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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR ST. KITTS-NEVIS

UNDP assistance requested by the Government of St. Kitts-Nevis for the period 1982-1986

Illustrative IPF for 1982-1986: \$1 300 000

INTRODUCTION

1. The first country programme for St. Kitts/Nevis is presented for consideration and approval by the Governing Council at its special meeting in May, 1982. UNDP supported activities in St. Kitts-Nevis during the second programming cycle came to an end in December 1981. However, in the intervening period prior to the approval of the new programme preparatory activities leading to new project approvals are planned.

2. The 1982 to 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 St. Kitts/Nevis 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

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

The previous UNDP supported activities in St. Kitts-Nevis were described in the country programmes for the Caribbean and the accompanying notes by the Administrator 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.

well in advance of the country visit. Following the country visit, UNDP hosted a two-day country programme meeting at which representatives of the agencies mentioned above participated. In addition, representation of UN/DTCDC, ILO, the Caribbean Development Bank, the World Bank and several Economic Planning Advisers in the region also took part. Subsequent to this meeting, the draft country programme was prepared by UNDP and transmitted to the St. Kitts/Nevis Government for final approval. A copy of the draft country programme was also circulated to all executing agencies for comment.

3. The preliminary results of a UNESCO/World Bank study carried out about the same time as the country programme mission was made available for consideration by the Government for inclusion in the country programme. The Caribbean Airports Maintenance and Operations Study (CAMOS), prepared by ICAO on behalf of the CDB, was a significant input to the exercise. In addition, a civil aviation sector study also prepared by ICAO was made available to the Government and UNDP in the form of proposals for technical assistance projects.

4. It became clear during the course of the programming exercise that the Government was unable to forecast all its technical assistance requirements over the 1982-1986, period hence an attempt has been made to identify the country's needs in the first two years of the third cycle in relation to the public sector investment programme prepared under the auspices of the Caribbean Group for Co-operation in Economic Development (CGCED) and other high priority activities.

5. The illustrative IPF allocated to St. Kitts/Nevis for the 1982-1986 period is \$1,300,000 of which only 80 per cent, of \$1,040,000, together with an estimated carry-over of \$88,000, is available for programming. Of the amount available, i.e. \$1,128,000, only \$1,089,000 was programmed leaving a reserve of approximately \$39,000, or 3 per cent of the resources, for future programming.

Highlights of the programme

6. The resources allocated during the third programme cycle are concentrated in areas that reflect the Government's priorities for development. The planned technical assistance inputs in agriculture, industry and civil aviation are designed to attract capital investments, increase productivity and improve skills, which are necessary for employment generation. Another significant feature of the programme relates to the pooling of IPF funds for subregional activities in education and vocational training.

Review of prior UNDP-supported activities

7. During the second programming cycle, 1977-1981, St. Kitts-Nevis was allocated the sum of \$813,000. A review of the expenditure pattern indicated that approximately 57 per cent was utilized in industry, 12 per cent in transportation, 9 per cent in agro-industry and agriculture, 7 per cent in physical planning, 3 per cent in marketing, 1 per cent in telecommunications. Approximately 11 per cent was retained.

8. The heavy dependence of St. Kitts-Nevis on sugar, a crop subject to international price fluctuations and heavy seasonal unemployment, has been a major constraint to the advancement of the country's economic prosperity. UNDP, through projects in agriculture and agro-industry, sought to assist the Government to overcome this constraint. An agricultural mission fielded in 1980 made a comprehensive review of the sector and identified technical assistance requirements for the implementation

of a new agricultural development policy. The mission, in addition, formulated a project whose budget will utilize a major share of the IPF for the third cycle. A small agro-industry project, though limited in scope, will serve to enhance and encourage agricultural production and food processing on the island of Nevis, restoring it to the major food producing area of the two islands.

9. The high ratio of public investments in transportation clearly highlights the importance the Government has placed on the development of this sector. Investment in transportation amounted to over 70 per cent of public sector investment in 1980. More significantly several of the projects were in support of tourism and the improvement of infrastructure.

10. UNDP, in responding to this thrust, provided 18 fellowships in civil aviation during the period. Training was provided in air traffic control, airport maintenance, piloting, firefighting and aircraft maintenance, all very important since St. Kitts/Nevis now has international flights arriving at its main airport.

11. The major portion of second-cycle IPF funds was allocated to the Footwear Manufacturing project (STK/76/001) which was part of the subregional industrial allocation scheme. This assistance was central to the Government's plan to generate employment, effect import substitution and promote the efforts of the CARICOM member countries to become more self-supporting in consumer requirements. The project, for which UNDP support terminated in the first quarter of 1981, made remarkable progress. Six fellowships were awarded in design and pattern cutting, shoe room, and closing room operations, and the returning fellows serve as the technical and middle management of the company.

