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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR
VANUATU

UNDP assistance requested by the Government of Vanuatu
for the period 1983-1986

Illustrative IPF for 1982-1986: \$2 million

INTRODUCTION

1. The first country programme for Vanuatu covers the period 1983-1986. It supports the development objectives identified in the recently approved first Five-Year Plan (1982-1986), which puts emphasis on the promotion of balanced growth through the development of the productive potential of the country, the exploration of its natural resources and the development of its human potential, while preserving the country's cultural heritage. The UNDP programme has been formulated to give optimum support to these objectives.

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

2. During the plan period, UNDP assistance will concentrate mainly on a further strengthening of the country's administrative and planning infrastructure at both the central and provincial levels. To this end UNDP will support programmes aimed at, inter alia, reorganization of the Government's Public Service, training of provincial staff, enhancement of socio-economic planning systems, and reinforcement of the Government's legislative and public auditing machinery. In addition, UNDP assistance will support programmes designed to develop the country's productive capacity, especially in the small-scale industry and fisheries sectors.
3. The UNDP country programme exercise was conducted by the Government with the active involvement of the UNDP field office and other United Nations agencies represented in the Pacific region. Because of the limited and declining level of Indicative Planning Figure (IPF) funds available for the third programming cycle (1982-1986) and the high level of ongoing commitments for the first two years, the Government did not request the fielding of agency programming missions; instead only the written views of agencies were elicited. A thorough review of ongoing and requested assistance was undertaken by the Government and UNDP in April 1982, which resulted in the definition of priorities for continuing UNDP-financed assistance during the 1983-1986 period.
4. In formulating the first country programme, particular attention was paid to the co-ordination and complementarity of UNDP assistance with that of other donors and specially with other programmes funded by the United Nations development system. Special emphasis was also given to the co-ordination of the new country programme assistance with consultancies and training opportunities available under the Intercountry Programme for Asia and the Pacific.
5. The present country programme, in keeping with the continuous programming concept, gives a detailed account of requirements for UNDP technical and pre-investment assistance during the first three years of the Government's Five-Year Plan. UNDP assistance during the remainder of the period will be worked out in detail at a later stage during regular programme reviews. This continuous programming approach appears the most appropriate to allow for progressive adaptation of the programme to the evolving national priorities.
6. UNDP resources taken into account for programming purposes for 1983-1986, total \$1,251,000. This consists of 80 per cent of the illustrative IPF for 1982-1986, reduced by the authorized budget level for 1982 of \$515,000. However, included is an amount of \$166,000 representing underspending of the second cycle IPF.
7. According to current Government estimates, the total projected external budgetary, grant and technical assistance to Vanuatu will amount to the equivalent of \$180 million during 1982-1986. The major bilateral contributors are the Governments of France (43 per cent), the United Kingdom (29 per cent) and Australia (15 per cent); the European Economic Community (EEC) (6 per cent) and the Government of New Zealand (2 per cent). The contribution of the United Nations development system represents approximately 3.5 per cent of total technical assistance and 1.4 per cent of the total expected aid.

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT OF NATIONAL
DEVELOPMENT PRIORITIES

8. In order to obtain maximum benefit from UNDP funds available, the Government wishes to concentrate UNDP assistance in a few specific sectors while maintaining a certain degree of flexibility in order to respond to priority requirements for specialized technical assistance in other sectors. The UNDP input is seen by the Government as crucial in support of the strengthening of its administrative and over-all planning capacity as a prerequisite for increasing the country's absorptive capacity of future accelerated socio-economic development efforts. Furthermore, the UNDP programme will provide core expertise required for effective development implementation in the productive fisheries and industry sectors, as well as short-term consultancies in areas where UNDP assistance can play a catalytic role. In addition, due consideration will be given to the possible use of the technical expertise available under the United Nations Volunteers (UNV) programme, in particular with respect to the assistance to be provided to provincial administration and to schemes designed to foster employment in the rural areas.

A. General development issues, policy and planning

9. Vanuatu inherited from the pre-independence period a dual structure of government that it now seeks to integrate. UNDP assistance is expected to play a vital role in this process, which involves the rationalization of this structure, the standardization of the rules and regulations for the civil service sector and the definition of a grading and remuneration system.

10. In pursuing its objective of achieving balanced regional and rural economic growth, the Government promulgated a Decentralization Act which prescribed the establishment of 11 new Local Government Councils to cater effectively for the needs and aspirations of the country's widely dispersed population. The first country programme will allow for strengthening of the planning capacity of the Government and support the decentralization process in ways that will be deemed most appropriate to its evolving nature.

11. The strengthening of legal and judicial services constitutes another priority of the Government to which the country programme will also give support.

12. The projected UNDP assistance in the sector during the next four years is listed below. In addition, some \$40,000 have been tentatively earmarked and will be utilized in ways to be specified at a later stage.

