situation forced the authorities to concentrate efforts and resources to reconstruction and rehabilitation programmes in the affected areas, thus diminishing the financial resources earmarked by national institutions as counterpart contributions to UNDP projects; and (c) negative repercussions of the international economic crisis on the Peruvian economy. In order to overcome the recession, the Government took a number of economic readjustment and stabilization measures, which implied the adoption of a conjunctural and short-term approach and a reduction of Government support to long-term programmes.

33. These foregoing factors led to the cancellation of two long-term high-impact projects, Economic Studies in the Mining Sector (PER/81/008) and Energy Economic Studies (PER/82/001) for a total amount of \$800,000. Government institutions involved in UNDP projects suffered further financial weakening, resulting in an increase in requests to finance local inputs with IPF resources.

34. Yet in spite of these difficulties, there were many achievements during the first two years of the programme cycle. A new project was formulated to strengthen the capacity of the Comptroller General's Office to rationalize and monitor public spending and investment. In the area of natural resources, the project, Energy Economic Studies (PER/82/001) assisted in the establishment of a National Energy Council, which is responsible for the formulation of plans and policies in the energy sector.

35. The Phase II project, Nuclear Energy (PER/81/004) focused on the application of nuclear technology to the production of food, improvement of the health conditions, development of industrial production, development of nuclear electricity, and research and development in nuclear technology. The project has also assisted in the preparation of an uranium law, which was later adopted by the Government, and in the establishment of two pilot diagnostic health centres to provide services to low-income patients.

36. A project on regional planning (PER/82/005) helped to prepare a plan aimed at restructuring the national territory in 12 political and administrative units. The plan has now been submitted to Parliament for approval by May 1984.

37. The project, Integrated Rural Development (PER/78/002) assisted in mobilizing investments for specific projects through the Development Corporation of the Department of La Libertad (CORLIB) for a total amount of one billion soles (\$4 million). The project Audio-Visual Training for Rural Development (PER/76/003) has provided assistance to about 17% of the peasant population in agricultural and management techniques.

38. PER/81/014, a project oriented to provide support to the programming,

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implementation and monitoring of programmes and policies in the trade sector, assisted the Government in the establishment of a national commission to control and monitor trade flows with neighbouring countries.

39. Through the project Metrology Development (PER/76/014), the Government has been provided with laboratories that are fully equipped to provide services to the industry. Although the national enterprises are suffering through a severe financial crisis, the demand for metrological services has increased. To date, 70 national enterprises have benefited from the services provided through this project.

2. Additional resources for the implementation of the country programme

40. A number of projects have been very successful in mobilizing additional resources. These include Conservation and Restoration of Cultural Heritage (PER/77/007), which drew upon bilateral and multilateral resources from private and public institutions for a total amount of \$700,000; Metallurgy Technological Centre (PER/81/021), which is assisting the Government in completing negotiations with the Government of Austria for a contribution of about \$1,200,000 for laboratory equipment; Audio-Visual Training for Rural Development (PER/76/003), which has received \$1,100,000 from the Governments of the Netherlands, Switzerland, Federal Republic of Germany and the FAO regular programme; and Nuclear Energy (PER/81/004), which has generated a number of complementary actions of great relevance for the peaceful use of nuclear energy. These activities were carried out with the support of the Governments of Finland, Sweden, Federal Republic of Germany, Italy and Argentina.

41. As to the cost-sharing contribution, the country programme 1982-1986 envisaged contributions of about \$4 million, while contributions budgeted up to now reach a level of \$2,300,000. It is expected, nevertheless, that additional contributions will be made amounting to approximately \$745,000 within the coming year. UNDP is actively pursuing other avenues to ensure that the contributions reach the original programmed level.

3. Special Economic and Disaster Relief Assistance to Peru

42. In view of the adverse meteorological phenomena occurring since late 1982, which resulted in widespread human suffering and loss of life, as well as in severe damage to the physical infrastructure, the Secretary-General of the United Nations appointed in July 1983 the UNDP Assistant Administrator and Regional Director for Latin America as his personal representative to Bolivia, Ecuador and Peru to assess emergency relief requirements and make recommendations. As a result of this mission, the Secretary-General launched on 10 August 1983 an appeal to the international community for emergency assistance both to the drought-affected populations of Bolivia and Peru, and to the flood victims of Bolivia, Ecuador and Peru.

