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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR MONTSERRAT

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

Illustrative IPF for 1982-1986: \$US 700,000

INTRODUCTION

1. The UNDP supported activities in Montserrat during the second programming cycle came to an end in December 1981. However, during the course of 1981 preparatory activities leading to new project approvals were 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, WHO/PAHO, and WFP formed a United Nations team which visited Montserrat 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 financial resources in advance of the country visit. Following the country visit, UNDP hosted a two-day country programme meeting at which representatives of the agencies listed above participated in addition to those of UN/TCD, ILO, the Caribbean Development Bank, the World

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

The previous UNDP supported activities in Montserrat were carried out 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.

Bank and several economic planning advisers in the region. Following this meeting, the draft country programme was prepared by UNDP and transmitted to the Chief Minister's Office of the Government for its final approval.

3. A comprehensive review of the civil aviation sector was undertaken by ICAO under the sponsorship of the CDB. The report, Caribbean Airports Maintenance and Operations Study (CAMOS), made a valuable contribution to the country programme exercise. The preliminary results of a UNESCO/World Bank education sector study undertaken at the same time as the country programme exercise were made available for the Government's consideration.

4. The country programme exercise with the Government centred on programming of scarce UNDP financial resources, the application of cost-effective modalities of implementation by mobilizing the resources of specialized agencies of the United Nations system, sharing of international and regional expertise available throughout the Caribbean giving practical effect to TCDC, Government execution, multi-bi operations and repatriation of nationals through a modified TOKTEN scheme.

5. Because a national development plan was lacking, it was not possible for the Government to forecast all of its technical assistance needs for the 1982-1986 period; hence the public sector investment programme sponsored by the Caribbean Group for Co-operation in Economic Development and other high priority activities were used as the framework for the identification of needs over the first two years of the cycle.

6. A significant feature of the present programme is the volume of assistance allocated to the agricultural sector, a focus which bears a meaningful relation to Government's strategy to develop both agriculture and agro-industry simultaneously and, more significantly, to create linkages in production. While this thrust specifically reflects Montserrat's national priorities they complement regional developmental priorities and coincide with the efforts of the United Nations system to promote agriculture and intersectoral linkages in production especially in countries with narrow resource bases.

7. The illustrative IPF allocated to Montserrat for the third cycle, 1982-1986, is \$700,000. For planning purposes only 80 per cent or \$560,000, is being programmed. Due, however, to the extension of the Tannery project in 1981, a cost over-run of \$93,000 from the second cycle will have first claim on this amount leaving an actual total of \$467,000, all of which is being programmed.

Review of the previous country programme

8. The second country programme (1977-1981) had an allocation of \$440,000. This sum was apportioned to agro-industry and civil aviation with the former receiving 82 per cent of the funds and the latter 18 per cent.

9. Development priorities over the period were focused on those sectors relating to tourism, agriculture and industry. This strategy was intended to widen the country's resource base through increased production by the creation of linkages between agriculture and agro-industry and the development of the civil aviation sector in support of tourism. The Government sought to stimulate industrialization by improved organization and management in the Government-owned and operated enterprises. The Montserrat Industrial Enterprises Limited (MIEL), an umbrella company formed for the management of Government-owned, employment-oriented industries was re-organized to work with those industries which ordinarily do not provide the profit margins of interest to the private sector. The UNDP tannery project (MOT/74/003) falls under MIEL's auspices

and is providing technical assistance through the services of an FAO tannery expert and through the provision of equipment and training. The tannery is currently experiencing a favourable increase in production and sales and has recently been able to attract the attention of various prospective investors from Europe, Canada and the Caribbean. The project, however, is still beset with a low level of profitability because of the following factors:

- (a) Difficulty in assuring an adequate supply of good quality raw/salted hides;
- (b) Low productivity per worker;
- (c) Lack of an adequate marketing strategy; and
- (d) Need for improved physical accommodation for tannery operations.

10. In-service training continues to be one of the major priorities as the project nears its completion in June 1982. The technical competence of the national staff was further enhanced through overseas training in leather technology, and machine maintenance and operation. The national production manager recently completed four months of practical training in Jamaica under a CIDA fellowship. It is felt that with the withdrawal of the services of the FAO adviser next year, locally-trained personnel should be able to continue on their own with the assistance of a United Nations volunteer. Assistance has also been provided through the International Trade Centre (ITC) to define a proper marketing strategy and contracts for raw material supply will be worked out during the early months of 1982.

11. UNDP provided six fellowships in civil aviation in responding to the country's need to develop the civil aviation sector in support of tourism. The Government received further assistance in its efforts to improve access to the island through the services of an aerodrome engineer, provided by UNDP, who outlined the requirement for the construction of a new runway and recommended that the Government proceed with a feasibility study.

12. The Government received supplementary assistance from other agencies of the United Nations system. UNIDO provided assistance under its Special Industrial Services programme (SIS) for the development of agro-industry and ceramics production. UNFPA assistance for the 1980 population census and for the regional census has constituted the basis for future planning. PAHO/WHO assisted in the development of the country's health care delivery system with a particular focus on immunization, nutrition, maternal and child health, family planning, environmental health, laboratory services, veterinary public health, and human resources development including the training of allied health personnel, nurse practitioners and animal and veterinary health assistants, all of significant importance to an island the size of Montserrat. The Voluntary Fund for the Decade of Women provided funds to the Social League of Women of Montserrat for the establishment of a small garment industry enhancing the role of women in development. UN/TCD, through the regional Water Resources Development project (CAR/79/RO1), provided assistance for the development of the country's water resources, and a satellite project in the management of water resources is planned for the latter part of the third programming cycle.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES
TO BE SUPPORTED BY UNDP

