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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS
Consideration and approval of country programmes

FOURTH COUNTRY PROGRAMME FOR FIJI

UNDP assistance requested by the Government of Fiji
for the period 1986-1990

Illustrative IPF for 1982-1986: \$5,000,000

INTRODUCTION

A. The programming exercise

1. The fourth country programme for Fiji covers the period 1986 to 1990. It aims at providing technical and pre-investment assistance to help to implement the priority development programmes of the Government planned for the same five-year period as its ninth development plan. Although the country programme was completed before the ninth development plan, it was possible to ascertain the main features of the plan and link them to the country programme.

* In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex I), the fourth country programme for Fiji is being submitted to the Council without an accompanying note by the Administrator. The previous country programmes for Fiji and the accompanying notes by the Administrator were issued under the document symbols DP/GC/FIJ/R.1, DP/GC/FIJ/R.2, DP/GC/FIJ/R.3, DP/GC/FIJ/R.4 and DP/GC/R.1/RECOMMENDATION and DP/GC/FIJ/R.2/RECOMMENDATION, respectively.

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2. The country programme exercise was conducted by the Government concurrently with the mid-term review of the eighth development plan (1981-1985) and with the preparatory phases of the ninth development plan (1986-1990), in consultation with the Suva-based United Nations Development Programme field office, United Nations specialized agencies at their headquarters, and with other United Nations agency personnel based in the Pacific, who provided useful observations and suggestions. The Government did not request United Nations agencies to send formal country programming missions because of the relatively limited and declining level of IPF funds available to the country annually from 1986 to 1990. The Government and UNDP did, however, undertake a thorough review of the ongoing and proposed UNDP projects in April 1984, which helped to determine the priorities for continuing UNDP-financed technical assistance during the 1986-1990 period. This will be mapped out in detail in accordance with sectoral reviews undertaken by the Government. This continuous programming approach is necessary for the Government in order to meet the evolving national priorities and also take into consideration the present financial constraints imposed on UNDP.

3. In formulating the new country programme, attention was given to areas in which UNDP-financed technical assistance might best complement assistance provided by other United Nations agencies and by other multilateral and bilateral donors. In this connection and considering the declining UNDP resources to be made available during the 1986-1990 period, development assistance projects will be expected to focus on a relatively small number of specific economic sectors so as to ensure maximum benefit and fulfilment of UNDP's commitment to the Government of Fiji.

B. Overall objectives

4. The Government of Fiji is committed to an integrated approach to economic growth and equity directed towards primary sector production and processing. This approach is supplemented by tourism and non-primary resource-based import substitution industries, explicit redirection of investment activities by region and social strategies geared toward increasing the quality of life. The desired thrust and priority objectives of the ninth development plan will not differ substantially from those currently being pursued under the previous plan. These are to:

- (a) Strengthen and further diversify the economic base of the nation;
- (b) Promote a more equitable distribution of the benefits of development;
- (c) Ensure that opportunity for productive and rewarding social or economic activity is available as far as possible for those who want it;
- (d) Promote policies and attitudes to increase self-reliance;
- (e) Promote a greater sense of national unity within the framework of a multi-ethnic society;
- (f) Promote regional and international co-operation.

5. The major implications of these objectives for which specific programmes will be implemented are:

(a) A reduction of excessive dependence on a few main economic activities and emphasis on increasing production of other commodities, both for export and internal market development;

(b) Provision of basic needs to the poorest sections of the population and investments to regions with potential but enjoying relatively low cash incomes, encouragement of foreign investment and exploitation of non-renewable natural resources for development;

(c) Spread the benefits of employment more widely;

(d) Increased community participation in development activities and decision-making with a view to achieving greater self-reliance.

6. World recession and worsening trade together with unfavourable weather conditions have adversely affected the country's economic performance and in this connection, UNDP will endeavour to help the Government, through its technical assistance programme, to stimulate development.

7. UNDP assistance is therefore planned to help the Government achieve these overall development objectives by concentrating on industrial development activities and on the primary production sector, training programmes and social and community development projects. In addition, UNDP will help to promote regional technical co-operation through Fiji's involvement in intercountry projects.

C. Time-frame and anticipated resources

8. The country programme will cover the 1986-1990 period and therefore will not coincide entirely with the fourth IPF cycle. In the absence of any decision by the UNDP Governing Council regarding a fourth cycle IPF for Fiji a conservative assumption that it will amount to no less than the current programming levels is made, resulting in the following amounts:

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Annual expenditure ceilings	(Thousands of US dollars)				
	430	550	550	550	550

D. Anticipated external assistance

9. The total projected external aid during the 1986-1990 period amounts to approximately \$F122 million. The major donors are expected to be Australia (51 per cent), New Zealand (12.3 per cent), the European Economic Community (14.8 per cent), the United Kingdom (3.4 per cent), UNDP (3.2 per cent) and others, including the United States of America, Japan, India, Canada and the Commonwealth Fund for Technical Co-operation. These planned inputs were taken into consideration when formulating this country programme.

