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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
FIJI

UNDP assistance requested by the Government of Fiji
for the period 1982-1985

<u>Illustrative IPF for 1982-1986:</u>	\$5,000,000
<u>Illustrative IPF for the Programme period (1982-1985)</u>	\$3,900,000

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 Fiji is being submitted to the Council without an accompanying note by the Administrator.

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

INTRODUCTION

A. Overall Objectives

1. The third Fiji country programme covers the 1982-1985 period, and includes UNDP assistance corresponding to the national development objectives, as set out in the Development Plan VIII (1981-1985). During this period (1981-1985), Fiji's overall economic development is to be based on primary production, tourism and selective industrialization. Tourism has proved to be a relatively stable source of employment and foreign exchange and reasonably good prospects are foreseen over the long term. In the industry sector, efforts are being pursued based not only on import substitution, as in the past years, but also on exports of locally processed primary commodities. Toward this end, an expansion of the primary sector is proposed which includes provision for improved infrastructure, credit facilities and diversified technical advice together with increased investments in agriculture, forestry and marine resources.

2. This development strategy is to include specific programmes at the regional level which focus on areas remaining relatively underdeveloped, and which may help to reduce excessive urban drift. These programmes will include the establishment of a rural network of industrial growth centres, improved rural infrastructure, regional industrial policy and strengthened regional decision-making in matters relating to development and welfare. The DP VIII objectives of expanded primary sector production and increased processing of local primary sector commodities will also require improved public and private sector management and ability to select and utilize technologies appropriate to local conditions and requirements.

3. UNDP assistance is therefore planned to help achieve these overall development objectives by focussing first on industrial development activities and, second, on the primary production sector, which will help strengthen and further diversify the economic base of the country; by concentrating a significant amount of funds on training aspects which should allow increased self reliance through, in particular, reinforced and better-managed administrative infrastructure; and by assisting social and community development projects which should help ensure a more equitable distribution of the benefits of development. Also, through the involvement of Fiji in intercountry projects, particularly those focused on the Pacific Region only, UNDP will assist in the promotion of regional technical co-operation.

B. The programming exercise

4. Because of the high level of approved programme expenditures in 1981 (during which funds had to be borrowed from the third-cycle IPF), and of the relatively limited and declining level of annual UNDP funds available to the country during the 1982-1985 period, the Government did not request United Nations agencies to send formal Country Programming missions. Rather, the Government, in consultation with UNDP, undertook informal reviews of ongoing

and proposed UNDP-financed projects to help determine the priorities for continuing UNDP-supported assistance during the 1982-1985 period.

5. In preparing the third country programme, the Government focused primarily on technical and pre-investment assistance requirements during 1982 and 1983, on the assumption that UNDP assistance during the remaining two years would be worked out in detail at a later stage following sectoral reviews scheduled to take place during the later part of 1982 and early in 1983. This continuous programming approach appears absolutely necessary to the Government in order to progressively meet the evolving national priorities and also to take into consideration the present financial constraints imposed on UNDP.

6. In order to obtain maximum benefits from the declining UNDP funds to be made available to the country during the period 1982-1985, it was found necessary not only to concentrate them on a relatively small number of specific economic sectors, but also to continue to reduce the number of projects in order to avoid an excessive scattering of the limited resources. It is also foreseen to make greater use of United Nations Volunteers, particularly to help reinforce the implementation of development programmes at the regional and local levels. It should also be noted that at least three Government executed projects, will be continued during the third UNDP cycle.

C. Anticipated resources

7. The UNDP Governing Council approved an illustrative IPF for Fiji of \$5 million for 1982-1986, of which \$3,900,000 represents the 1982-1985 portion. Of this amount only \$3,120,000 or 80 percent has been taken into account for programming due to the possibility of a shortfall in expected voluntary contributions to UNDP. An amount of \$132,000 representing a Second IPF Cycle over-expenditure has been deducted from the amount available for programming but is partially offset by a provision for adequate programming of \$100,000.

D. Anticipated external assistance to Fiji during the period 1981-1985

8. According to the Government's most recent estimates, the total projected external financial aid during 1981-1985 will amount to approximately \$129 million. The major donors will be: Australia (38.5 percent); New Zealand (19 percent); the European Economic Community (12 percent); the United Kingdom (11 percent); the UNDP (4 percent); and others including the U.S., Japan, India, CFTC, and Canada. These inputs were taken into account when formulating this country programme.

The Programme

From 1982 to 1985, UNDP assistance will be concentrated on six major development areas.

