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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR
ANTIGUA AND BARBUDA

UNDP assistance requested by the Government of Antigua and Barbuda
for the period 1982-1986

Illustrative IPF for 1982-1986: \$ 1 765 000

INTRODUCTION

1. The first country programme for Antigua and Barbuda is presented for consideration and approval by the Governing Council at its special meeting, May 1982. The previous UNDP supported activities in the country during the second programming cycle came to an end in December 1981. However the period before approval of the new programme will be fully occupied with preparatory activities leading to new project approvals.
2. The 1982-1986 country programme exercise was essentially regional, fully involving those executing agencies having representation in the Caribbean. Under the leadership of UNDP, representatives of FAO, UNESCO, UNIDO, WHO/PAHO, and WFP formed

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, Annex I), the first country programme for Antigua and Barbuda is being submitted to the Council without an accompanying note by the Administrator.

The previous UNDP supported activities in Antigua and Barbuda were described under the country programmes for the Caribbean and the accompanying notes by the Administrator which were issued under the document symbols DP/GC/CAR/R.1-DP/GC/CAR/R.2 and DP/GC/CAR/R.1/RECOMMENDATION-DP/GC/CAR/R.2/RECOMMENDATION, respectively.

a United Nations team which traveled throughout the sub-region holding discussions with each Government. In advance of the team's three-day visit to Antigua in May, the Resident Representative's Note, which took the form of a comprehensive list of sectoral development issues and a detailed statement of the UNDP resource situation, was despatched to the Government and copies circulated to the United Nations specialized agencies. Following the country visit, UNDP convened a two-day inter agency meeting attended by the aforementioned agency representatives and, in addition, UN/DTCDC, ILO, the Caribbean Development Bank, the World Bank and the United Nations economic planning advisers assigned in the sub-region. As a result of this meeting, the draft country programme was prepared by UNDP and transmitted to Government for finalization.

3. The country programme discussion with the Government centred around optimizing the impact of the collective United Nations resources available for Antigua and Barbuda through closer co-ordination among the United Nations specialized agencies involved in the development process, and deploying cost-effective implementation modalities giving practical effect to TCDC, and joint funding arrangements. At this particular juncture in Antigua's newly-gained independent statehood, the Government's technical assistance requirements over the next five years cannot be forecast precisely; hence, the programming exercise and the resultant country programme document concentrated on identification of needs in relation to the public sector investment programme sponsored by the Caribbean Group for Co-operation in Economic Development (CGCED) and other high priority activities in the first two years, with the expectation of annual programming reviews to determine subsequent years' requirements.

Highlights of UNDP assistance

4. The programme bears a meaningful relation to the Government's strategy and planned measures to achieve structural balance and improved liquidity of the economy, lending added relevance to the recent attainment of political and economic self-determination. Thus the underlying characteristic of the programme is its furtherance of the objective of optimizing the nation's natural wealth, human resources and finances for the achievement of self-reliance through increased output and productivity. Hence, the focus on employment and income generation, rural development to complement tourism and industry, human resource welfare and development and stimulation of investment flows. While these are specific national priorities for Antigua and Barbuda, they also coincide with major global concerns supported by the United Nations system.

5. A main highlight of the programme is the investment-support role selected by the Government for UNDP's contribution to the national development process. This is demonstrated by the planned technical assistance inputs in industry, agriculture, socio-economic planning, education, energy and civil aviation which are so designed to strengthen the planning, administrative and technical machinery to attract commitments from other sources for capital investment in the economy. Related to this are efforts to deepen the complementarity of UNDP's technical co-operation with the programmes of other United Nations agencies, and of bilateral and multilateral sources through measures planned by the Government and supported by UNDP through the planning project, to centralize the administration of all technical and financial aid.

6. Another significant feature of the programme is the pooling of national IPF resources for sub-regional activities in agriculture, education and vocational training. This trend gained impetus from the diminution of the Multi-Island (CAR)

Fund and the inadequacy either to maintain on-going projects at the desired level or to accommodate new proposals where several Governments have expressed a coincidence of interest. It also offers encouragement for a progressive move in this direction, strengthening collaboration among Governments and contributing to realization of the Pool of Experts Plan to be implemented under the newly formed Organization of East Caribbean States (OECS) to promote the regional integration movement.

7. The illustrative IPF for 1982-1986 was increased to \$1.765 million in November 1981 when Antigua and Barbuda gained independence. For financial management purposes, a programming ceiling was established at 80 per cent of that amount, equivalent to \$1.412 million. This ceiling is further increased by approximately \$330,000, representing the balance of the UNDP independence bonus rephased from the second cycle. The anticipated resources available for programming purposes therefore is \$1.742 million.