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THE PROGRAMME

10. In order to obtain maximum benefit from UNDP funds available during the period 1986-1990, it will be necessary to concentrate UNDP assistance in a few specific sectors where a significant impact could be achieved. Within these sectors, UNDP assistance will be utilized largely for specialized consultants. Longer-term expertise will be provided only where required to help to ensure the continuity of government programmes being assisted. In all sectors, the country programme will give high priority to training of Fiji nationals associated with national programmes receiving UNDP assistance. This approach conforms with the Government's objective to achieve greater national self-reliance while enabling international assistance to be phased out as quickly as possible. From 1986 to 1990, UNDP assistance is expected to concentrate on six major development areas.

A. Agriculture, fisheries and forests

11. Agricultural development will continue to be pursued, with a focus on specific activities in the sector. It is envisaged that certain export crops may reach a level where a further increase in export quantity could be met with stiff competition, where an attempt is made to capture a larger quota of existing markets, or where an attempt is made at displacing another exporter in a new market. This would raise the possibility of moving into some form of processing internally, prior to exporting, and would apply to cocoa, tropical fruits and, to a lesser extent, ginger, as the latter is currently being processed in the country.

12. The recent problems in the sugar industry, even though of a short-term nature, highlight more than ever the need to broaden the economy's base, particularly in the export sector. While the difficulties inherent in attempting to diversify a small, narrow resource-based economy cannot be overemphasized, a renewed commitment to the development of a number of other export agricultural activities is urgently required.

13. A recent World Bank/United Nations Industrial Development Organization report on agro-industrial development in Fiji indicates considerable potential for the development of agro-based industries, particularly for tropical fruits. It is suggested that the Government's agricultural diversification efforts should consolidate activities already started under the eighth development plan for cocoa, ginger, coconut and citrus. In addition, the planting and possibly intensified processing of commodities such as pineapples, pawpaws and mangoes should be looked into.

14. Vigorous investment in forestry and fisheries development is expected, owing to the sound basis which has been established for large-scale pine processing; as well as to the knowledge that there is room for expansion in fisheries either through existing industrial fishing techniques or through alteration in the technology to be used.

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15. In related areas, there have been commitments to large-scale hardwood reforestation programmes in the next plan period and, in addition, marine aquaculture, prawn and fresh fish farming in the Western Division is expected to attain levels suitable for commercial exploitation. With the advent of large-scale industrial pine utilization, the development of the forestry industry is at a critical stage. The impact on the indigenous sector would be significant, more so given its structure. The Government has long recognized the need to rationalize the forest industry, particularly with regard to pine and indigenous forests as well as to gear the indigenous forest sector towards export markets.

16. Despite the satisfactory performance of the fisheries sector during the eighth development plan period there is still a need in the country for a proper fisheries development programme to deal mainly with issues that relate to the rural and commercial artisanal fisheries programme as well as to look at various strategies in which the country's industrial fisheries programme can be developed.

17. At this stage, the Government feels that the formulation of total precise requirements in this sector will be premature. For the moment, however, the project, Assistance to Dredging and Drainage (FIJ/84/004), will be continued through 1986. The aim of the project is to establish within the Drainage and Irrigation Department of the Ministry of Primary Industries an indigenous permanent capacity in terms of trained national staff as well as supporting plans and systems to:

(a) Dredge the Navua and Rewa rivers on Fiji's main island of Viti Levu;

(b) Effect flood protection works along dredged rivers and drainage systems in adjacent agricultural land.

This project is a follow-up to a larger and more comprehensive flood rehabilitation project (FIJ/80/017) for which \$1,200,000 was provided from Special Programme Resources funds during the third cycle (1981-1984).

18. An amount of \$910,000, representing 35 per cent of available resources during the fourth country programme period (1986-1990), will be allocated to technical assistance projects in this sector.

19. Fiji will also be receiving assistance in this sector through the following Pacific regional projects: Regional Fisheries Development Programme (RAS/73/025); Plant Protection and Root-crops Development (RAS/83/001); Training in Agriculture, Forestry and Fisheries (RAS/79/025); Livestock Development (RAS/79/027); Family Food Production and Nutrition (RAS/83/008); and Regional Refrigeration Training (RAS/84/208).