A. Agriculture, forestry and fisheries

9. DP VIII envisages that agriculture will continue to provide the major thrust for the overall economic and social development of the country. In this regard, the new Development Plan gives priority to programmes designed to expand and diversify livestock and crop production in order to increase national self-sufficiency in basic foodstuffs and thereby to reduce foreign exchange costs through import substitution. The expansion of sugar production to at least the present total milling capacity of 600,000 tons is envisaged, not only to increase exports but also for use in local ethanol production.

10. It is also expected that by 1984 most, if not all, of the planting targets for pine and other trees will be achieved and that the harvesting of timber will increase significantly. At that stage, it would also be necessary to develop further local capacity to process the new timber resource in order to achieve maximum value in foreign and local markets.

11. Fisheries play an increasingly important role in the Fiji economy in terms of export earnings, as well as in terms of improving the diet of the population. The major potential of the fisheries sector lies in the development of industrial pelagic fisheries. Successful development of this sub-sector would also depend on adequate marketing networks and pricing structures in order to make fishing an attractive venture for fishermen, especially in the rural areas. DP VIII gives major emphasis to the balanced development of both commercial export oriented fisheries and the upgrading of artisanal fisheries oriented toward local market requirements.

12. A large portion (i.e., \$516,500) of the uncommitted funds under the third country programme will be earmarked for this sector. Specific projects designed to achieve agricultural, forestry and fisheries objectives, as stated in DP VIII, will be further identified in the latter part of 1982 and in 1985. These activities may include crop development such as cocoa, ginger, citrus, and livestock development projects in dairy farming and sheep farming, projects in timber processing and in industrial fisheries development and fish marketing systems. However, it is felt by Government that at this stage the formulation of total precise requirements in this sector will be premature. For the time being, two projects will be continued.

- Goat Development Scheme (FIJ/75/004): This project will continue training, through 1983, a corps of national husbandry officers and extension staff who are implementing a goat-meat production scheme both in the field and in research stations. The goat-breeding and multiplication unit developed in the Sigatoka Research Station is now supplying some of the improved stock required to implement the scheme on a national basis. Another goat-breeding and multiplication unit is now being established at the Seaqaqa Station to expand the programme in the country's Northern Division. A third station, new Savusavu, will be started in 1982. During the DP VIII period, the project will also assist in the development of sheep production in order to help reduce dependence upon imported mutton. (1982-1983: \$172,000).

- Hurricane Flood Rehabilitation (FIJ/80/017): In 1980, following two successive hurricanes which devastated densely populated areas in the Central Division on the main island of the Fiji group (Viti Levu), UNDP allocated \$1 million from its "Programme Reserve" funds, in order to finance a large and

comprehensive flood rehabilitation project. This project is given high priority within the agricultural sector. It is coupled with a loan from the IBRD of \$18 million. The UNDP-financed inputs include expertise and equipment required for the preparation and implementation of integrated land rehabilitation and agricultural development schemes (1982-1983: \$747,000).

13. A number of Pacific Intercountry projects will also provide assistance to Fiji in the agricultural field: - Regional Fisheries Programme (RAS/73/025); Root Crops Development (RAS/74/017); Training of Technicians in Agriculture, Forestry and Fisheries (RAS/79/025); Livestock Development (RAS/79/027).

B. Administrative infrastructure

14. Since Fiji gained independence in 1970, the Government has embarked on a localization scheme to reduce the country's dependence on foreign technical assistance and know-how through qualitative and quantitative upgrading of its locally available manpower. Also, faced with a rapidly increasing workforce, the Government is seeking ways and means to maximize employment opportunities. Furthermore, it is a declared goal of the Government to promote the integration of women into the national development process. UNDP assistance in this sector during the third country programme will be to strengthen manpower development through the following projects:

- Studies in Development Planning - (FIJ/74/002): This project will continue to provide training assistance in development planning and administration throughout the third Fiji Country Programme (1982-1985: \$80,000).

- Fellowships for Manpower Training and Development - (FIJ/79/007): This Government-executed project will continue to provide fellowships for overseas training in various professional disciplines identified by the Fiji Public Service Commission, in order to develop skilled manpower for the public sector (1982-1985: \$225,000).

- Provision of United Nations Volunteers: This is a new umbrella project under which service of United Nations Volunteers will be acquired. Technical assistance in such various disciplines as, possibly, medical doctors, Public Works specialists, and the like, will be provided to help reinforce the implementation of national, regional and local programmes, as included in DP VIII. It is envisaged that this new project will commence in 1983. (1983-1985: \$160,000).