Review of the 1979-1981 country programme

8. The prior country programme was geared towards the special needs of the period of national preparation leading to the independence of Antigua and Barbuda in November 1981 and also with the surge in activity under the auspices of the Caribbean Group for Co-operation in Economic Development (CGCED) formed in late 1978, which called for prudent economic management. Both events lent added urgency for the adoption of measures to stimulate economic growth and development under prevailing conditions of steadily increasing levels of unemployment, susceptibility to international inflationary trends, a decline in tourism (the main foreign exchange earner), and serious imbalances in public finances directly related to balance of payments deficits, an undesirable ratio of debt servicing to revenue, high inflation rate and escalating energy import costs. The second cycle, therefore, saw considerable growth in the programme, made possible through the approval of borrowings against the UNDP bonus awarded recently on the nation's independence, and by drawing on complementary sources of UNDP funding, particularly the Multi-Island (CAR) programme.

9. UNDP resources for 1979-1981 were modest in comparison with Antigua and Barbuda's needs for its diversification programme which centred around broadening the base of tourism, industry and agriculture for a more balanced economy; deepening the linkages between tourism and the rest of the economy to curb foreign exchange leakages; improvement in balance of trade through expansion in exports of locally manufactured products: increased import-substitution to conserve scarce foreign exchange; expanded agricultural production for self-sufficiency in food; and the creation of new job opportunities in rural and urban areas resulting from stimulation of the three productive sectors. UNDP support was essentially of an institution-building nature and included various pre-investment activities. The percentage distribution of resources were as follows:

—	Social and economic planning	(15)
—	Agriculture and agro-industries	(3)
—	Tourism	(34)
—	Infrastructure	(22)

The remaining 21 per cent, representing the balance of the independence bonus, is to be rephased into the third IPF Cycle 1/.

1/ There was also a five per cent programme adjustment for outstanding assessed costs.

10. The central activity during the previous cycle was the work carried out under the socio-economic planning umbrella project which spawned related inputs in water resources management, training for the vital hotel industry, handicraft production and training of counterpart staff who will have responsibility for developing the functions of the central planning unit. The principal achievements included the preparation of the country's first Five-Year Development Plan (1980-1984), hotel skills training under a TCDC arrangement with the Government of Venezuela and manpower planning focusing attention on employment trends and labour force projections over the Plan period.

11. In support of the Government's efforts to achieve increased industrial and agricultural output, UNDP contributed to the preparation of an investor's guide, feasibility and pre-feasibility studies on corn and grain sorghum production for domestic and export use, chemical lime and clay for import-substitute building materials, and local beef and dairy production to reduce the food import bill. These outputs were geared to strengthen Government's bid to attract external resources. The corn and sorghum, beef and dairy projects have engaged the interest of the CGCED for their potential contribution to the economy and they rank high among the national priorities. The chief constraint, however, remains the public sector's weak performance in generating reserves for development activities so that the Government is heavily dependent on external financing. As yet there have been no firm investment commitments.

12. The Government's emphasis on UNDP support mainly for the productive sectors resulted in coverage of the social services being met through other sources. The response of the United Nations system has been greatly appreciated for the contribution of PAHO/WHO and UNFPA to youth and family life education and various health services; to WFP and UNICEF for improvements in the welfare of infants and pre-primary school infants through nutritional feeding facilities and services for day-care; and to UNESCO and the World Bank for the education sector study. The country programme exercise (1982-1986) focused on closer co-ordination and complementarity of United Nations system inputs to lend more weight to the system's contribution to the social aspects of development.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

13. The technical assistance needs that emerged during the country programme exercise reflect the Government's on-going efforts to redress the structural imbalance in the economy by revitalizing agriculture and industry to increase their contributions to GDP. Tourism continues to be the mainstay and plays a crucial role in determining the level of activity in the economy as a whole. The country's other natural resources, mainly land and manpower, however, remain under-utilized as demonstrated by widespread abandonment of arable land and chronic unemployment levels. The costs to the economy of efforts to adjust to a balance of the major sectors, involving substantial capital outlays for economic and social infrastructure including hotel plant, roads, ecommunications, water, electricity, health services, education and training facilities, industrial and agricultural plant, are reflected in the nation's tenuous financial situation already weakened by balance of payments deficits, imported inflation, depleted domestic reserves, dependence on massive inflows of external capital resources and related problems of debt servicing.