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B. Commerce, industry and co-operatives

20. Small-scale projects undertaken in this sector have met with varying degrees of success, requiring attention to be paid to the effective co-ordination of the various projects already on the ground and those planned for implementation in future years. The Fiji Economic Development Board (EDB) has been actively engaged in trade promotion, mainly around strategic Pacific basin locations. Assistance is still required to supplement the efforts of the local staff so as to utilize fully the opportunities in the promotion activities abroad and to plan market and promotion strategies.

21. The eighth development plan has identified a series of programmes and projects that were to be implemented to enhance industrial development. These included various pilot projects such as the development of the ceramics industry, bamboo and rattan weaving, coir industry, handicraft development and the setting up of a National Export Trade Authority (NETA). The pilot projects have progressed sufficiently despite bottlenecks and delayed implementation. However, problems remain in the marketing of projects and control of quality and standards. A more market-based approach is essential. The establishment of NETA has had to be re-evaluated and modifications have been incorporated into the EDB.

22. The need for the Government to be more directly involved in the formulation and control of industrial strategies is crucial for further industrial development in the 1980s. This situation is unlike that of the 1970s when Government reacted to private sector initiatives by providing incentives, concessions, etc. This was acceptable in the early stages of industrialization when import substitution was the prime motive force. For the export-oriented phase however, a concerted, organized and centrally directed strategy is necessary. Government efforts in this area are expected to be supplemented by outside experts.

23. Seventeen per cent (\$440,000) of available funds envisaged under the fourth country programme will be allocated to projects in this sector. Aid will be geared towards the creation of more employment opportunities, diversification of the economic base of the country, and promotion of a more equitable distribution of income, as well as contribute generally to economic growth.

24. At the intercountry level, additional assistance will be provided under the following Pacific regional projects: Regional Small-and Medium-Scale Industrial and Entrepreneurship Development (RAS/83/017); Trade Promotion (RAS/79/017); and Mobile Trade Training and Testing (RAS/83/006).

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C. Administrative infrastructure

25. Since independence in 1970, the Government of Fiji has embarked on a localization scheme to reduce the country's dependence on foreign technical assistance and know-how through qualitative and quantitative upgrading of its locally available manpower. Training specialists in various disciplines is expected to continue over the fourth country programme period as a means of strengthening local skilled manpower. UNDP technical assistance is also expected to strengthen the role of the public service as well as to analyse and recommend measures to be taken within the Government, and also study relationships between the Government and statutory bodies. UNDP assistance during the fourth country programme is required under the project Fellowships for Manpower Training and Development (FIJ/84/006). This Government-executed project will continue to provide fellowships for overseas training in various professional disciplines identified by the Fiji Public Service Commission, in order to develop skilled manpower for the public sector.

26. Specific allocations for the project will be by the Government's Aid Co-ordinating Unit and the departments concerned. This national project will be complemented at the Pacific regional level by the activities undertaken under the projects: Training in Public Administration (RAS/79/018), Strengthening of the Planning and Implementation of National Programmes for Women in the Pacific (RAS/81/W06), Advisory Assistance on Transnational Corporations (RAS/81/086), Short-term Advisory Services for Development (RAS/83/015).

27. Nineteen per cent (\$510,000) of available funds during the fourth country programme period will be allocated to development projects in this sector, details of which will be specified by the Government at a later date.

D. Physical infrastructure

28. The relative shift during the ninth development plan toward increased expenditure on economic production will necessitate continuing emphasis on infrastructure. The Government is committed to the construction and expansion of the road network on major islands in an effort to provide essential links to previously unopened production regions and also to ensure relatively easier mobility of goods and services within the areas concerned. Such developments in the overall marine transport system as the arrival of roll-on roll-off ferry services during the third country programme period (1981-1985) are likely to continue. Following investigations into the rationalization of marine transport services, further follow-up work is being carried out internally to determine the nature of any changes or further assistance required.

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29. A major constraint in both the development and maintenance of the telecommunications system in Fiji has been the shortage of skilled manpower. While committed to combatting this problem, the Government is also giving continuing priority to additional capital investment to rural telecommunication services.

30. In the physical infrastructure sector, emphasis has been concentrated on marine transport, especially on shipping services to the outer islands. From 1981-1983, three studies were done in this field by Government with the help of UNIDO, United Nations Conference on Trade and Development (UNCTAD) and UNDP. The recommendations of the respective studies are being examined and it is anticipated that UNDP will be required to assist with the implementation phases of the two United Nations studies namely, Inter-Island Shipping Services (UNCTAD) and Assistance to the Ship-building Industry in Fiji (UNIDO). For Fiji, a nation of numerous widely dispersed islands, dependable sea transport is of special importance.