43. Following the Secretary-General's appeal, and on the basis of the information provided by Governments, international agencies and

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non-governmental organizations to the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), it is estimated that, as of 18 January 1984, \$33,198,195 in assistance was pledged or delivered to Peru. In order to assist the three Governments in preparing a broad programme for reconstruction and rehabilitation, UNDP funded a multi-agency mission led by the Economic Commission for Latin America (ECLA) to the countries affected. The mission prepared a report outlining specific requirements and profiles of projects for each country.

D. Caribbean

44. The selection of the three country programmes in the English-speaking Caribbean, namely those for Antigua and Barbuda, Dominica, and Saint Vincent and the Grenadines, provides an opportunity to illustrate the special needs of small island countries in the Caribbean and UNDP's response to these needs.

E. Antigua and Barbuda

1. Overview of programme implementation and trends

45. While the constraints imposed by reduced programming levels ^{4/} have permitted for little flexibility in increasing the levels of commitment in 1983-1984, country programme projections and actual performance compare very favourably. The annual country programme review exercise which was held in March 1983 coincided with the presentation of 1983 Government budget and the debate on the estimates. The underlying theme of the budget was one of austerity in view of a deterioration in public finances, increased debt servicing, depressed agricultural and manufacturing performance and recession in tourism, which had traditionally been the mainstay of the economy.

46. Tourism remains the principal sectoral priority in the Government's development strategy. Major investments are planned for additional hotels over the next several years. The Government therefore reaffirmed the need for continued UNDP support for the Hotel Training Centre. After some initial difficulties, the counterpart situation has improved considerably in recent months and the Centre has been able to achieve tangible results. In the first two years of operations approximately 100 persons graduated at the primary level in the areas of front office, housekeeping, restaurant and bar, and kitchen and pastry. Of these, over 80% are currently employed in the hotel/restaurant industry to fill positions as trained operatives in their respective areas..

47. Legislation is currently under consideration by the Government to create an Industrial Development Agency which will, inter alia, evaluate investment proposals and the conditions under which concessions may be granted to potential investors. The Government is receiving assistance from the Caribbean Development Bank (CDB) for the establishment of the Agency. Subject to the availability of resources, UNDP may be approached for complementary support. With regard to investment promotion, the Government will continue to participate, by pooling IPF funds with other member countries of the

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Organization of Eastern Caribbean States (OECS), in the UNIDO-assisted Caribbean Investment Promotion Service in North America.

48. In the area of economic infrastructure, priority emphasis on improvements in the water supply system, roads and electricity services will be maintained to keep pace with expansion in the productive sectors. UNDP assistance for the development of ground water resources between 1979 and mid-1982 resulted in a number of site evaluations and provided institutional support to the Antigua Public Utilities Authority. The Government and USAID have signed a \$10 million programme designed to increase water production by 1.6 million gallons daily as part of the Government's strategy to provide 5 million gallons daily by 1990.

49. In the agricultural sector, the Government has requested that the UNDP project originally designed to assist in the development of a suitable agricultural policy be reoriented towards the preparation of an agricultural investment programme. The Government has recognized the necessity for close collaboration with USAID and CDB to ensure that FAO and UNDP assistance is carefully integrated into the larger policy and operational framework for the sector. Agro-industry, a subsector which was supported by UNDP during the previous country programme in the form of advanced training in food technology, is also a priority area which will require external assistance to progress from research and development to commercial production.

50. A major concern of the Government is the institutional deficiency of its statistical office, a condition not peculiar to Antigua and Barbuda. The activities being carried out under the project, Development of Statistics in the East Caribbean (CAR/80/002), however, may form the basis for the adoption of necessary remedial action by the Government. In respect of public administration, the Government has approached the Inter-Agency Resident Mission, which functions as a UNDP project (RLA/82/004), for assistance in carrying out a comprehensive organization and methods review and job audit of the public sector. This will be combined with a manpower survey. The Caribbean Centre for Development Administration (CARICAD), which also benefits from UNDP assistance, will collaborate in this undertaking.

