I. PROCESS OF THE PROGRAMMING EXERCISE

1. The fourth country programme for Trinidad and Tobago was originally scheduled to be presented to the Governing Council at its thirty-third session (1986). Preliminary work on the programme was therefore carried out during 1985 and 1986. However, the Government decided subsequently to defer the submission of the programme in order to review, among other things, the level of its cost-sharing contribution and scope and nature of the programme in the light of its declining economic situation caused by the fall in oil prices. It was also considered appropriate to await the outcome of the general elections that were scheduled to be held in December 1986. The Administrator therefore approved the extension of the third country programme for a period of one year, to the end of 1987, pending a decision on the timing of the submission of the new country programme.

2. The fourth country programme, which is now being submitted, was formulated on the basis of close consultations between the Government, the United Nations Development Programme (UNDP) office in Port of Spain, and the Caribbean Unit of the Regional Bureau for Latin America and the Caribbean, in New York. The Technical Co-operation Unit in the Office of the Prime Minister, which serves as the focal point for technical co-operation activities carried out by the United Nations system, determined the priorities of the country programme and co-ordinated all the actions leading to its preparation. This involved consultations with the relevant sectoral ministries and departments and with multilateral agencies such as the European Economic Community (EEC) and the Organization of American States (OAS).
3. The UNDP office in Port of Spain also made a substantial contribution to the preparation of the new programme. The Resident Representative's note, which was submitted to the Government, contained specific recommendations for the orientation of the programme in the light of the economic challenges faced by the Government, and also outlined the total resources available for its financing. The note also contained an assessment of the third-cycle programme which indicated the achievements and shortcomings of the technical co-operation activities of the United Nations system carried out during the period. Although no joint programming mission was carried out with the various United Nations agencies in the preparation of the country programme, the Resident Representative consulted actively with the United Nations agencies and organizations based in Port of Spain, namely, the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO) and the Caribbean subregional headquarters of the Economic Commission for Latin America and the Caribbean (ECLAC) in the formulation of the note submitted to the Government.

II. THE FOURTH COUNTRY PROGRAMME

4. During the period 1973 to 1982, the Trinidad and Tobago economy, which is heavily dependent on the production of petroleum, benefited from increased oil prices. However, since 1983 the economy has experienced negative growth rates, a decline in its terms of trade, and increasing unemployment as a result of the fall in oil prices. There is an urgent need, therefore, to diversify the base of the economy in order to lessen the excessive dependence on petroleum, while at the same time taking care of the interests of the lower socio-economic groups in the society during the process of adjustment. This emphasis is reflected in the new country programme, which has the following objectives: (a) expansion and diversification of the production structure; (b) reduction of reliance on external sources for technological requirements; (c) maintenance of the social and economic infrastructure; and (d) meeting the basic needs of lower-income groups. The new programme will seek to build upon some of the initiatives already taken during the third cycle, with special reference to agricultural expansion and diversification and strengthening the technical capacity of the Government to manage the process of development.

5. The Government has proposed that the new programme should be financed from its own resources as follows: new cost-sharing resources - $5,980,276; carry-over of cost-sharing from the third cycle - $2,132,000; and available interest on cost-sharing paid during the third cycle - $689,732, making a total of $8,802,008. The Government has indicated that the fourth-cycle indicative planning figure (IPF) of $2.2 million should not be included in the programme at this stage since it will be utilized only as a last resort.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

6. The country programme will be reviewed by the Technical Co-operation Unit of the Prime Minister's Office, other relevant ministries and departments of the Government, and the UNDP office on an annual basis. Assessment of the status of
the projects will be carried out by the Government using the inputs from tripartite reviews, evaluations and other relevant studies carried out by UNDP and other United Nations agencies. In addition, a Project Review Committee comprising representatives from UNDP, the Technical Co-operation Unit of the Prime Minister's Office, relevant Government ministries and departments and the executing agencies will be established to discuss and resolve outstanding problems on complex projects.

IV. RECOMMENDATION OF THE ADMINISTRATOR

7. The issues relating to the payment of local office costs by Trinidad and Tobago, in keeping with Governing Council decision 85/16, are addressed in document DP/1988/51/Add.1, which deals with the situation of countries required to achieve net contributor status. Without prejudice to any decision the Council may take in the context of its consideration of the above-mentioned report, the Administrator recommends that the Governing Council approve the country programme for Trinidad and Tobago.