Strengthening Provincial Administration (VAN/78/001)

Estimated UNDP contribution (1983): \$8,700

13. A visit to provincial administration centres in neighbouring Solomon Islands will be undertaken by senior local Government officials. The study tour is expected to provide the opportunity for an exchange of views and experiences obtained in that country, where a similar decentralization process is already at a more advanced stage.

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Assistance to Legal Services (VAN/80/003)

Estimated UNDP contribution (1983): \$4,400

14. This project is designed to strengthen the Attorney General's chambers in the performance of advisory, law drafting and representative functions and simultaneously provide much needed technical support to the legislative role of parliament and the ministries.

Director of the National Planning and Statistics Office (OPAS) (VAN/81/005)

Estimated UNDP contribution (1983): \$61,340

15. This project seeks to strengthen the operational capacity of the Office in the monitoring and co-ordination of the implementation of the First Five-Year Plan at the national and regional levels.

Auditor General (OPAS) (VAN/82/001)

Estimated UNDP contribution (1983-1984): \$108,300

16. UNDP arranged for the external recruitment of the country's first Auditor General under this project for a period of two years, thus providing for a function that is essential for the proper running of the administration until such time as a competent national incumbent is available.

Social Security Officer (OPAS) (VAN/84/001)

Estimated UNDP contribution (1984-1985): \$125,000

17. This project will arrange for the recruitment of a social security officer who will monitor and co-ordinate the establishment of a viable national pension scheme and update the legislative framework required for its implementation. In view of the urgency attached to this project, implementation may be brought forward to 1983 in the event that there is adequate savings available.

18. Complementary assistance to the above activities will be sought from regional projects, Advisory Services for Development in the Pacific (RAS/79/014) for short-term quick action consultancies; Training in Public Administration (RAS/79/018); Regional Manpower Planning Adviser (RAS/79/035); and also from interregional advisors of the United Nations.

B. Agriculture, forestry and fisheries

19. Increased and more efficient utilization of the country's land, mineral and marine resources is a vital element of the Government's strategy to increase the income level and raise the standards of living of all Ni-Vanuatu. The Government will undertake to provide a network of extension services, to create proper infrastructure for these sectors (which will absorb 73 per cent of all capital development expenditure) and to encourage domestic and foreign investment in ways that do not conflict with the culture and interests of the population.

20. Agricultural development will be oriented towards: (a) balanced expansion of the smallholder and plantation sectors, with participation of private companies in joint venture agreements providing for increased involvement of the national population; and (b) expansion and diversification of local produce away from the present heavy dependence on copra in order to improve the nutritional status of the rural population and achieve self-sufficiency in basic food production.

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21. The fisheries sector is expected to show a rapid growth during the present planning period as a result of the increased emphasis placed on programmes aimed at the development of the country's artisanal and modern commercial fisheries. A number of initiatives will be undertaken that will attempt to: evaluate the wealth of fisheries resources in surrounding waters; create an infrastructure conducive to the strengthening and upgrading of artisanal fisheries production; promote industrial-scale fishing, fish processing and the training of fishermen that can effectively support the proposed sectoral expansion.

22. A large portion of uncommitted funds under the country programme (\$236,700) has been tentatively earmarked in support of the agricultural, forestry and fisheries sector. In addition, the following projects will be funded from IPF funds during the 1982-1983 period.

Fisheries Development (OPAS) (VAN/77/002)

Estimated UNDP contribution (1983): \$3,300

23. Managerial and technical assistance to the newly established Fisheries Division is being provided under this project through the services of a Director of Fisheries and selected consultancies, training and equipment. The Director of Fisheries is responsible for the planning, co-ordination and implementation of government development programmes in the sector.

Commodities Marketing Board (VAN/80/008)

Estimated UNDP contribution (1983): \$73,650

24. A Commodities Marketing Board is being established with UNDP assistance. The Board, which is planned to become ultimately a self-financing, non-governmental body, will be responsible for the promotion of programmes designed: (a) to enhance the quality and quantity of agricultural commodities (concentrating initially on copra); (b) facilitate their marketing both internally and for export; and (c) to develop price stabilization mechanisms that safeguard local producers from extreme oscillations in world prices.

25. Complementary assistance to the agriculture, forestry and fisheries sectors will be obtained from various Intercountry projects: Fisheries Development Programme for the South Western Pacific (RAS/73/025); Rootcrops Development (RAS/74/017); Regional Training in Agriculture, Forestry and Fisheries (RAS/79/025); Preparedness Against Outbreaks of Arboviral Diseases in the Pacific (RAS/79/032); and Strengthening Plant Quarantine and Plant Protection Services in the Pacific (RAS/79/044).