13. Tourism, construction and agriculture are the major determinants of Montserrat's economy. Given the country's vulnerability to external inflation, the development

strategy will emphasize the creation of domestic value added through the expansion of agro-industry, light industry, and tourism services, and by ensuring that the financial sector is more responsive to national investment needs. The development strategy is directed to:

(a) Provide incentives to stimulate the building and construction industry and remove import duty on building materials essential to home construction to encourage residential development;

(b) Introduce legislation to provide for higher levels of property tax for alienated lands which remain undeveloped;

(c) Develop tourism and tourists facilities;

(d) Intensify efforts to attract light industry;

(e) Exploit local raw materials to the fullest;

(f) Monitor and upgrade the education system to bring it in line with the country's development priorities; and

(g) Provide facilities for improvement of existing breeds of livestock.

Summary of UNDP assistance proposed in relation to objectives

Agriculture

14. The ongoing project, Establishment of a Tannery (FAO) (MOT/74/003), is to provide technical assistance in the form of production management to the tannery and training of its staff. UNDP is contributing \$39,000.

15. Following are brief descriptions of proposed new projects:

(i) Training (FAO): assistance is required to provide fellowships for agricultural assistants to be trained throughout the region to qualify as extension officers. UNDP is requested to contribute \$80,000.

(ii) Irrigation/Soil Conservation/Water Catchment (FAO): short-term consultancies will be provided to advise on water resources use on a Government-owned 40-acre estate. UNDP is requested to contribute \$2,000.

(iii) Marketing (FAO): a marketing adviser is to assist the Development Finance Marketing Corporation (DFMC) in organizing marketing arrangements regarding export, transportation, production, information contracts and outlets for agricultural produce. UNDP is requested to contribute \$30,000.

(iv) Richmond Estate, Pilot Dairy Project (FAO): assistance will contribute to the improvement of Richmond Estate infrastructure and establishment of a pilot project as a model farm for the processing of cheese and milk, and to regularize the collection of milk. UNDP is requested to contribute \$25,000.

(v) Forestry (FAO): a forestry consultant will help formulate a comprehensive programme of re-forestation in the north of the country. Emphasis is to be placed on lumbering and trees for fencing posts and as an alternative energy source. UNDP is requested to contribute \$10,000.

(vi) Multi-Island Programme: The Government agreed to supplement the modest multi-island allocation in support of Agricultural Development (CAR/81/002) to continue small farming development activities beyond 1981. The contribution from the IPF is \$25,000

Transport and communication

16. Following are brief descriptions of two proposed new projects in this sector:

(i) Civil Aviation (ICAO): fellowship training will be provided in air traffic control, aeronautical information, airport management, fire and rescue service, and the maintenance of aerodrome plant and equipment. UNDP is requested to contribute \$120,000.

(ii) Equipment (ILO): assistance is requested to provide training equipment for the Public Works Department in support of the ILO sub-regional training programme in maintenance and repairs of automotive and heavy equipment located in Saint Lucia. This complements the ongoing multi-island programme, Vocational Training in Automotive and Heavy Equipment Occupations (CAR/77/006). UNDP is requested to contribute \$25,000.

Natural resources

Water resources assessment

17. The proposed new project, Development and Management (UN/TCD), will achieve an understanding of the processes that govern the existence of ground-water, and will exploit all available water resources for agriculture, municipal and energy use. In addition, it will help to introduce comprehensive legislation and appropriate administrative framework. A contribution of \$82,000 is requested from UNDP to cover the cost of consultants, training and equipment. This project will have the umbrella support of regional project CAR/79/RO1.

Education

18. UNDP has earmarked the sum of \$29,000 in support of a sub-regional multi-island project to make more relevant the educational system including an emphasis on industrial arts, home economics, agricultural education and science laboratories.

Assistance from other organizations of the United Nations system

19. In addition to the UNDP assistance described above, UNESCO is planning a preparatory mission at a cost of \$1,500 to examine the country's science and technology needs with a view to the formulation of an appropriate national science policy. Another UNESCO preparatory mission, which is also expected to cost \$1,500, will examine the question of cultural development and make recommendations for its rationalisation. Moreover, UNESCO will contribute \$15,000 for the development of a national information system, training and equipment and a further \$1,500 for an archivist to advise on the establishment of a national archives, collection, preservation and storage of material and to make recommendations for staff training. Finally, UNESCO will finance a short-term consultancy at a cost of \$5,000 to examine adult education and literacy in order to establish a suitable organizational structure.

Annex

FINANCIAL SUMMARY

A.	<u>Resources</u>	\$
	(a) IPF and other resources	
	(i) Illustrative IPF for programme period	700 000
	(ii) Overexpenditure from previous IPF cycle	(93 000)
	(iii) Other resources	-
	(b) Provision for adequate programming	-
	TOTAL	607 000
B.	<u>Use of resources</u>	
	(a) Programmed	
	(i) Ongoing projects	39 000
	(ii) New projects and new phases included in the country programme	399 000
	(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	29 000
	Subtotal	467 000
	(b) Reserve	-
	(c) Unprogrammed balance <u>a/</u>	140 000
	TOTAL	607 000

C. Financial distribution of programme, by sector

	<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>
		\$	\$	\$	\$
06	Transport and communication	-	145 000	-	145 000
03	Natural resources	-	82 000	-	82 000
04	Agriculture	39 000	172 000	-	211 000
11	Education	-	-	29 000	29 000
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TOTAL		30 000	399 000	29 000	467 000

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/HQRTS/126.

b/ According to ACC classification.