31. Continued external assistance in this sector is fully justified and it is proposed that 8 per cent (\$220,000) of available funds during the fourth country programme period be allocated to the technical assistance aspects of specific physical infrastructure projects in the light of emerging needs and priorities.

32. Fiji will continue to receive assistance in this sector from the following UNDP Pacific regional projects: Regional Telecommunications Training (RAS/81/025) and Telecommunications Development in the Pacific (RAS/81/026).

E. Natural resources

33. The Government assigns priority to the provision of proper water supplies, in particular for rural villages and settlements. The Hydraulics Section within the Ministry of Public Works continues to require water engineers to supplement local staff in the investigation and evaluation of water-supply schemes throughout the country. In view of the continued lack of local expertise in the hydrology sector it is anticipated that the Government will need further assistance, with more concentration directed towards training of manpower.

34. Approximately 8 per cent (\$220,000) of available UNDP funds during 1986-1990 will be allocated to this sector.

35. The Pacific regional project, Investigation of the Mineral Potential of the South Pacific (RAS/81/102), will continue to provide additional expertise in off shore and near-shore mineral exploration. In addition, Fiji will also benefit from the intercountry project, Pacific Energy Development Programme (RAS/81/092) which is designed to help reduce dependence on high-cost, imported petroleum-based energy products through the increased use of local renewable energy resources. In an effort to help the Government to harness its new and renewable energy resources, UNDP is providing \$1,000,000 from the Energy Account for feasibility investigations and development of a mini hydropower station at Lovo, in Vanua Levu.

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F. Social development and health

36. Various areas such as management planning and preventive medical programmes now need strengthening so as to effectively utilize the existing network of health and education institutions around the country. Better hospital management and planning is required owing to the seemingly congested state of several hospitals or specialized units within the hospitals and also the need to carefully plan the systematic movement of the sick should renovations and extensions be undertaken on several of the larger hospitals. Programmes in the health sector in the current plan, such as proper rural sanitation and water supply programmes, will continue with close liaison between the Ministries of Health, Rural Development and Works. The Government will also continue assistance to the ancilliary services in the social services sector, including rehabilitation programmes for the disabled undertaken at various institutions around the country. There would also need to be some training programme undertaken for instructors at these institutions.
37. There is an urgent need to co-ordinate the various strands of social policy into a coherent and integrated framework and also to develop comprehensive and interlinked economic, social and demographic statistics to measure the conditions and trends of well-being in the population.
38. Priority external assistance will be required for planners in the fields of education and, in particular, health in view of the impending rehabilitation/renovation of several hospitals and the need to co-ordinate these efforts with respect to the rural network of health services.
39. In the eighth development plan period, there have been sporadic concerns about the problems of youth unemployment in the country. Measures for ameliorating this situation will be studied so as to direct government and other agencies towards assistance in this field. It has been realized that any measures undertaken to tackle the problem of youth unemployment should not perpetuate dependency on the central Government.
40. Major initiatives were identified in the eighth development plan to facilitate the role of women in national development. These included surveys to collect factual information on the social and economic contribution of women, the development of indicators sensitive to the problems and needs of women, and a review of immigration and other legislation for different sexes. In view of the lack of progress in these areas, the Government is committed to establishing a machinery at the national level to co-ordinate the areas of work identified. In addition, UNDP assistance in this sector will be designed to reinforce Government programmes to strengthen the involvement of women in development.
41. Approximately 13 per cent (\$330,000) of available funds during 1986-1990 will be allocated to this sector.

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42. The following Pacific regional projects will bring supplementary assistance to this sector during the fourth cycle: Training of Health Personnel in the Pacific (RAS/80/023); Development of Primary Health Care (RAS/81/015); Regional Health Development Network (RAS/81/017); Rural Water Supply Improvement and Training (RAS/84/203); and Strengthening of the Planning and Implementation of National Women's Programmes in the Pacific (RAS/81/W06), the latter funded by the Voluntary Fund for the United Nations Decade for Women. Two national projects also funded by the Voluntary Fund for the United Nations Decade for Women and which will continue into the fourth cycle are: Adult Education for Rural Women (FIJ/83/W01) and Assistance to Women's Organizations (FIJ/83/W02).

43. The financial summary of the Fiji country programme to be financed during the fourth cycle is attached as an annex. It is foreseen that the details of UNDP assistance to be provided during the 1986-1990 period will be worked out in a series of sectoral reviews in early 1985 which will culminate in a country programme review exercise later in that year. This will enable the Government to ensure that its country programme reflects evolving priorities for UNDP-financed technical and pre-investment assistance during the 1986-1990 period, in line with the IPF funds actually available.