- Technology Policy Assessment - (FIJ/81/T01): This new project is one component of a two-part comprehensive assessment of Fiji's overall development strategy - the first and larger component being an Employment Mission which the Government of Fiji has officially requested the EEC to fund under the Lome II Convention. This project is funded by the UNDP Interim Fund for Science and Technology for Development (IFSTD) and provides for expertise in 1982 to conduct a comprehensive review of existing Government policy towards technology imports, adaptation, and local innovation. (1982: \$100,000).

15. A small portion (i.e., \$48,000) of the uncommitted funds under the third country programme will be allocated for new manpower training activities. These new training activities will be directed toward achieving the manpower

development requirements of DP VIII and will include short-term courses designed and developed to meet specific needs identified by the regular sector surveys conducted by the Fiji National Training Council.

16. These national projects will be complemented at the Pacific regional level by the activities undertaken under - Training in Public Administration - (RAS/79/018); Training in Project Formulation and Appraisal - (RAS/79/028); Regional Manpower Planning - (RAS/79/035); and Strengthening of the Planning and Implementation of National Programmes for Women in the Pacific - (RAS/81/W06).

C. Physical infrastructure

17. As a result of capital investments made by the Government since Independence, Fiji has a comparatively developed transportation system which includes over 3,300 kilometres of proclaimed roads, airstrips, and jetties. One of the Government's priority objectives in the transport and communications sector is to ensure that the existing systems function efficiently and give priority to developmental requirements as well as to services improving the quality of life in rural and urban areas. For Fiji, a nation consisting of numerous widely dispersed islands, dependable marine transport is also of particular importance.

- Hydrographic Survey - (FIJ/80/016): This project will continue to provide, until the end of 1983, expertise, training and equipment with a view to establishing a fully operational Hydrographic Survey Unit capable of surveying and charting Fijian waters up to the 200 nautical mile Exclusive Economic Zone (EEZ) limit. The project is expected to have a direct impact on the Government's planning activities in such priority areas as transport, mineral exploration and management, fisheries and trade. (1982-1983: \$179,000).

- UNDP also provided assistance to this sector during 1980-1981 under Inter-island Shipping Services Study - (FIJ/79/002). The study covered the following areas: routing, cost accounting, tariff, data collection, shipping regulations, onshore docking, repair and ship-building facilities. Due to its present financial constraints, in 1982 particularly, UNDP will not be in a position to finance recommendations for follow-up technical advisory assistance in support of the implementation of the various study recommendations, despite the high priority given to such follow-up by the Government. Collaboration from other external sources, either bilateral or multilateral, will be considered later on by the Government when the findings and recommendations of the second technical study are submitted.

18. In addition, Fiji will continue to receive assistance in the telecommunications field under the following two UNDP Pacific Intercountry projects: Regional Telecommunications Training - (RAS/81/025); and Development of Telecommunications in the Pacific - (RAS/81/026). As from 1984, a new Pacific intercountry project, Regional Transport Survey - (RAS/81/094), should provide additional assistance from UNDP to this sector.

19. Continued external assistance in this sector will be needed and it is proposed that 8.4 percent (\$100,000) of the uncommitted funds during

1982-1985, should be allocated to it. These will be allocated to specific physical infrastructure projects in the light of emerging needs and priorities identified by the 1982/1983 reviews of the UNDP country programme.

D. Industry, commerce and co-operatives

20. In Fiji, the sugar industry dominates the manufacturing sector, followed by the coconut oil industry. However, the Government also hopes within DP VIII to promote diversified agro-industry production to achieve greater import substitution and exports. The industries that Government hopes to fund through external aid include those that create more employment opportunities, diversify the economic base of the country, promote a more equitable distribution of income and generally contribute to economic growth. In this respect, DP VIII gives priority inter alia to the development of handicrafts, coconut products, ceramics, bamboo and rattan weaving industries. Related training in appropriate technologies and management are essential components of the various projects currently receiving UNDP assistance in this sector.

- China Joint Venture in Rural Development (FIJ/79/014): Fiji and the People's Republic of China concluded a technical assistance agreement leading to the setting up of a rattan technical training centre and a bamboo technical centre with Chinese technical expertise. UNDP was called upon by the Fiji Government to assist in this TCDC joint venture by providing funds to cover living allowances, internal travel costs, airfares and vehicles. This project is executed directly by the Government and will continue until 1983. (1982-1983: \$49,000).

- Industrial Development and Promotion (FIJ/80/002): Under this project, a specialist of technical expertise in investment promotion work will be required for the Economic Development Board (EDB) until early 1983 (1982-1983: \$126,000).

