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PROGRAMME PLANNING

Country and intercountry programmes and projects

SECOND COUNTRY PROGRAMME FOR THE CAYMAN ISLANDS\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
January 1986-December 1990	IPF for 1986-1990	448 000
	Carry-over from third cycle	22 000
	Cost-sharing programme	263 096
	Total	733 096

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Annex: Financial summary

\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

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## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current economic trends

1. The Cayman Islands, by choice a colony of the United Kingdom, is largely self-governing and autonomous with regard to its internal affairs. The stability and security derived from ties with the United Kingdom are important factors in the twin pillars of the Cayman economy: off-shore finance and tourism. The country has become one of the premier off-shore financial centres of the world. Tourism continues to grow and to indicate solid potential for further expansion.
2. Heavily dependent on imports because of a weak natural resource base, and with little visible exports, the Cayman Islands has a substantial annual trade deficit. This deficit is, however, offset by invisible earnings mostly from the tourism and financial industries.
3. The present state of development has its origins in the fairly recent growth of the tourism sector (with major extensions and improvements to the airport in 1964 and 1984) and the development, since the 1970s, of the financial sector. Recognizing the tenuous nature of these sectors, the Government is researching the potential for economic diversification through a study funded jointly by the Government and the Cayman Islands Chamber of Commerce. Consideration is being given to the expansion of manufacturing and the development of aquaculture, as well as the feasibility of enlarging the scope of existing businesses. Emphasis will be placed on joint ventures with Caymanian partners, or those which Caymanians could establish with foreign technological assistance.

### B. National development strategies

4. The Cayman Islands, with the assistance of UNDP and the Caribbean Development Bank (CDB) has completed preliminary work on an economic development strategy and has identified the following priorities which guide the development process of the Cayman Islands:
  - (a) to preserve and protect the stability upon which the country's role as a financial centre depends;
  - (b) to maintain and improve the facilities and services upon which the business community depends;
  - (c) to preserve the Caymanian way of life as far as possible;
  - (d) to preserve the environment for future generations;

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(e) to continue to improve the standard of living of Caymanians; and

(f) to develop and train Caymanians to fill as many as possible of the posts currently held by expatriates.

5. It is the last objective, i.e., the Caymanization of the Government Service, that the Government has selected as the priority area for UNDP funding over the next five-year programming period. At present, it is estimated that about one-third of the working population is comprised of non-Caymanians. The Government, in determining its training requirements, is mindful not only of current needs for skills and expertise, but also of the demands which will be placed upon the labour force when further anticipated development takes place.

6. Human resources development is thus clearly acknowledged to be of prime importance to the Government in the achievement of national development. Manpower represents the Government's largest investment, with just under \$8.4 million being budgeted for the Education Department in 1985, representing 15 per cent of the recurrent expenditure budget. Of this amount, \$6 million is allocated for training.

#### C. Technical co-operation priorities

7. Provision for training to meet the Cayman Islands' most critical technical co-operation needs has been incorporated into the second country programme, from January 1987 to December 1991. The programme will address previously unmet human resources training requirements in such priority areas as: hydrogeology, physical planning, civil aviation, technical drawing, architectural design, building technology, engineering, postal administration, health administration, technical and vocational education, cultural development, broadcasting and public administration. Also identified are training needs in psychiatric nursing/mental health, pharmaceuticals, vocational training for personnel of the Centre for the Disabled and the Adolescent Mothers Programme, museum conservation, laboratory technology, prosthetics, air-conditioning and cost analysis.

#### D. Aid co-ordination arrangements

8. The Government and the United Nations system will continue efforts to integrate respective resources in order to enhance programme impact and quality and ensure relevance. Co-ordination with other multilateral and bilateral donors will be maintained. In addition, during the fourth cycle, every opportunity will be sought to increase the involvement of the Cayman Islands in regional and subregional UNDP-sponsored activities. In particular, the results of ongoing work in the development of educational materials in technical and vocational education and low-cost textbook production, as well as the development of science and technology and marine sciences will be made

available to the authorities. Approaches are also envisaged to the UNDP Technical Co-operation for Developing Countries (TCDC) and Energy Account as well as to the United Nations Financing Systems for Science and Technology for Development, for catalytic assistance in selected areas.

