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## COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

### Consideration and approval of country programmes

#### THIRD COUNTRY PROGRAMME FOR BARBADOS

#### UNDP assistance requested by the Government of Barbados for the period 1982-1986

Illustrative IPF for 1982-1986: \$US 2.5 million

#### INTRODUCTION

1. The third country programme (1982-1986) for Barbados is presented for approval at the May 1982 Governing Council. While the second country programme (1977-1981) came to an end in December 1981, the intervening period consisted primarily of the continuation of ongoing projects.

2. The third country programme exercise was initiated in December 1980, when UNDP and the Government reviewed the over-all financial status of the country programme. Later, during the first half of 1981, a series of programme meetings were held with the Ministry of Finance and Planning to resolve important financial issues within the context of providing assistance for identified priority development needs. In addition to financial resources, discussions at these meetings included Government execution, cost-sharing, repatriation of nationals through a modified TOKTEN scheme, multi-bilateral participation under joint-financing and cost-effective means for project implementation.

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

The previous country programmes for Barbados and the accompanying notes by the Administrator were issued under the document symbols DP/GC/BAR/R.1-DP/GC/BAR/R.2 and DP/GC/BAR/R.1/RECOMMENDATION-DP/GC/BAR/R.2/RECOMMENDATION, respectively.

3. The country programme exercise has been facilitated by the monitoring of project activities by various agencies of the United Nations system and by tripartite reviews. Dialogue with the Government has been effectively established through regional representation from agencies such as the Food and Agriculture Organization of the United Nations (FAO), Pan-American Health Organization (PAHO), World Food Programme (WFP), United Nations Educational, Scientific and Cultural Organization (UNESCO), International Labour Organization (ILO), and the United Nations Fund for Population Activities (UNFPA), from which the country programme has also benefited.
  4. The Government of Barbados has forecast all its technical assistance requirements for the 1982-1986 period; these relate directly to established development objectives and the public sector investment programme prepared under the auspices of the Caribbean Group for Co-operation in Economic Development (CGCED). The national five year Development Plan covers the period from 1979 to 1983, which gives a two year overlap with the third country programme.
  5. The previous country programme achieved relevant objectives in keeping with the Government's development objectives of maximizing economic growth and productive employment opportunities, of increasing economic diversification and economic self-sufficiency, and of formulating an energy policy. By the beginning of 1981, the Barbados National Standards Institute was firmly established and operational and no longer required UNDP assistance. Its activities are closely associated with the Government's planned growth in production for import substitution and export. The Institute not only effectively serves the Barbadian public and private sectors, but also performs services for neighbouring Caribbean countries.
  6. UNDP assistance in the energy sector, which will be a useful input in the formulation of a national energy policy during the third country programme, has already been instrumental in the Government's establishment of an energy institutional infrastructure and has produced recommendations to reduce petroleum and natural gas wastage.
  7. In view of the direct relationship between UNDP assistance and national development objectives, many ongoing projects will be continued in the third country programme. These projects will continue to play an important role in the implementation of the Government's development strategy, particularly concerning energy and export promotion.
  8. The major constraint in the programming has been the limited nature of UNDP resources. The immediate development needs of Barbados are greater than the resources available under the illustrative indicative planning figure (IPF) for the third programming cycle; this has resulted in relatively few projects, most of which are financially constrained. The development context of this island developing country is one of negligible or scarce natural resources, and therefore the role played by technical assistance becomes even more paramount.
- UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT  
OF NATIONAL DEVELOPMENT PRIORITIES
9. The major development objectives as outlined in the national Development Plan are to: (a) maximize economic growth and productive employment opportunities; (b) achieve greater economic diversification; (c) obtain economic self-sufficiency through export expansion and import substitution; and (d) formulate an energy policy which is consistent with the economic growth in the long- and medium-terms.
  10. The Government's economic strategy is to generate real growth of at least

four per cent per annum during the 1979-1983 period through the implementation of high priority income, employment and foreign exchange generating activities in the principal productive sectors of the economy. These activities include:

- (a) Integrated rural agricultural development and the expansion of export agriculture;
- (b) Acceleration of the energy resource development programme; and
- (c) Export promotion activities.

Economic activities in these productive sectors will involve public investment expenditure estimated at US\$562 million over that five-year period. Financing is being achieved through efforts to mobilize national savings and through local borrowing. Where local finances are inadequate, funds will be sought from international and regional financial institutions and through external borrowing.

11. Part of the Government's development strategy emphasizes export promotion through competitive pricing, expansion of external markets and import substitution. UNDP assistance will center upon these export-oriented activities and will assist in the establishment of an institutional framework for effective export promotion.