- Assistance to Small Scale Rural Industries (FIJ/80/003): As already indicated, the Government is attempting to increase the participation of the rural indigenous population in various small industry activities. UNDP assistance currently provides expertise and equipment until at least early 1983 in the establishment of rural industrial services programmes, including a network of rural service workshops, a rural industrial extension service, mobile rural service units for isolated areas, and training of national counterparts. The concept of rural service units provides an important further outreach dimension, and serves as a pilot activity which could, at a later stage, possibly be expanded on a nationwide basis. It is anticipated that this project will continue into the 1984-1985 period. (1982-1983: \$107,000).

- Development of Ceramic Industries (FIJ/80/005): Ceramic manufacturing is labour intensive and is well suited to Fijian skills and traditions. The project will continue through 1983 to assist in the establishment of a ceramic production pilot plant which will demonstrate appropriate ceramics promotion techniques and provide on-the-job training activities (1982-1983: \$74,000).

- Business Opportunity and Management Advisory Service (FIJ/80/013): Within the framework of BOMAS, UNDP will continue to provide expertise to assist indigenous Fijian entrepreneurs to improve their skills and to increase their

participation in business ventures. The project will provide guidance and training to existing and future entrepreneurs in business opportunity identification, feasibility assessments, advice on finance, management and investments, etc. It is now anticipated that this project will continue throughout 1985. (1982-1984: \$209,000).

- Coconut-based Industries (FIJ/80/018): The island of Lakeba, where the project is based, produces 5.5 million coconuts per year, the main livelihood of the people. In order to generate additional employment and income opportunities, a coconut complex was set up by the Lakeba Co-operative Association. This complex started to produce coconut oil and a number of coconut-based products, such as coir and coir by-products. This Government-executed project will provide technical management in order to help ensure the successful operation of the new integrated oil mill. (1982-1983: \$105,000).

- Accident Compensation Scheme (FIJ/81/003): At the present time, compensation for persons injured, disabled or killed in work accidents is the direct responsibility of employers by virtue of the Workmen's Compensation Ordinance. As in many other countries, Fiji has over the years come to realize that there are several fundamental disadvantages to a compensation scheme of this kind, and has decided to replace it with a system founded on social insurance principles. This new project will allow the financing of an adviser in 1982 to assist the Government in the introduction and establishment of a modern social insurance scheme, providing compensation and rehabilitation assistance to the victims of work place and motor vehicle accidents. (1982: \$31,000).

21. It is envisaged that 23.9 percent (\$284,000) of the uncommitted funds under the third country programme (1982-1985), will be allocated to projects in the industrial sector. These could include some of the following activities: assistance to the Ministry of Industry and Commerce to help in the fulfilment of its role as a policy making and regulatory organization; assistance to the newly created Economic Development Board (EDB), particularly in the field of training; assistance to industrial estate development; and assistance to a multidisciplinary, small and rural industry programme.

22. At the intercountry level, additional assistance will be provided under the following operational and pipeline Pacific regional projects: Development of Small Scale Enterprises - (RAS/79/016); Trade Promotion Advisory Services - (RAS/79/017); Training in Basic Skills - (RAS/81/034); Transfer of Appropriate Technology - (RAS/81/035); Marketing Business Workshops - (RAS/81/065); and Advisory Assistance on Transnational Corporations (RAS/81/086).

E. Natural resources

23. To develop its natural resources, especially in minerals and water resources, the Government requires the assistance of experts in the undertaking of hydrogeology investigations, geological mapping, preparation and evaluation of environmental impact statements, etc. The Government is simultaneously planning to develop a pool of local professionals through specialized training to take over progressively the activities currently undertaken by foreign experts. The following project will continue to be carried out:

- Assistance in Hydrology - (FLJ/78/006): The project provides expertise equipment to assess riverflows, rainfall and yields of the catchments where hydro-electricity and water supply schemes, drainages and irrigation works are anticipated. The project is now scheduled to terminate in 1983. However, further assistance in this area may be required during the 1984-1986 period. (1982-1984: \$213,000).

24. Approximately 4 percent (\$48,000) of the uncommitted UNDP funds during 1982-1985 will be allocated to this sector. Priority projects will be identified which relate to geological mapping and/or the preparation of environmental impact studies.

25. The Pacific intercountry project - Investigation of the Mineral Potential of the South Pacific (RAS/81/012), will continue to provide additional expertise in offshore and near-shore mineral exploration. Fiji will also benefit during 1982-1985 from a new intercountry project, Pacific Regional Energy Programme (RAS/81/092), which is designed to help reduce dependence on high-cost, imported petroleum-based energy products through the increased use of local, renewable energy resources.

