



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/CP/STH/1
10 March 1986

ORIGINAL: ENGLISH

Thirty-third session
2-27 June 1986, Geneva
Item 5 (b) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

FIRST COUNTRY PROGRAMME FOR ST. HELENA*

<u>Programme period</u>	<u>Actual resources programmed</u>	\$
1986-1991	IPF for 1987-1991	440 000
	Carry-over from the third cycle	264 000
		<u>704 000</u>

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
<u>Introduction</u>	1 - 2	2
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES	3 - 18	2
A. Current economic trends	3 - 6	3
B. National development strategies	7 - 13	3
C. Technical co-operation priorities	14 - 16	5
D. Aid co-ordination arrangements	17 - 18	6
II. THE COUNTRY PROGRAMME	19 - 24	6
A. Approach to the formulation of the programme	19	6
B. New programme proposal	20 - 23	7
C. Unprogrammed reserve	24	8
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) proposed projects; (b) distribution of resources by objective; (c) distribution of new country programme by sector.

Introduction

1. St. Helena is a remote island in the South Atlantic, some 1,900 kilometres west of Angola. It is linked, for administrative purposes only and through the Governor of St. Helena, with the British Dependent Territories of Ascension Island, 1,200 km to the north-west, and Tristan da Cunha, 2,400 km to the south. St. Helena comprises a land area of 122 km² with roughly one third of the island's population of approximately 5,500 being concentrated in or around the capital, Jamestown. In addition, a varying number of St. Helenians work temporarily in Ascension. St. Helena has no airport and is served exclusively by its own passenger and cargo ship, the RMS St. Helena, which makes six round-trip voyages per year from the United Kingdom calling at Tenerife, Ascension and St. Helena.

2. In June 1984 the Governing Council, by its decision 84/16, approved an Indicative Planning Figure (IPF) for St. Helena of \$440,000 for the third cycle, which was prorated to \$264,000 for the period 1984-1986. In addition, an IPF of \$440,000 has been approved for the fourth cycle. Consequently, the total resources now available for programming are \$704,000. It was explicitly agreed at the time of the allocation of the IPF that UNDP assistance would be confined to St. Helena.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

3. The economy of St. Helena, which has an estimated per capita gross national product (GNP) of \$1,480 (1983), is characterised by serious structural imbalances. The island is volcanic and mountainous. Seventy per cent of its 122 km² is barren and the remainder consists largely of pasture, forest and only small areas of arable land. Rainfall is unreliable and periodic droughts are common. Most food and other supplies are currently imported. Because of its remote location transport and communications present special difficulties.

4. Given its small size and its weak resource base, St. Helena has experienced significant deficits both on the recurrent budget and on external trade. Consequently, the Territory has heavily depended on budgetary and other support from the United Kingdom Overseas Development Administration (ODA), although it has also benefited in recent years from remittances from approximately 800 St. Helena workers employed on Ascension. This latter source of national income will be severely affected by the anticipated loss of about 400 jobs as the airport construction contract on the latter island winds down.

5. Total spending to meet the needs of St. Helena was expected to be roughly of 9.5 million in 1985. The United Kingdom aid programme to the Territory comprises budgetary aid, a shipping subsidy, development aid and technical co-operation. Under budgetary aid, financial assistance is provided to cover over 75 per cent of the St. Helena Government budget. This assistance was in the order of 3.5 million in 1985.

6. In the absence of any major change in St. Helena's economic circumstances, the Territory will continue to be dependent for some time on United Kingdom aid and other sources of external assistance such as the European Development Fund (EDF), the World Health Organization (WHO) and UNDP.

B. National development strategies

7. The major development objectives and priorities as well as the related strategies designed to achieve these objectives are outlined below:

Development planning and budgeting

8. There has been very little by way of a systematic approach to development planning and project appraisal in the past. However, project documenting has now been rationalized by ODA and a resident economist has been assigned to St. Helena to help to initiate a more systemized approach to development planning at both macro and micro levels. A small development unit has been created in the St. Helena Government.