12. Another part of the Government's development strategy pertains to energy. UNDP assistance in computer system control, natural gas losses, a pressure regulation system for natural gas and the establishment of a National Petroleum Corporation will be of considerable value in the Government's endeavors to control the petroleum industry more fully and to attain self-sufficiency in local fossil fuel resources.

13. The third aspect to the Government's development strategy concerns public investment. The Public Sector Investment Programme for Barbados consists of capital programmes from the ministries with a total planned capital expenditure amounting to US\$562 million. The Government has already initiated actions to mobilize local resources to meet some of the investment requirements. One of these actions is to utilize parastatal bodies to promote economic and social policies and to help mobilize needed capital. UNDP assistance in this endeavor will provide services to the Insurance Corporation of Barbados.

14. The third country programme for Barbados is a direct response to the country's development objectives and forms an integral part of the Government's development strategy to attain a greater degree of self-reliance.

15. In the third country programme (1982-1986), five projects will be continued from the previous cycle. These projects, which will require funding totalling US\$774,805, are: Legal Draftsman (BAR/77/002); Animal and Human Health (BAR/78/002); Physical Planning (BAR/79/002); Agricultural Programme Planning Development and Monitoring (BAR/79/004); and Insurance Corporation (BAR/80/001).

16. New projects, for which an estimated US\$1,100,000 is being requested, will be concentrated in the priority areas of export promotion and energy. The unexpended amount of US\$213,915 is to be held in reserve for training purposes and for new phases of assistance in agriculture and energy to be identified at a later stage.

#### A. Agriculture

17. The Government is placing increasing emphasis on development of the agricultural

sector. Its over-all policy is to maintain and increase agricultural export earnings from sugar, to develop exports from other agricultural commodities and to reduce agricultural imports whenever import substitution is technically and economically feasible. The needed institutional adjustments as well as the formulation and implementation of the agricultural policies call for the strengthening of the planning capacity within the Ministry of Agriculture.

Ongoing project

Agricultural Programme Planning Development and Monitoring (BAR/79/004)

18. This project, which commenced in 1981, contributes to the Government's efforts to improve the agricultural system and the decision-making process both directly, within the Ministry of Agriculture and its Planning Unit, and indirectly, within and between the Ministry, the parastatal bodies and agricultural producers. Specific activities included under this project will be directed at further developing the capabilities of the Planning Unit to prepare programmes and projects at the subsectoral level, establish a relevant agricultural pricing system and develop monitoring systems, including a marketing intelligence and information system. This project is scheduled for completion in 1984. Over the three-year period a total of US\$375,100 is required.

B. Health

19. The Government has recognized the disparities and deficiencies of the present health system and stated its commitment to ensure the provision of high quality, low-cost health services to all sectors of the community through the establishment of a National Health Service and Drug Scheme.

Ongoing project

Animal and Human Health (Phase II) (BAR/78/002)

20. The impact of animal health on the Barbadian population has been recognized by the Government. This project, the first phase of which commenced in May 1974, was designed to develop a permanent infrastructure for a national animal health and veterinary public health programme that would help reduce the incidence of zoonotic diseases and provide an effective food hygiene programme. The project, which is jointly co-ordinated by the Ministries of Agriculture and Health, is scheduled to be completed in 1982. UNDP assistance required is US\$58,525.

C. General development policy and planning

21. In Barbados there is continuing need to attract external investment capital in the economically vital sectors of manufacturing and tourism. Efforts to enhance the investment climate through modernization and the updating of laws to enable Barbados to become party to relevant conventions are also considered to be of high priority.

Ongoing project

Legal Draftsman (BAR/77/002)

22. Under this project, with the assistance of an Operational Assistance adviser (OPAS), the Government is revising and reforming laws relating to the sale of goods,

depositors protection, small loans and general business practices. In addition, the adviser has participated in a training course in legislative drafting at the University of the West Indies to upgrade skills of legal draftsmen in the region. The Government has requested an extension of the adviser's services to carry out an additional assignment as consultant on the development of jurimetrics in Barbados and the Caribbean for the computerization of legal material. This assignment is scheduled to be completed in 1982, with an anticipated UNDP expenditure of US\$25,380.

#### D. Physical planning

23. Barbados is a predominantly agricultural country, with a major urban concentration in the greater Bridgetown area. The concentration of services and development in the urban area has been viewed as an impediment to proper physical planning. The Government's stated intention, therefore, is to encourage the development of other settlement concentrations outside of Bridgetown.

24. The efficient and orderly physical development of Barbados is an integral part of the Government's over-all development strategy. The Town and Country Planning Act, passed in 1965, provides for the preparation of a Physical Development Plan and for its updating every four years. The first plan has been ineffective in guiding the physical development of the Island, since it was outdated at the time of its presentation in 1970.