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Annex I

FINANCIAL SUMMARY
(United States dollars)

A. Resources

IPF resources

(i)	Illustrative IPF for 1982-1986 at 55%	2 750 000
(ii)	Balance from previous IPF cycle	(19 000)
	Subtotal	2 731 000
(iii)	Less IPF expenditures 1982-1985	(2 301 000)
(iv)	Add provisional IPF for 1987-1990	2 200 000
	Total IPF resources	2 630 000

B. Use of resources

(a) Programmed

(i)	Ongoing projects	400 000
(ii)	New projects and new phases of ongoing projects included in the country programme	30 000
(iii)	Earmarked for specific objectives and activities for which projects are to be worked out at a later stage	2 200 000
	Subtotal	2 630 000

(b) Unprogrammed reserve

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	Total use of resources	2 630 000

FINANCIAL SUMMARY (continued)

C. Distribution of programme by sector

<u>ACC Classification</u>	<u>Sector</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>Total</u>
02	General development issues (Administrative infrastructure)	150 000	30 000	330 000	510 000
03	Natural resources	-	-	220 000	220 000
04	Agriculture, forestry and fisheries	250 000	-	660 000	910 000
05	Commerce, industry and co-operatives	-	-	440 000	440 000
06	Physical infrastructure	-	-	220 000	220 000
14	Social development and health	-	-	330 000	330 000
Total		400 000	30 000	2 200 000	2 630 000

Annex II

PACIFIC REGIONAL INTERCOUNTRY PROJECTS LINKED
TO THE FIJI COUNTRY PROGRAMME

<u>Project number</u>		<u>Location</u>	<u>Approved through</u>	<u>UNDP contribution \$</u>
RAS/73/025	Regional Fisheries Development Programme for the South Pacific	Fiji	1985	2 089 815
	<u>Successor:</u>			
RAS/85/004	Regional Fisheries Development Programme	Fiji	1986	239 700
RAS/79/017	Trade Promotion Advisory Services and Training	Fiji	1985	678 207
RAS/79/018	Training in Public Administration	Fiji	1985	545 147
RAS/79/025	Regional Training in Agriculture, Forestry and Fisheries	Fiji	1987	473 650
RAS/79/027	Livestock Development, South Pacific Countries	Tonga	1986	570 650
RAS/80/023	Umbrella Training of Health Personnel in the Pacific	Fiji	1986	213 199
RAS/81/W06	Strengthening of the Planning and Implementation of National Programmes for Women in the Pacific	New Caledonia	1984 (VFDW-funded) <u>a/</u>	116 690
RAS/81/015	Primary Health Care - Pacific	Fiji	1986	586 022
RAS/81/017	Regional Health Development Network - Pacific	Fiji	1986	315 630
RAS/81/025	Regional Telecommunications Training	Fiji	1986	1 850 000
RAS/81/026	Telecommunications Development Project	Fiji	1986	1 990 000

<u>Project number</u>	<u>Title</u>	<u>Location</u>	<u>Approved through</u>	<u>UNDP contribution \$</u>
RAS/81/086	Advisory Assistance on Transnational Corporations	Fiji	1986	246 092
RAS/81/092	Pacific Energy Development Programme (PEDP) (Phase I)	Fiji	1986	2 000 000
RAS/81/102	Investigation of the Mineral Potential of the South Pacific	Fiji	1986	3 000 000
RAS/82/W01	Resource Book on Business and Money-Making	Fiji	1985 (VFDW-funded) <u>a/</u>	32 060
RAS/83/001	Strengthening Plant Protection and Root Crops Development - South Pacific	Fiji	1986	1 165 000
RAS/83/006	Mobile Trade Training and Testing	Fiji	1986	986 315
RAS/83/008	Family Food Production and Nutrition	Fiji	1985	380 550
RAS/83/015	Advisory Services for Development in the Pacific	Fiji/ Vanuatu	1986	1 100 000
RAS/83/017	Small-Scale Industry and Entrepreneurship	Vanuatu	1986	547 200
RAS/84/203	Rural Water Supply Improvement and Training	Fiji	1985 (ADAB-funded) <u>b/</u>	57 300
RAS/84/208	Regional Refrigeration Training	Cook Islands	1985 (ADAB-funded) <u>b/</u>	113 328

a/ Voluntary Fund for the United Nations Decade for Women (VFDW)

b/ Australia Development Assistance Board (ADAB) - third-party cost sharing.