F. Social development and health

26. The overall state of health of the population in Fiji is good relative to standards prevailing in many other developing countries in the Asia and Pacific region. Within DP VIII, the Government will continue to place a high priority on meeting basic health needs, in particular, through implementation of food, nutrition and rural water supply and sanitation programmes. Fiji is generally free from severe malnutrition. However, malnutrition in varying degrees of severity does exist, most commonly among infants and low-income families. Other health related problems also exist in urban and rural areas. The Government wishes to continue to receive UNDP assistance under the following projects:

- Food and Nutrition Development (FLJ/79/004): Based on surveys, investigations and analysis of food supplies and nutritional needs, the project aims at assisting in the elaboration of a practical and acceptable National Food and Nutrition Policy and Programme, and an Action Plan for its implementation. Apart from expertise, UNDP also provides the salaries for the local counterpart staff. Beyond 1982, this project will enter into the implementation phase. Some level of technical assistance and funding for the project will still be needed until 1985. (1982-1985: \$176,000).

- Vocational Rehabilitation of the Disabled (FIJ/81/001): At present, it is estimated that approximately 6 percent of the population of Fiji is physically or mentally handicapped. In accordance with the social goals established by the United Nations which include, *inter alia*, the promotion of integration of particular groups of the population in the development process, and in accordance with the aims of the International Year of Disabled Persons, this project endeavours to help reinstate disabled persons into the life and development of their society. (1982: \$72,000).

27. In order to accommodate new projects within this sector, 3.7 percent (i.e. \$44,000) of uncommitted UNDP funds under the third country programme have been set aside for this purpose.

28. Several Pacific intercountry projects will bring supplementary assistance to this sector during the 1982-1986 period: Training of Hospital Administrators - (RAS/79/029); Arboviral Diseases Control (RAS/79/032); Regional Bulk Purchasing of Pharmaceuticals (RAS/80/022); Training of Health Personnel in the Pacific (RAS/80/023); Development of Primary Health Care (RAS/81/015); Regional Health Development Network (RAS/81/017); and Strengthening of the Planning and Implementation of National Women's Programmes in the Pacific (RAS/81/W06) (funded by the Voluntary Fund for the United Nations Decade for Women).

29. It is anticipated that the details of UNDP assistance to be provided, particularly during the 1984-1985 period, will be worked out in a series of sectoral review scheduled to start during the second half of 1982 and culminating in a country programme review exercise to be undertaken in the course of 1983. This will enable the Government to ensure that its country programme reflects evolving priorities for UNDP-financed technical and pre-investment assistance during the 1984-1985 period and allows for a progressive and cautious commitment of funds.

Annex

FINANCIAL SUMMARY

A. Resources

(a) IPF and other resources	\$
(i) Illustrative IPF for programme period (1982-1985)	3 900 000
(ii) Carry-over from previous IPF cycles	(132 000)
(iii) Other resources ^{a/}	-
(b) Provision for adequate programming	100 000
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TOTAL	3 868 000
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B. Use of resources

(a) Programmed	
(i) Ongoing projects	1 787 000
(ii) New projects and new phases included in the country programme	191 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	1 040 500
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Subtotal	3 018 500
(b) Reserve	69 500
(c) Unprogrammed balance ^{b/}	780 000
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TOTAL	3 868 000
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^{a/} In 1982 and 1983, US\$747,000 and US\$100,000 respectively will be allocated to Fiji from the Programme Reserve Fund and the Interim Fund for Science and Technology (IFSTD) for two already approved projects: FIJ/80/017 "Hurricane Flood Rehabilitation" and FIJ/81/T01 "Technology Policy Assessment".

^{b/} 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.

C. Financial distribution of programme, by sector

<u>Sector^{c/}</u>	<u>Ongoing projects</u> \$	<u>New projects</u> \$	<u>Sectoral earmarkings</u> \$	<u>TOTAL</u>
02 General development issues, (Administrative Infrastructure)	305 000	160 000	48 000	513 000
03 Natural Resources	213 000	-	48 000	261 000
04 Agriculture, Forestry and Fisheries	172 000	-	516 500	688 500
05 Industry, Transport and Communication	670 000	31 000	284 000	985 000
06 Physical Infrastructure	179 000	-	100 000	279 000
14 Social Development	248 000		44 000	292 000
<hr/> TOTAL	1 787 000	191 000	1 040 500	3 018 500

c/ According to ACC classification.