## II. THE COUNTRY PROGRAMME

### A. Assessment of current country programme

9. First country programme (1982-1986) activities consisted largely of the training of Caymanians through fellowships, in keeping with the Government's priority of developing national skills. By means of individual fellowships and in-service training, a total of 45 fellows were trained in the areas of civil aviation, health, broadcasting, fire services, mechanics, cartography and drafting. Fellowships in physical planning, civil engineering, building technology and electrical engineering, started in the first country programme will be carried over into the second country programme (1987-1991).
10. The results of training have been excellent. Based upon institutional ratings and assessments, all fellows performed creditably in their courses and have returned to positions of responsibility in their respective fields.
11. Consultancies accounted for approximately 25.5 per cent of the 1982-86 IPF and were chiefly in the areas of civil aviation, water resources development and the building-up of national statistics through a household survey, all of which were jointly funded by Government cost-sharing.
12. United Nations system interregional advisers provided valuable, cost-effective assistance in petroleum development legislation, water legislation, broadcasting and communication and education and culture, among other areas.
13. A significant contribution has been made by associate experts to a critical project in water development since its inception in 1982. These technicians, provided by the Governments of Finland and The Netherlands, were supervised by the single senior expert on a core regional UNDP/DTCD water project (RLA/82/023) sited in Barbados.
14. A final illustration from the first country programme is in the area of increasing planning capabilities. A fully Government cost-shared project, General Purpose Household Survey (UNDP/DTCD), produced a household expenditure survey report, which provided statistics and guidelines for social planning. The success of this project was enhanced by the output of an earlier UNDP-funded project in computer-assisted management systems, under which statistics staff had been trained in the computerizaion of national accounts.

B. New programme proposal

15. The Government of the Cayman Islands has decided that the resources of its country programme for the fourth cycle should be concentrated in the single area of human resources development. It considers the development of national skills and expertise, in both the public and private sectors, crucial to the achievement of the goals of increased efficiency and diversification of the economy.

16. With previous assistance from UNDP/DTCDC, a Cayman Water and Sewerage Authority was officially established in 1983. To date, however, there is no national engineer or hydrogeologist on the staff of the Water Authority. A middle-level technician currently acting as counterpart to the resident expatriate engineer (sewerage), is to begin training in 1986 as an engineer. It is also anticipated that at least one of three other nationals currently studying engineering in the USA will join the staff of the Water Authority after graduation. In addition, working attachments with established Water Authorities within the sub-region, possibly through TCDC arrangements, are also being sought in the effort to upgrade national skills.

17. Under the current country programme, one fellow is pursuing a course in physical planning with a view to providing the first qualified Caymanian physical planner. Other goals are to train another fellow in a similar course and provide technical training for a planning assistant during the next cycle. Opportunities will also be sought to provide for training physical planners through participation in the UNDP-assisted subregional project for the development of the Consortium Graduate School in the Social Sciences (RLA/81/005).

18. The training of air traffic controllers, airport managers and fire officers is being continued into the Fourth Cycle, and new training programmes in flight operations and electronic maintenance will be introduced.

19. To continue the development of the National Weather Service, it is important that local officers be better qualified to prepare weather observations, forecasts, etc., for briefing pilots. This is all the more important in view of the expectation that the U.S. Weather Bureau will soon cease to operate in its present manner as a result of automation. Air traffic controllers will therefore be required to combine their training with basic meteorology.

20. The training in communications, works and district administration begun in the current programme will continue into the fourth cycle. The rapid social and economic growth of the Cayman Islands has made it mandatory to increase the staff of the Public Works Department. To this end, a draughtsman

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has been trained and fellowships in architectural design, building technology and electronic/electrical engineering, begun in the present cycle, will be completed in the Fourth Cycle.

21. If resources permit, assistance will also be provided for the Postal Department in postal administration, international accounts and philatelics.

22. The Government has identified a series of health care targets to be achieved within an overall health plan. One possible vehicle for addressing this need could be the use of United Nations Volunteers (UNV) to conduct training in some sectors, as a cost-effective means of transferring knowledge and know-how, while increasing the numbers of trained Caymanians. Likely areas would be psychiatric nursing/mental health (for the drug education/prevention programme); pharmaceuticals; physical planning; technical drafting for lands and surveys, public works, and water; social work/vocational training for the Centre for the Disabled and an adolescent mothers' programme; museum conservation; laboratory technology; prosthetics; air-conditioning and cost analysis (Public Works). A potential UNV programme over the next few years, however, would need to be developed on a case-by-case basis.

23. Pan-American Health Organization (PAHO) will continue to assist in the general development of the health services through public health education, manpower development, mental health services, environmental health services and the formulation of a national health plan. PAHO-executed activities under the UNDP country programme and the PAHO regular programme have been selected and designed so as to be mutually reinforcing and integrated with the Government's priority efforts in the sector. UNDP resources will be utilized for training three psychiatric nurses, three registered nurses and one laboratory technician over the period 1987-1991.

24. In the education sector, the areas of concentration include: the development of technical and vocational education; the development of the Community College; and the establishment of sheltered workshops for handicapped persons, as a result of preliminary work done during the International Year of Disabled Persons. Input from UNV social workers and vocational training specialists could be effective in equipping Caymanians to take over responsibility in these areas.