14. The strategy articulated in the Five-Year Development Plan (1980-1984) for achieving greater self-reliance is to:

(a) Utilize in the most effective way the indigenous resources of natural wealth, local financial and manpower reserves and capital aid;

(b) Build-up local savings for investment in the economy, particularly industry and agriculture;

(c) Increase revenue from local sources for development purposes;

(d) Centralize the administration of external aid, both financial and technical, to minimize duplication and delays; and

(e) Further promote the philosophy of planning within the Government to ensure that scarce resources are utilized to the fullest benefit of the economy.

15. The sectoral development priorities relating to the strategy and requiring UNDP support are as follows:

(a) Agriculture: rehabilitation of sugar, sea-island cotton, corn and grain, expanded crop and livestock production for food self-sufficiency, import-substitution and job creation in rural areas.

(b) Industry: growth of the industrial sector through encouragement to investors, particularly joint-venture enterprises with foreign partners, for the development of intermediate industries carefully selected to promote export potential, transfer of technology and skills, absorption of surplus labour, greater use of indigenous raw materials, and import-substitution benefits.

(c) Tourism: intensification of tourism marketing promotion activities to stimulate fuller utilization of hotel capacity and tourist services and to reduce seasonal unemployment; increasing the domestic value-added generated by tourism through strengthening the linkages with the rest of the economy thereby curbing leakages of foreign exchange associated with current patterns of food imports for tourist consumption and also expatriate hotel ownership.

(d) Economic infrastructure: adequate and regular supply of water for the health and welfare of the population and to keep pace with expansion in the main productive sectors; efficiency, safety and reliability of transport and communication for domestic services and ease of access to overseas markets; energy conservation and development of alternate sources to reduce foreign exchange expenditure on fuel imports.

(e) Social infrastructure: expanded accommodation, equipment and textbooks for primary and secondary schools; teacher training in administration, technical education and curriculum reform to hasten the social transformation process and better prepare the labour force for employment; facilities for the disabled; improved health, dental, family life education, and day-care services for pre-school children to ensure well-adjusted development of the nation's human resources.

16. The technical co-operation programme proposed by the Government for UNDP support is designed to dovetail with major capital investment anticipated to achieve

increased output and productivity in agriculture, growth of the manufacturing sector and optimization of the returns from tourism. UNDP support is intended to reinforce national institutional capability for marshalling domestic and external capital financing required for implementation of the public sector programmes and to assist in their operational aspects.

Summary of UNDP assistance

Agriculture

Ongoing

17. The ongoing project Agricultural Development and Training (CARICOM) is to provide a financial contribution of \$25,000 to the multi-island programme CAR/81/002 to promote self-reliance among small farmers. Linkages will be established to support and reinforce the proposed Agricultural Policy preparatory assistance.

18. A proposed project Agricultural Policy (FAO) will provide a short-term consultancy mission leading to a project to assist the Government in defining a long-term policy in order to rehabilitate the sector, focusing on the vital issues of land use and land tenure, irrigation, and the whole spectrum of agricultural support services and training which are prerequisites for expanded production and improved distribution. A UNDP contribution of \$83,000 is earmarked.

Industry

19. A proposed project Industrial Development and Investment Promotion (UNIDO) will provide package of advisory services and training to strengthen the institutional framework for identification and promotion of industrial projects and negotiation with prospective foreign investors. The estimated cost is \$35,000.

20. A second project Industrial Accountancy (UNIDO) will consist of a short-term consultancy to develop an action-learning demonstration training programme to upgrade cost and financial accounting skills. The estimated cost is \$9,000. Wider replication of the programme will be determined on the basis of the results obtained.

21. Another proposed project Pre-employment Orientation (UNIDO/ILO) will also consist of a short-term consultancy to examine the problem of difficult adjustment in an industrial working environment. UNDP's contribution is estimated at \$6,000.

Education

22. A proposed project Development of the Education Sector (UNESCO) will provide a pool of experts to be available to advise the sub-region on school administration, curriculum planning, teacher training, vocational education, facilities for the disabled and bulk purchasing of school equipment including text books. Antigua's IPF contribution for the pool is estimated at \$168,000.

Natural resources

23. A proposed project Energy Conservation (UN) will provide assistance in developing and installing energy conservation devices for the hotel industry. A contribution from UNDP of \$75,000 is earmarked.

General development issues, policy and planning

24. An ongoing project Socio-economic Development Planning (UN) (ANT/76/001) is providing assistance in strengthening the Government's institutional capability for economic and social planning and centralized administration of all aid to accelerate growth in tourism, industry and agriculture; project preparation; skills training; manpower planning; insurance training; groundwater resources planning; civil service training and financial management advisory services. The estimated UNDP contribution for the 1982-1986 period is \$610,000.

