

# UNITED NATIONS DEVELOPMENT PROGRAMME



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## COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

### Consideration and approval of country programmes

#### FIRST COUNTRY PROGRAMME FOR BRITISH VIRGIN ISLANDS

#### UNDP assistance requested by the Government of British Virgin Islands for the period 1982-1986

Illustrative IPF for 1982-1986: \$300,000

#### INTRODUCTION

1. The first country programme for the British Virgin Islands is presented for consideration and approval by the Governing Council at its special meeting in May 1982. However, during the period prior to the approval of the programme preparatory activities leading to new project approvals are planned.
2. The 1982-1986 country programme exercise was essentially regional, fully involving those executing agencies with representation in the Caribbean. Representatives of FAO, UNESCO, UNIDO, PAHO/WHO formed a United Nations team which visited the British Virgin Islands for three days under the leadership of UNDP. All executing agencies received copies of the Resident Representative's Note (a listing of developmental priority issues for the country) and a detailed statement on resources well in advance of the country visit. Following the country visit, UNDP hosted a two-day country programme meeting at which the above agencies participated in addition to representatives of UN/TCO, ILO, the Caribbean Development Bank, the World Bank and several economic planning advisers in the region. Subsequent to this meeting, the draft country

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 the British Virgin Islands is being submitted to the Council without an accompanying note by the Administrator.

The previous UNDP-supported activities in the British Virgin Islands were described in 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.

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programme was prepared by UNDP and transmitted to the Chief Minister for final approval.

3. The Caribbean Airport Maintenance and Operations Study (CAMOS), prepared by ICAO on behalf of the Caribbean Development Bank (CDB), and another civil aviation development study also prepared by ICAO which were made available to UNDP and the Government, contributed to the country programme exercise. The latter was made available in the form of a technical assistance project.
4. The country programme discussion with the Government centered on programming limited UNDP financial resources, development of cost-effective modalities of implementation through pooling of all United Nations resources, and contribution of IPF resources to multi-island activities, sharing of international and regional expertise available throughout the Caribbean giving practical effect to TDC, multi-bi operations and cost sharing drawing upon the CDB. In light of the limited IPF funds allocated to the BVI, this approach proved to be most effective in helping to bridge the gap between the Government's technical assistance requirements and UNDP's ability to meet them.
5. The major components of the country programme are two operational projects: Fisheries Development (BVI/79/001) and Socio-Economic Development Planning (BVI/77/001) which the Government has requested to be continued. Due to the limited IPF resources available, it was only possible to grant this request by supplementing the IPF with a Government cost sharing input. A sum of \$100,000 was made available for this purpose through an existing fisheries loan agreement with the CDB. The sum is earmarked to cover a two-year extension of the FAO Fisheries Adviser on project BVI/79/00.
6. The illustrative IPF allocated to the BVI for the 1982-1986 cycle is \$300,000 of which \$240,000 (or 80 per cent), in addition to the Government cost sharing input, is available for programming. Approximately 12 per cent of these resources is left as a reserve for future programming.
7. The IPF resources allocated for the third cycle, though limited, are concentrated in areas that reflect the Government's priorities for development. The planned technical assistance in fisheries and socio-economic development planning, especially as reflected by the wider-ranging activities under the latter project, seem well targeted to assist the Government in realizing its goal of effecting inter-sectoral linkages in the economy. Another significant feature of the programme is the focus of the fisheries project which is designed to strengthen both the operational and institutional capacities of the industry to promote, *inter alia*, import substitution and to rectify the existing arrangement where fish products and fish caught in the British Virgin Islands are taken to the United States Virgin Islands from where the product, both processed and unprocessed, is reimported into the country. Assistance from the project to provide support for the establishment of an effective fisheries management programme and infrastructure will make a major contribution to the transformation of the economic and social structure of the country.

#### Review of prior UNDP-supported activities

8. The sum of \$465,000 was allocated for UNDP-supported activities in the British Virgin Islands during the second programming cycle. This total included a sum of \$165,000 which was carried over from the first programming cycle. A review of the expenditure pattern indicates that approximately 60 per cent was utilized for socio-economic development activities, 30 per cent for agriculture and agro-industry and 1 per cent for health.

9. The fragility of the economic structure of the British Virgin Islands (due to very limited natural resources) and its vulnerability to natural disasters was aggravated by the country's lack of administrative capability to formulate and implement consistent programmes for social and economic transformation. The major forms of UNDP's assistance over the period were designed to assist the country in overcoming this imbalance.