25. Additionally, the United Nations Educational, Scientific and Cultural Organization (UNESCO) is providing preparatory assistance for the implementation of an education sector survey, which will produce an inventory and assessment of human and material resources and an analysis of the education system, its management and administration. This survey will assist in policy formulation and will recommend strategies to promote effective utilization of a national capital and recurrent expenditure in education as well as rationalization of bilateral and multilateral assistance.

26. The development of a technical/vocational curriculum will be carried out along the lines of the UNDP/UNESCO Caribbean Multi-Island Education Project (CAR/83/001). As an extension of this, UNESCO may also be requested to provide a consultancy to advise on appropriate practical skills training material to be placed in libraries and other learning resource centres for use by out-of-school users.

27. In the area of culture, it is anticipated that a consultancy in cultural policy will provide a description of the cultural heritage of the Islands as well as an assessment of national resources and options for the rationalization and more effective use of these resources. Contacts have been made with RLA/83/002, Regional Project on Cultural Heritage and Development (UNDP/UNESCO), for preliminary inputs, commencing with a mission by the regional project's Chief Technical Adviser in 1986.

28. The needs arising in the social services centre on the younger section of the population. They include residential facilities for needy children; basic life skills and literacy for adolescent mothers; an adult literacy programme and in-service training for social work personnel. Requests will be addressed to the United Nations Development Fund for Women and the United Nations Fund for the Disabled for assistance, notably in integrating economic (income-generating) and social aspects of the programmes mentioned above.

29. Considerable training and upgrading of staff of the Government-owned Radio Cayman have taken place during the current cycle. It is envisaged that in-service training by ad hoc consultants and the Regional Communications Adviser of the Caribbean Office of UNESCO will continue into the Fourth Cycle. In addition, attachments to overseas radio stations and attendance at annual summer courses at the Caribbean Institute of Mass Communication of the University of the West Indies in Jamaica is envisaged.

30. A high priority in Government's requirements is training in public administration at the middle and upper levels. Fourth Cycle resources will be utilized for services provided by the subregional UNDP/DTCDC supported project, RLA/84/004, Caribbean Centre for Development Administration (CARICAD).

#### Linkages

31. During the fourth cycle, co-operation will continue between the Government of Cayman and UNDP to integrate multilateral and other resources with national priorities and to enhance impact and quality. It is anticipated that this will be carried out more formally within the framework of the development planning now underway with UNDP/CDB assistance. Every opportunity will be sought to increase Cayman's involvement in regional and sub-regional UNDP-sponsored and other United Nations system initiatives during the fourth cycle. In the case of Cayman, the following sub-regional/regional projects

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are of special relevance: Planning of Scientific and Technological Development in the Caribbean (RLA/85/013), Water Resources Development (RLA/82/023), and the Regional Project on Cultural Heritage and Development (RLA/83/022).

32. The Government will continue to supplement its own and UNDP's resources for training with funding from the Commonwealth Fund for Technical Co-operation (CFTC), which has earmarked assistance in areas such as nursing, civil aviation, meteorology and general management in the public sector.

33. Modest assistance will be sought from UNFPA for training the staff of the Department of Social Services in maternal and child health and family-life education. This will serve to maximize the input of other agencies and sources in the areas of youth and social services.

#### Programmed Reserve

34. During the country programming exercise, training needs were identified far in excess of the resources available from UNDP. The core country programme therefore represents a significantly scaled-down version of the original requests. Consequently, no funds are available for the establishment of a programmed reserve. Supplementary resources to meet the pipeline and any new priority requests falling within the country programme framework for technical co-operation linked to the Government's economic development planning process will be vigorously sought.

#### C. Unprogrammed reserve

35. In anticipation of further needs which may arise, particularly with regard to the urgent provision of short-term consultancies, a small reserve representing approximately three per cent of the IPF (i.e., \$15,000) has been set aside.

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Annex

FINANCIAL SUMMARY

I.	ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		
A.	<u>UNDP-administered sources</u>	\$	\$
	Third cycle IPF balance	22 000	
	Fourth cycle IPF	448 000	
	Sub-total IPF		470 000
	Special Measures Fund for Least Developed Countries	-	
	Special Programme Resources	-	
	Government cost-sharing	263 096	
	Third-party cost-sharing	-	
	Operational funds under the authority of the Administrator	-	
	UNDP special trust funds	-	
	Sub-total, UNDP non-IPF funds	-	<u>733 096</u>
B.	Other Resources	-	
	TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING	-	<u><u>733 096</u></u>
II.	<u>USE OF RESOURCES</u>		
	Ongoing projects	126 896	
	New project proposals	591 200	
	Programmed reserve	-	
	Sub-total, Programmed Resources		718 096
	Unprogrammed reserve		<u>15 000</u>
	TOTAL USE OF RESOURCES		<u><u>733 096</u></u>

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