C. Industry

26. The Government is committed to the medium- and long-term development of a manufacturing sector that promotes the use of local materials, encourages export and import substitution, fosters the emergence of local entrepreneurship and creates job opportunities in rural and urban areas

27. In addition to allocations for the projects listed below, a tentative earmarking of \$166,500 has been made to support future programmes in this sector.

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Small- and Medium-Scale Enterprises Promotion and Development (VAN/79/001)

Estimated UNDP contribution (1983-1984): \$135,000

28. An office for the Development and Promotion of Vanuatu Enterprises has been established under the aegis of this project. UNDP support to the project will continue during the country programme period in order to further strengthen the office. To this end, UNDP will finance the services of a team of full-time experts and short-term consultants and provide funds for training. Future UNDP assistance under the project will concentrate, *inter alia*, on the identification and formulation of project proposals for negotiation with financing entities, preparation of feasibility studies, provision of business management advice, and conduct of training programmes.

29. Complementary assistance in this sector is being provided by the following Pacific Inter-country projects: Development of Small-scale Enterprises and Entrepreneurship in the Pacific (RAS/79/016); and Trade Promotion Advisory Services and Training (RAS/79/017). UNDP/United Nations Industrial Development Organization (UNIDO) Special Industrial Services (SIS) assistance will also be utilized for various short-term industrial consultancies.

D. Employment

30. One of the main objectives of the new Five-Year Plan is to achieve optimum utilization of the nation's human resources potential. Development programmes for the various productive sectors of the economy accordingly pay special attention to activities which will bring the rural population into the mainstream of the national economy. An intensified effort to upgrade the Government's manpower planning and training capacity will be simultaneously pursued during the Plan period. In addition to allocations to the projects listed below, a tentative earmarking of \$40,000 has been made for unspecified future UNDP-supported activities in this sector.

Rural Vocational Training (VAN/79/009)

Estimated UNDP contribution (1983-1984): \$27,370

31. This project provides for training in woodworking and metalworking on the island of Malekula and training in furniture production using local rattan on the island of Pentecoste, with a view to the creation of employment and income-earning activities for the local rural population. Possible further linkages to the project, Small-scale Industries Development (VAN/79/001), will be explored.

Training in Generator and Water Pump Repairs and Maintenance (VAN/81/004)

Estimated UNDP contribution (1983): \$2,647

32. Skill training relating to this type of electrical equipment is being provided in order to ensure a continued and regular supply of water and electricity in rural areas, particularly in schools and health centres.

33. The following Pacific Inter-country projects are expected to support development efforts in this sector: Development and Strengthening of Rural Training in the Pacific (RAS/75/008); and Regional Manpower Planning Adviser (RAS/79/035).

E. Culture

34. The preservation of the country's cultural heritage has been identified by the Government as a fundamental national goal. As such, it constitutes a constant theme in the light of which other economic and social developments should be planned and appraised.

Assistance to the Language Services Department (OPAS) (VAN/80/002)

Estimated UNDP contribution (1983): \$42,010

35. This project is designed to strengthen the ability and capacity of the Department to cater for the Government's translation and interpretation in English, French, and eventually Bislama, in order to foster a common sense of national identity, unity and purpose.

36. The financial summary of the Vanuatu country programme to be financed during the period 1983-1986 is attached as annex I. It is foreseen that the details of UNDP assistance to be provided during the 1985-1986 period will be worked out in a series of sectoral reviews scheduled to start during the second half of 1983 and culminating in a country programme review exercise to be undertaken in the course of 1984. This will enable the Government to ensure that its country programme reflects evolving priorities for UNDP-financed technical and pre-investment assistance during the 1985-1986 period and allow for a progressive and cautious commitment of additional funds.

Annex
FINANCIAL SUMMARY

A. Resources

<u>IPF and other resources</u>	\$
(i) Illustrative IPF for 1982-1986	2 000 000
(ii) Less unprogrammed balance a/	(400 000)
(iii) Less authorized budget level for 1982	(515 000)
(iv) Previous IPF cycle balance	166 000
Total resources available for programming:	1 251 000

B. Use of resources

(a) Programmed

(i) Ongoing project	358 417
(ii) New projects and new phases of ongoing projects included in the country programme	233 300
(iii) Earmarked for specific objectives and activities for which projects are to be worked out at a later stage	483 200

Subtotal 1 074 917

(b) Reserve

176 083

Total programmed plus reserve: 1 251 000

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> \$
02 General development issues, policy and planning	74 440	233 300	40 000	347 740
04 Agriculture, forestry and fisheries	76 950	-	236 700	313 650
05 Industry	135 000	-	166 500	301 500
12 Employment	30 017	-	40 000	70 017
15 Culture	42 010	-	-	42 010
TOTAL	358 417	233 300	483 200	1 074 917

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.