Employment

9. Only limited employment is generated by the productive sectors in St. Helena, resulting in recourse to regular make-work activities subsidized by the Government. Employment in Ascension also provides an outlet for the labour force. The creation of productive employment is a major preoccupation of the St. Helena Government particularly since the current situation will be exacerbated by the loss of jobs on Ascension. There is some potential for modest import substitution of agricultural produce, fish and timber products and expansion in exports of fish. In the business sector, there is potential for import substitution of simple manufactured items and in the personal services sector. These activities could serve to stimulate employment opportunities further.

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Agriculture

10. St. Helena is heavily dependent on food imports to meet local requirements. Some potential exists for import substitution as well as increased exports to Ascension. At the institutional level, the Agricultural and Forestry Department has been vested with responsibility for development in the two sectors. An agricultural development authority was also established in 1979 as an autonomous parastatal to manage a range of commercial agricultural activities. The authority is currently reorienting its activities to provide more support to small-holding farmers at commercial rates.

Fisheries

11. The fisheries sector is a major source of productive employment, and fish represents the economy's only significant visible export. A parastatal corporation, the St. Helena Fisheries Corporation, established in 1979, is responsible for promoting development in this sector. With the assistance of ODA, more intensive exploitation of inshore resources is planned for export purposes as well as an increase in local sales of fresh fish and fish products, such as fishmeal. In the medium term, it is envisaged that fishery activities might be extended to include offshore resources. An exploratory survey of offshore fishery resources is now under way with ODA financing.

Commercial sector/small industries/handicrafts

12. A wide range of commercial activities are operated by Solomons, a Government-owned enterprise. There is some scope however for the creation of small-scale, private enterprises, on which some preparatory work has been done. Revitalization of a small industries authority, coupled with a system of incentives, is under consideration. Other areas under assessment by ODA include offshore banking, labour-intensive assembly operations and tourism.

Economic and social infrastructure

13. In terms of the overall thrust of the development effort in the Territory, the directly productive sectors of agriculture, forestry, fishing and small-scale commercial activities will be given top priority in the

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allocation of resources. Similarly, where economic infrastructure acts as a constraint on development in the productive sectors, it will be expanded and improved in keeping with a realistic projection of demand. An expansion in electricity generation is also contemplated. In addition, increased water storage for irrigation and improved harbour facilities are also to be emphasized as priority investments in support of proposed plans for the agricultural and fisheries sectors. In the case of social infrastructure, education will be improved in order to develop the capacity of the labour force to respond to new employment opportunities; a new central secondary school is under construction and will be opened in 1988. Although the current government policy has in general left investment in housing to the private sector, a small public sector housing programme is continuing.

C. Technical co-operation priorities

14. Because of the time constraint faced in formulating this first country programme, no attempt has been made to prepare an overall list of technical co-operation needs as part of the country programme exercise. However, a fairly comprehensive list of technical co-operation needs has been identified by the United Kingdom ODA as part of the overall assessment of the development needs of the Territory. This information is contained in a number of internal government documents. In addition, the Working Paper on St. Helena (document A/AC.109/775, dated 16 May 1984), which was prepared by the United Nations Secretariat for submission to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, contains some information on the technical co-operation needs of the island.

15. Based on these documents and against the background of the analysis of economic trends and national development objectives outlined above, there is a clear need for external technical co-operation in the areas of agriculture and fisheries, transportation and telecommunications. Most of these needs are estimated to exceed 1 million annually, will however be met by the United Kingdom Government as part of its aid programme to St. Helena, although some modest assistance is expected from EDF and, to a lesser extent, from WHO.

16. Based on discussions between UNDP, ODA and the Government of St. Helena it has been agreed that UNDP resources will be concentrated mainly on the critical area of agriculture (with special reference to livestock development) and possibly telecommunications (particularly in the area of broadcasting). UNDP will however seek, as appropriate, to ensure that the resources of the United Nations system, including those of the United Nations Fund for Population Activities (UNFPA), etc., are fully utilized in addressing the technical co-operation needs of the Territory.

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D. Aid co-ordination arrangements

17. Because of its geographical isolation, little involvement is currently envisaged in the programme for operational funds and programmes such as the United Nations Financing System on Science and Technology Development (UNFSSTD), UNFPA, The United Nations Children's Fund (UNICEF), the World Food Programme (WFP) or the existing UNDP trust funds or cost-sharing arrangements or indeed the regular special funds of other United Nations agencies or organizations. However, every effort will be made to utilize the resources available from these sources in support of the technical co-operation needs of St. Helena, as circumstances warrant.