12. The Government received supplementary assistance from other agencies of the United Nations system. A PAHO/WHO-funded project provided technical co-operation to St. Kitts-Nevis and the other less developed countries of the Eastern Caribbean through national and inter-country programmes in the development of their health care delivery system. UNFPA contributed to various projects in labour population and family economics, youth involvement in family education, family planning and population census activities. The World Food Programme (WFP) and UNICEF contributed to the welfare of children through projects geared to the feeding of vulnerable groups and to social welfare generally. UNIDO provided assistance to a garment factory under the SIS programme to upgrade its production and quality control methods. UN/DTCD, through the regional Water Resource project (CAR/79/R01), provided assistance for the development of the country's water resources; and UNESCO provided the services of a communication expert who reviewed the operations of the state-owned radio and television stations and made recommendations for training and equipment needs.

NATIONAL DEVELOPMENT OBJECTIVE AND PROGRAMMES TO BE SUPPORTED BY UNDP

13. Development priorities over the programme period are focused mainly on agriculture, industry, transport and communications and the social services sectors. Faced with problems of declining prices and output in sugar production, a serious problem of seasonal unemployment, sharp decline in domestic savings, balance of payments deficits and a tax structure heavily dependent on a sugar levy, the development strategy is directed to:

- (a) Diversify agriculture;
- (b) Stimulate manufacturing and tourism;
- (c) Increase efficiency in sugar production;
- (d) Establish a land use and land tenure policy;
- (e) Restructure the Development Finance Corporation (DFC); and
- (f) Promote foreign investments and marketing.

Summary of UNDP assistance proposed in relation to objectives

Agriculture

14. A new project, Agricultura Planning, Policies and Programming (FAO) (STK/80/003) will assist in establishing a national agricultural development planning system within the Government's Central Planning Unit. It will focus on policy formulation, project preparation and planning in support of diversification and crop production. UNDP is requested to contribute \$486,000.

Industry

15. A new project, Industrial Development/Investment Promotion (UNIDO) will prepare and update project profiles and review industrial incentive packages. Special attention will be paid to depreciation and taxation, and skill upgrading of middle management of the Development Finance Corporation (DFC). Assistance will also be provided in the selective repatriation of nationals. UNDP is requested to contribute \$100,000.

16. An ongoing project, Small Agro-industry (UNIDO) (STK/80/002), will provide equipment to process cotton seed oil, coconuts, peanut butter, vegetable canning and small scale sugar crushing. UNDP is requested to contribute \$50,000.

Health

17. A new project, Health Services Development (PAHO), will provide an area engineer to advise Government on solid waste disposal and identify training needs. Training will be provided in rodent and insect control, ophthalmic nursing and training for hospital maintenance technicians. UNDP is requested to contribute \$45,000.

Transport and communication

18. A new project, Communications Development (UNESCO) will provide consultancy and expert services, equipment and training to up-grade the country's communication infrastructure. More positive identification of inputs will be made pending the report of a recent UNESCO mission. UNDP is requested to contribute \$200,000.

19. Another new project, Civil Aviation (ICAO), will provide for fellowship training in technical, aeronautical and administrative disciplines. UNDP is requested to contribute \$58,000.

Education

20. As a contribution to a subregional multi-island education project to examine areas of planning and administration, curriculum development, technical vocational and teacher training, UNDP is earmarking \$150,000 from the national IPF.

Other assistance from the United Nations System

Culture

21. Through a new project, Cultural Development (UNESCO), a consultant will examine work already carried out in this field in Nevis and make recommendations for the development of a national cultural policy and plan. The UNESCO contribution is \$3,000.

Science and technology

22. Under a new project, Development of Science and Technology Policy (UNESCO), a short term consultant will examine issues and make recommendations for the formulation of a policy on Science and Technology. UNESCO will contribute \$1,500.



Annex
FINANCIAL SUMMARY

A.	<u>Resources</u>	\$
	(a) IPF and other resources	
	(i) Illustrative IPF for programme period	1 300 000
	(ii) Carry-over from previous IPF cycles	88 000
	(iii) Other resources	-
	(b) Provision for adequate programming	-
	TOTAL	1 388 000

B.	<u>Use of resources</u>	
	(a) Programmed	
	(i) Ongoing projects	50 000
	(ii) New projects and new phases included in the country programme	1 039 000
	(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	-
	Subtotal	1 089 000
	(b) Reserve	39 000
	(c) Unprogrammed balance ^{a/}	260 000
	TOTAL	1 388 000

C.	<u>Financial distribution of programme, by sector</u>				
	Sector ^{b/}	Ongoing projects	New projects	Sectoral earmarkings	TOTAL
		\$	\$	\$	\$
02	General development issues, etc.	-	486 000	-	486 000
05	Industry	50 000	100 000	-	150 000
06	Transport and communication	-	258 000	-	258 000
10	Health	-	45 000	-	45 000
11	Education	-	150 000	-	150 000
	TOTAL	50 000	1 039 000	-	1 089 000

^{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/HQTRS/126.

^{b/} According to ACC classification.