2. Completed projects

Socio-Economic Development Planning (ANT/76/001)

51. This umbrella project, which financed the services of a senior economist specializing in industrial development, a water resources planner and short-term consultants, succeeded in strengthening the institutional capacity of the Government in economic and social planning and in the evaluation of industrial projects. It also produced a water resources development plan which has served as a basis for longer term planning in this sector. More recently, the project was able to provide assistance in hotel training. With the formal completion of the project, follow-up activities in the specific area of hotel training will be carried out under a new project (ANT/84/001) in view of the continuing importance of tourism in the economy.

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3. Additional resources for the implementation of the country programme

52. No additional resources have as yet been mobilized in direct support of the country programme. The Government is expected to benefit, however, from the implementation of the Caribbean Airport Maintenance and Operations project (RLA/83/032) for which substantial financing will be provided by the Canadian International Development Agency (CIDA). The project has been developed as part of the transportation programme of the Caribbean Group for Co-operation in Economic Development (CGCED). Discussions have taken place between the Government, the International Civil Aviation Organization (ICAO) and UNDP regarding the possibility of establishing in Antigua one of the training centres envisaged under the programme to provide training on a regional basis.

F. Dominica

1. Overview of programme implementation and trends

53. The annual country programme review exercise for Dominica was undertaken from 27-30 March 1983. At the time of the review, the economic outlook of the country was marked by the resumption of a modest rate of growth. However, recovery from the destruction caused by hurricanes Allen and David in 1979 and 1980 will take considerable time. The island will consequently remain heavily dependent on external assistance.

54. The Government of Dominica and UNDP both perceive the principal sectoral priorities to be economic planning, infrastructure, agriculture and industry. These priorities have been reflected in the country programme document and UNDP has to a large extent fulfilled its commitments. Some areas in which considerable progress has been achieved after two years of implementation are indicated below.

(a) Economic planning

55. Extensive consultations were held with the Co-ordinator of the Economic Development Unit (EDU) of the Ministry of Finance and Development to discuss Dominica's development thrust with special reference to the activities being carried out within the framework of the UNDP-financed project Economic Development Planning (DMI/81/002). Under the project, assistance is being provided in the: (a) preparation of a report on the status of all development projects, both those to be included in the capital estimates 1983-1984 and those which are still in the pipeline; (b) establishment of a consolidated list of ongoing development projects and their stage of implementation; and (c) identification of possible gaps, inconsistencies or areas of duplication among the projects.

(b) Housing

56. Discussions on the housing sector revolved around the UNDP-financed project, Physical Planning and Housing Development (DMI/81/003), which

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complements the project financed by the United Nations Centre for Human Settlements, (DMI/82/F01), in view of the catalytic role these projects have in negotiating, supporting and monitoring other large-scale projects in the housing sector.

57. The main outputs of DMI/81/003 have been the provision of assistance for: (a) the implementation of the Trinidad and Tobago Loan for Low-Income Housing whereby the Government of Trinidad and Tobago has agreed to lend the Government of Dominica \$EC7.6 million for the construction of 830 timber housing units. It should be mentioned that the project was instrumental in the design of the core house and in the identification of appropriate construction building materials and the selection of sites; (b) the preparation of project proposals for mortgage finance in the housing sector to be provided by CDB; (c) the co-ordination of a new housing programme to be financed by the Government of Venezuela at a cost of \$1 million; and (d) the co-ordination of a project to relocate and upgrade squatter settlements in Roseau.

2. Completed projects

(a) Health Services Reconstruction, Rehabilitation and Development (DMI/80/003)

58. This project financed the services of a health planner, a hospital administrator and an architect in assisting the Government in the rehabilitation and upgrading of the physical health facilities of the country following the extensive destruction caused by hurricanes Allen and David in 1979 and. The project also established a scheme for the implementation of priority health programmes and the improved management of the health services. Following the completion of this project, follow-up activities were continued with financing from the Pan American Health Organization (PAHO).

(b) Economic Advisory Services to the ECCM Member States (DMI/82/003)

59. This project provided economic advisory services to the Government in fiscal planning and budgetary management. Financing for the work of the economic planner/fiscal adviser, who provided such services to Dominica and other countries in the Eastern Caribbean with financing from the national IPFs, is now being provided under a regional project (RLA/76/007).