#### Ongoing project

##### Physical Planning Project (BAR/79/002)

25. The objective of this project, which commenced in August 1980, is to support the Town and Country Planning Department in the preparation and implementation of an updated and revised Physical Development Plan, including the preparation of a spatial strategy for a more balanced development of the Island. The project, which is expected to end in 1984, has a total UNDP contribution of US\$177,000.

#### E. Industry

26. The economy of Barbados is particularly vulnerable to external economic influences because of its small resource base and openness. The Government recognizes that trade must play a significant role in the realization of its objectives of growth, employment, economic diversification, and greater self-sufficiency, and is therefore placing increasing emphasis on export promotion.

#### New project

##### Export Promotion

27. The Government has enacted the Export Promotion Corporation Act, which established the Export Promotion Corporation (EPC) as a vehicle for developing the export trade of Barbados. Some of the projects and activities to be pursued by EPC over the national Development Plan period (1979-1983) are: (a) establishment of a trade information centre; (b) production of publications on marketing opportunities; (c) assistance to manufacturers in the formulation of marketing strategies; (d) establishment of a permanent exhibition of locally manufactured products; and (e) establishment of a Barbados export trading company. In pursuance of these objectives the Government is seeking the sum of US\$780,000 to assist EPC in meeting priority objectives in the area of export promotion.

Ongoing project

Strengthening of the Insurance Corporation of Barbados (BAR/80/001)

28. The national Development Plan (1979-1983) reiterates the Government's intention to use parastatal bodies as vehicles for the promotion of the Government's economic and social policies. Recognition of the role which public financial institutions can play in the mobilization of capital for investment led to the establishment of the Insurance Corporation of Barbados (ICB) in 1978. ICB transacts all classes of insurance business derived from the coverage of assets belonging to the Government and also accepts business from the public. ICB is expected to play a major role in the development of trained skilled manpower in insurance and in the development of subsidiary services related to insurance. The project is programmed for a three-year period and will commence in January 1982. The UNDP contribution required is US\$233,200.

F. Natural resources

New project

Energy

29. During the past few years the Government has placed increasing emphasis on developing better control over the country's petroleum industry. Results of exploration activities suggest that it is feasible to aim at targets of self-sufficiency through a programme of exploration of local sources of fossil fuels.

30. An Energy and Natural Resources Division was created in the Ministry of Trade and Tourism with responsibility for the formulation and execution of research and exploration of fossil fuels and natural resources and for ensuring that energy programmes are soundly conceived. In June 1981, the Government further centralized energy responsibilities by transferring the Energy and Natural Resources Division to the Planning Section of the Ministry of Finance and Planning.

31. The Government has received assistance in energy from the UNDP under the project entitled Assistance in Petroleum and Energy (BAR/78/008) which ended operations in early 1981. The project provided expert assistance in fields related to energy production and energy control. Some of the project's tasks were studies and the Government has requested follow-up action to the studies conducted under the project to give needed support to its efforts to improve control over energy development and to enable it to participate in all aspects related to energy. In particular, the activities of the proposed project will include: (a) a computerized distribution model for system control purposes for the Natural Gas Corporation; (b) a study of gas losses and a procedure to eliminate them; (c) a design for an automated, centrally controlled pressure regulating system for the Natural Gas Corporation; and (d) assistance with the establishment of a National Petroleum Corporation. It is anticipated that the project will commence in 1982; the financial input required from UNDP for the four-year period is US\$219,000.

Annex

FINANCIAL SUMMARY

A.	<u>Resources</u>		\$
	(a)	IPF and other resources	
		(i) Illustrative IPF for programme period	2 500 000
		(ii) Carry-over from previous IPF cycles	50 000
		(iii) Other resources	-
	(b)	Provision for adequate programming	-
		TOTAL	2 550 000
B.	<u>Use of resources</u>		
	(a)	Programmed	
		(i) Ongoing projects	869 205
		(ii) New projects and new phases included in the country programme	1 099 000
		(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	-
		Subtotal	1 968 205
	(b)	Reserve	81 795
	(c)	Unprogrammed balance <u>a/</u>	500 000
		TOTAL	2 550 000

C. Financial distribution of programme, by sector

	<u>Sector</u> <u>b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>TOTAL</u>
		\$	\$	\$
02	General development issues, etc.	202 380	-	202 380
03	Natural resources	-	319 000	319 000
04	Agriculture	375 100	-	375 100
05	Industry	233 200	780 000	1 013 200
10	Health	58 525	-	58 525
	TOTAL	869 205	1 099 000	1 968 205

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.