25. Related assistance in this sector includes the multi-island project for development of a self-sustaining capability for economic and social statistics to support planning (CAR/80/002); a regional project for strengthening the tourism base through improved tourism demand forecasting, market promotion, policy and planning (RLA/79/063); and the regional programme for water resources management (CAR/80/R01).

Transport and communications

26. An ongoing project Civil Aviation (ICAO) (ANT/81/003) provides fellowship training in air-traffic control and aircraft maintenance. The UNDP contribution is \$85,000.

Employment

27. An ongoing project Vocational Training (ILO) provides audio-visual aids and other training equipment for Government's central mechanical repair workshop at an estimated cost of \$36,000. This complements the ongoing Multi-Island Programme (CAR/77/006) Vocational Training in Automotive and Heavy Equipment Occupations for the establishment of a modular training system to up-grade job skills.

Other United Nations system assistance

28. The development priorities supported by UNDP are complemented by other programmes of the United Nations system. In science and technology, for example, a UNESCO preparatory assistance mission will gather data in order to enable the Government to develop a national science policy. The UNESCO contribution is estimated at \$1,500.

29. In the area of cultural development a consultancy will be provided by UNESCO for the establishment of an archives for the collection, preservation and storage of historic documents on the cultural heritage. A UNESCO contribution of \$3,000 is expected.

30. In social services, an ongoing project Pre-School Children Services is funded by UNICEF to upgrade the facilities and services in day-care centres thereby improving the welfare of beneficiary infants and pre-primary school children. The UNICEF contribution is \$93,000 for the 1981-1984 period. Through another project, Supplementary Feeding of Vulnerable Groups, WFP is providing food supplies at an estimated cost of \$429,000 for 1980-1983 to reach malnourished children, pregnant and lactating mothers. A new project, Survey of Nutrition (PAHO/CFNI), is to be undertaken once a suitable Food and Nutrition Policy is adopted. WFP collaboration is desirable since the survey will provide information for a later evaluation of the impact of the above WFP project.

31. In the area of population an ongoing project Youth and Family Life Education (PAHO/UNFPA) (ANT/78/P01) - is funded by UNFPA to foster positive attitudes to responsible parenthood among teenagers and young adults and to survey the incidence of teenage pregnancies. The UNFPA contribution is \$38,000 for 1982. Additional funding for a continuation beyond 1982 is being explored by PAHO with other donors. Another project Population Census (UN/UNFPA) (ANT/80/P01) uses a UNFPA contribution of \$16,000 to assist towards enumeration and other costs involved in taking the census.

32. In the health sector, through an ongoing project, Community Psychiatric Services (PAHO) coming under the Regional Tutors Training programme supported by UK/ODA, PAHO is exploring the use of a tutor to train psychiatric nurses. In another project, Development of the Health Sector (PAHO), fellowship training is provided in various disciplines such as health planning, information systems, dietetics, medical records and statistics, nutrition, radiology, and family life education; advisory services on health legislation and dental care equipment. PAHO will assist in mobilizing support from other interested donor agencies to supplement its own resources. Related assistance is provided through the multi-island project to improve diagnostic laboratory services for disease identification and control (CAR/78/003) and will reinforce the social services and health programmes mentioned above.

Annex

FINANCIAL SUMMARY

A. <u>Resources</u>	\$
(a) IPF and other resources	
(i) Illustrative IPF for programme period	1 765 000
(ii) Carry-over from previous IPF cycles	330 000
(iii) Other resources	-
(b) Provision for adequate programming	-
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TOTAL	2 095 000
B. <u>Use of resources</u>	
(a) Programmed	
(i) Ongoing projects	756 000
(ii) New projects and new phases included in the country programme	376 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	500 000
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Subtotal	1 632 000
(b) Reserve	110 000
(c) Unprogrammed balance <u>a/</u>	353 000
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TOTAL	2 095 000
C. <u>Financial distribution of programme, by sector</u>	

<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>
	\$	\$	\$	\$
02 General development issues, etc.	610 000	-	150 000	760 000
03 Natural resources		75 000	-	75 000
04 Agriculture	25 000	83 000	-	108 000
05 Industry	-	50 000	200 000	250 000
06 Transport and Communications	85 000	-	-	85 000
11/ Education	-	168 000	150 000	318 000
12 Employment	36 000	-	-	36 000
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TOTAL	756 000	376 000	500 000	1 632 000
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a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.