(c) Training in Postal Management (DMI/83/001)

60. The objective of this project was to improve the efficiency of the postal services in Dominica, which accounts for a significant portion of domestic revenues. To this end, a Dominican national was sent abroad to undertake a training course in postal administration.

(3) Additional resources for the implementation of the country programme

61. Dominica has also benefited from an allocation of \$250,000 from the

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special programme resources to assist in its rehabilitation efforts following the destruction caused by hurricanes Allen and David.

62. Dominica is also expected to benefit from the implementation of the Caribbean Airport Maintenance and Operations Project (CAMOS) which is being implemented within the framework of the Caribbean Group for Co-operation in Economic Development (CGCED). It is expected that some cost-sharing contributions will be provided under the programme to facilitate the training of Dominicans in various aspects of civil aviation.

G. Saint Vincent and the Grenadines

1. Overview of programme implementation and trends

63. Despite the constraints imposed by a reduced country programme, projections and actual performance compare quite favourably. Those projects which were not delivered as scheduled had either been under consideration by other donors or subject to shifts in Government emphasis or a lengthy process of formulation. The priority areas upon which economic recovery is based remain the same. Emphasis continues to be placed on agriculture in an effort to increase domestic food production. Similarly, the importance of infrastructure development is reflected in the high priority accorded to the the establishment of a hydroelectric facility in an effort to reduce the country's dependence on petroleum. The development of manufacturing and tourism are also important to the economy in terms of the generation of employment, income and foreign exchange.

64. The country programme review which was carried out in April 1983 examined in detail the country programme document and the technical co-operation projects listed in the Public Sector Investment Programme, in order to determine UNDP performance during the past year. The following provides an indication of the status of implementation of two of the more important projects included in the country programme.

65. The project, Socio-Economic Development Planning (STV/78/002) has made an important contribution in economic planning and will continue to assist the Government in the technical monitoring of infrastructure projects, especially the proposed hydroelectric scheme, as well as in the financial management of the growing number of state corporations. Agricultural planning and the legal aspects of land tenure which had been foreseen as possible areas for UNDP assistance within the framework of this planning project are now under consideration for financing by USAID and OAS.

66. Under the project, Volcano Monitoring Installations (STV/80/001), construction of an observatory at Belmont has been completed and computer facilities have been installed at the Seismic Research Unit of the University of the West Indies, located at the St. Augustine Campus in Trinidad and Tobago. Fellowships have also been granted in order to provide training for nationals in the management of the installations.

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2. Completed projects

(a) Hydroelectric Development Scheme (STV/81/001)

67. Consultants recruited by the World Bank carried out a feasibility study of the most attractive hydroelectric scheme in St. Vincent, including detailed cost estimates, and prepared bidding documents for the equipment, materials and the civil works required for the construction of the facility. On the basis of this feasibility study, the Government has been able to mobilize the approximately \$25 million required for the construction of the scheme.

(b) Advice on Purchase of Foreign Held Shares VINLEC (STV/83/005)

68. This project made available to the Government the services of a consultant to determine the value of the shares and assets of the St. Vincent Electricity Corporation and to prepare various options to enable the Government to respond to the offer of the Caribbean Development Corporation (CDC) to divest itself of its shares in the local company. The assistance provided under the project allowed the Government to take over responsibility for the company to the mutual satisfaction of all parties concerned.

3. Additional resources for the implementation of the country programme

69. The CDB has agreed in principle to provide a cost-sharing contribution of \$500,000 towards the implementation of the country programme. St. Vincent and the Grenadines will also benefit from the implementation of the Caribbean Airport Maintenance and Operations project (CAMOS).

H. UNDP Modalities of Operation

70. In keeping with the provisions of Governing Council decision 83/14 the Administrator has approved the maintenance of the 80% programming level for countries with an illustrative IPF of \$1.5 million or less and has established a floor of \$1.2 million for countries with IPFs above \$1.5 million. A number of island countries in the Caribbean will benefit from this decision. Even so, there is a clear need for the identification of cost-effective modalities and other arrangements designed to optimize the use of available resources.

71. In recognition of this need, UNDP has made frequent use of national and regional expertise in the implementation of UNDP-supported projects. This approach is of particular importance in these countries because of the spiralling costs of internationally-procured expertise and the relatively modest national IPFs available to finance such services.