10. Through the assistance of the project Socio-Economic Development Planning (BVI/77/001) the British Virgin Islands is well on the way to establishing a central planning capability. A draft Development Programme (1979-1982) was prepared with assistance from the project. In addition, support for the tourist industry was effected through the preparation, in co-operation with Caribbean Tourism Research and Development Centre (CTRC) of a Tourism Motivation and Expenditure Survey which began in 1981. Activities included the preparation of a project proposal for the extension of West End Harbour, and management assistance for a fibre-glass boat manufacturing project. Further assistance was provided through the preparation of a British Virgin Islands projects list (1981-1984) which is extensively used in negotiations with donor countries and agencies. Programmes and activities were co-ordinated to further co-operative education and development.

11. The fisheries project has realized a reasonable measure of success in the development of this sector. In keeping with the basic objectives, a Fisheries Division of the Department of Agriculture has been established and is now operational; funds have been obtained from the Caribbean Development Bank for the procurement of land-based infrastructure relevant to this industry. The Government has expressed its satisfaction with the project and has contributed \$100,000 through a loan from the CDB to be applied on a cost sharing basis to supplement funds requested from UNDP for its continuation.

12. UNDP assistance was supplemented by other agencies of the United Nations system. A PAHO/WHO-funded project provided country programmes in the development of a health care delivery system, and UNFPA contributed to activities in family life education.

#### NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

13. Tourism and its related industries are the major determinants of the strength of the British Virgin Islands economy. Given the country's vulnerability, the strategy will be to establish intersectoral linkages between tourism, agriculture (vegetable farming), fisheries and manufacturing as a means of creating a balanced economy and to provide increased employment opportunities. Other components of the strategy are the following:

- (a) Provide investment opportunities for British Virgin Islands investors and encourage joint ventures between foreign and local investors;
- (b) Complete and undertake the construction of physical infrastructures to provide the basis for a more diversified economy;
- (c) Develop tourist attractions;
- (d) Encourage the development of light manufacturing industries and handicrafts; and
- (e) Mobilize financial resources in the public and private sectors.

Summary of UNDP assistance proposed in relation to above objectives

Agriculture

14. An ongoing project, Fisheries Development (FAO) (BVI/79/001), will assist in the development of the country's fisheries resources through the establishment of a Fisheries Division in the Ministry of Agriculture and will also help to develop a suitable work programme to enable the Government to provide appropriate support and management to the industry. UNDP is requested to contribute \$20,000 which will be supplemented by a Government cost sharing input of \$100,000.

General development issues, policy and planning

15. An ongoing project, Socio-Economic Development Planning (UN/DTCD) (BVI/77/001), will continue to assist in developing a central planning capability in the country and also seek to strengthen the economy through the mobilization of all available resources. UNDP is requested to contribute \$1 5,000.

Transport and communications

16. Under an ongoing project, Vocational Training in Automotive and Heavy Equipment Operations (CAR/77/006), the Government has agreed to supplement the modest multi-island Fund in support of this project. The contribution from the IPF is \$5,000.

Social services

17. The Government has also agreed to supplement the ongoing project, Social Security (ILO) (CAR/75/004), with funds from its IPF to provide consultancy services in 1982. The contribution is \$20,000.

Other assistance from the United Nations system

18. A new project, Cultural Development (UNESCO), will provide a short-term consultancy to examine the relationship between arts and crafts and culture with a view to their being integrated into a cultural development programme. UNESCO's estimated contribution is \$3,000.

Annex

FINANCIAL SUMMARY

A.	<u>Resources</u>		\$
	(a)	IPF and other resources	
		(i) Illustrative IPF for programme period	300 000
		(ii) Carry-over from previous IPF cycles	-
		(iii) Other resources (Government cost-sharing)	100 000
	(b)	Provision for adequate programming	-
		TOTAL	<u>400 000</u>
B.	<u>Use of resources</u>		
	(a)	Programmed	
		(i) Ongoing projects	300 000
		(ii) New projects and new phases included in the country programme	-
		(iii) earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	-
		Subtotal	<u>300 000</u>
	(b)	Reserve	40 000
	(c)	Unprogrammed balance <sup>a/</sup>	60 000
		TOTAL	<u>400 000</u>

C. Financial distribution of programme, by sector

	<u>Sector</u> <sup>b/</sup>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>
		\$	\$	\$	\$
02	General development issues	155 000	-	-	155 000
04	Agriculture	120 000	-	-	120 000
06	Transport and communications	5 000	-	-	5 000
14	Social services	20 000	-	-	20 000
<u>TOTAL</u>		<u>300 000</u>	<u>-</u>	<u>-</u>	<u>300 000</u>

<sup>a/</sup> 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/HQ/TNS/126.

<sup>b/</sup> According to ACC classification.