18. No specific provision has been made with donors and non-governmental organizations to utilize the country programme as a frame of reference for their activities, e.g., through specific parallel financing arrangements or management service agreements with UNDP. The country programme will therefore serve as a basic operational document focusing on UNDP assistance. Every effort will however be made to ensure the co-ordination of UNDP assistance with that provided by ODA and other donors. This subject will form a special item on the agenda of the periodic meetings to be held between UNDP and ODA to review progress under the country programme.

II. THE COUNTRY PROGRAMME

A. Approach to the formulation of the programme

19. The Governing Council approved an IPF allocation for St. Helena only in 1984 and therefore this is the first Country Programme being prepared for the Territory. Because of the remoteness of the island it was agreed that, initially, the programme would be dealt with directly by UNDP headquarters instead of being assigned to a UNDP field office. This responsibility has been delegated to the Caribbean Unit of the Regional Bureau for Latin America and the Caribbean. The Unit has carried out consultations with the Permanent Mission of the United Kingdom to the United Nations in New York and with the South Atlantic Department of ODA in London in an effort to identify the technical co-operation needs of St. Helena which could be met by UNDP under a country programme. These consultations led to the identification of specific projects to be financed under the programme against the background of an appreciation of the Territory's overall development needs.

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B. New programme proposal

20. The Government of St. Helena has identified the expansion of agriculture, with special reference to improved food production, as a major development objective.

21. In pursuance of this general objective UNDP has been requested to support a major livestock development project. The project is designed to provide St. Helena with an efficient livestock industry which will meet the requirements of the island for most livestock products such as beef, pork, poultry, meat and eggs. The project will provide employment and make the island largely self-sufficient in pig and cattle feeds. It will also lower the costs of livestock products and reduce shortages. The activities to be carried out under the project will involve the development of improved cattle production systems using feeds made from locally available materials, namely, New Zealand flax and fish silage; the development of improved pig production systems using feeds made from local materials such as propionic acid, preserved maize and fish silage; and the improvement of slaughtering facilities. The project, which is costed at approximately \$400,000, would finance the services of a livestock development officer, initially for a period of two years, consultancy services and equipment. The activities carried out under the project will be complemented by a major project on water resources development and agricultural improvement. The latter project, which will be financed by ODA at a cost in excess of \$1 million, is designed to increase agricultural productivity. It will involve capital investment.

22. It is expected that a second phase of the livestock development project will be carried out during the current programming period. The second phase of the project will involve the development of a poultry industry, including egg and broiler meat production. Consequently, the sum of \$234,000 has been earmarked to finance these follow-up activities, including a feasibility study in respect of these activities. The exact details of this proposal are to be developed at a later stage. This provision is consistent with the concept of continuous programming.

23. It should be mentioned that the country programme document was submitted to the Food and Agriculture Organization (FAO) for information because of the emphasis on the agricultural sector in the programme. Following consultations with FAO and ODA, it was agreed that the livestock development project would be executed by the Government with the co-operation of FAO. The Bureau for Programme Policy and Evaluation (BPPE) of UNDP has been fully consulted in the process of formulating the programme and has provided useful advice on its orientation as well as the modality for project execution.

C. Unprogrammed reserve

24. Although the programme will concentrate primarily on agricultural development, a reserve of approximately \$70,000 will be set aside for unforeseen contingencies. Such a reserve is justified by the fact that it will add increased flexibility to the programme and guarantee a quick response to changing needs.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. UNDP-administered sources

	\$	\$
Third cycle IPF balance	264 000	
Fourth cycle IPF	444 000	
Sub total IPF		704 000
Special Measures Fund for Least Developed Countries	-	
Special programme resources	-	
Operational funds under the authority of the Administrator	-	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds	-	

B. Other sources

TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u>704 000</u>
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II. USE OF RESOURCES

Ongoing projects	-	
New project proposals	400 000	
Programmed reserve	234 000	
Subtotal, programmed resources		634 000
Unprogrammed reserve		<u>70 000</u>
TOTAL USE OF RESOURCES		<u>704 000</u>