72. In the Eastern Caribbean, the TOKTEN (Transfer of Know-How through Expatriate Nationals) approach has led to the return and employment of several nationals in various projects in order to ensure the provision of the specific services required to achieve longer term development objectives. Working closely with CDB, a regional level of remuneration has been established, with the participating Governments providing an equitable rate for returning

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nationals. This rate is lower than the international but above prevailing national emoluments. The main responsibility of UNDP, however, is to ensure that the task is oriented to development and that it introduces a needed element of technical assistance rather than merely filling the ranks of the national civil service. Monitoring of implementation follows the established UNDP practice. In time, some of the nationals are absorbed in the public service of the Government, thereby releasing UNDP resources for other or similar development projects.

73. In recognition of the fact that there is a minimum size below which infrastructure and social services become too costly to be provided on an individual country basis, many of the small island developing countries in the region have opted for joint services. In the Eastern Caribbean, "common services" arrangements already exist for central banking, civil aviation, the judiciary and export marketing of bananas. Significant economies can be realized from the "pooling" of resources and expertise in project implementation at the subregional level. Such pooling is already being practised by countries of the Eastern Caribbean with regard to the use of their national IPFs. Faced with the IPF constraint, the Governments have allocated modest portions of such resources for the implementation of priority multi-island projects in education, civil aviation, small farmer development and vocational training. Such pooling has the advantage of attracting contributions from other donors through cost sharing. Consequently, it is likely to continue to be an important feature of programming in the Eastern Caribbean.

I. The Caribbean Group for Co-operation in Economic Development (CGCED)

74. This group was formed in 1978 to mobilize additional resources for the development of the countries in the region.^{5/} UNDP has been assigned special responsibilities for the co-ordination of the regional technical co-operation programmes of the CGCED in energy, private sector development, agriculture, transportation, and tourism development, many of which are built around UNDP projects. UNDP has been able to use the regional programme of the Group as a means of mobilizing fairly substantial levels of third-party cost sharing. In this regard, two projects are of special importance for the island developing countries of the Eastern Caribbean, namely, the Caribbean Project Development Facility (RLA/81/010),^{6/} and the Inter-Agency Resident Mission for the Eastern Caribbean (RLA/82/004)^{7/}. The first project, which is being executed by the World Bank/International Finance Corporation, is designed to assist participating Governments in identifying, developing and promoting for external financing suitable private and public sector projects. The second project is designed to assist the smaller islands of the Eastern Caribbean to prepare their public sector investment programmes and to improve the monitoring of their economic performance.

J. UNDP Assistance to the Organization of Eastern Caribbean States (OECS)

75. UNDP is providing effective support to this organization, which was created in June 1981, ^{8/} particularly under the project, Development of

Statistical Services in the East Caribbean (CAR/80/002). The above-mentioned project (RLA/82/004) is assisting the OECS Secretariat. Both projects provide direct support to the countries in the Eastern Caribbean selected for this review. In addition, under the Caribbean multi-island programme, UNDP has also provided assistance to the Member Governments of the OECS in the field of agriculture and health.

Notes

1/ Country programmes were approved for Antigua and Barbuda, Argentina, the Bahamas, Barbados, Belize, Bermuda, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, the Dominican Republic, Ecuador, Grenada, Guyana, Haiti, Honduras, Jamaica, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands, Uruguay and Venezuela.

2/ This includes about \$6.7 million cost sharing for regional projects.

3/ The Commission is sponsored by the Organization of American States. Participants include the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Monetary Fund, UNDP, USAID, and the Governments of Canada and France.

4/ Planned on the basis of 80% of the IPF.

5/ The Caribbean Group for Co-operation in Economic Development is sponsored by the World Bank, the International Monetary Fund, the Inter-American Development Bank, the Caribbean Development Bank and UNDP. The Organization of American States has recently joined the Group as a sponsoring institution.

6/ The project is financed by third-party cost-sharing contributions from USAID, the Inter-American Development Bank, the Caribbean Development Bank, the Canadian International Development Agency and the Government of the Netherlands, in excess of \$3 million.

7/ Third-party cost-sharing contributions from USAID, Canada, the World Bank and the International Monetary Fund amount to approximately \$2 million.

8/ The political secretariat of the organization is based in Saint Lucia, while its Economic Division is located in Antigua.