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PROGRAMME PLANNING

Country and intercountry programmes and projects

**COUNTRY PROGRAMMES AND THE CARIBBEAN MULTI-ISLAND PROGRAMME FOR THE
MEMBER COUNTRIES OF THE ORGANIZATION OF EASTERN CARIBBEAN STATES
AND THE BRITISH VIRGIN ISLANDS**

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The Organization of Eastern Caribbean States (OECS), established in June 1981, represents in effect a merging of the former West Indian Associated States (WISA) Council of Ministers and the Eastern Caribbean Common Market (ECCM). The political arm of the Organization is located in St. Lucia while its Economic Secretariat is based in Antigua. All the members of the Organization of Eastern Caribbean States are also members of the integration arrangement known as the Caribbean Community (CARICOM). Unlike the other CARICOM countries, however, the OECS countries are members of the Eastern Caribbean Central Bank (ECCB) and share a common currency. In view of the fact that the OECS States have a number of common characteristics, the Administrator considered that an overview of UNDP's approach to the programming of technical co-operation in these countries would assist the Governing Council in its deliberations on their country programmes. An annex containing basic data on the OECS countries and the British Virgin Islands is attached for ready reference.

2. The second separate country programmes for the OECS countries (Antigua and Barbuda, Dominica, Grenada, St. Christopher-Nevis, Montserrat, St. Lucia and St. Vincent and the Grenadines) and the British Virgin Islands 1/ were the outcome of close and continuous collaboration between the Ministries of Planning and other relevant Government departments and the UNDP field office in Barbados, which has responsibility for the programmes in the Eastern Caribbean. The respective Ministries and Departments which serve as the focal points for the co-ordination of all multilateral and bilateral technical assistance determined the main features and priorities of the country programmes and co-ordinated actions leading to their

preparation. This involved, inter alia, consultations with sectoral ministries and departments and with other bilateral and multilateral donors.

3. A similar process of consultation took place with the Economic Secretariat of the OECS which resulted in the establishment of priorities for the Caribbean Multi-island programme (CAR). In recognition of common constraints to economic development faced by the small island countries of the OECS, the Governing Council first approved the allocation of UNDP resources on a subregional basis during the period 1972-1976. For the 1987-1991 programming cycle, \$US 2.5 million has been approved for the Multi-island programme. The activities of the programme are designed both to support and to complement projects funded under the national IPFs. In some instances, funds from the national IPFs have been pooled with CAR resources to finance subregional projects.

4. The UNDP office in Barbados contributed substantially to the preparation of the new country programmes. Resident Representatives' Notes were prepared which proposed a new approach to country programming based on the preparation of comprehensive technical co-operation programmes (TCPs) 2/ which would serve as the basis for the formulation of the new programmes and the use of the country programme as a frame of reference for the integration of external technical co-operation inputs in the development process. Field office staff assisted all Governments in the preparation of the TCPs and the drafting of the respective country programmes. This work was complemented by assessments of the third cycle country programmes. In addition, the UNDP office facilitated the active participation of the United Nations agencies based in the Caribbean in the country programming process. During their visit to the Caribbean in January 1986, the Director of the Regional Bureau for Latin America and the Caribbean (RBLAC) and the Chief of the Caribbean Unit also discussed with the representatives of various United Nations agencies in Barbados the common programming approach to be adopted for the OECS countries.

5. A noteworthy finding emerging from the assessment of the third cycle country programmes for the Eastern Caribbean countries was that UNDP/IPF resources were complemented by substantial resources made available through the technical co-operation activities of the United Nations system. Total non-IPF resources made available to the Eastern Caribbean countries were quite significant (approximately \$US 20 million including World Food Programme (WFP) food aid), taking into account the different sources such as regular programme funds of the agencies, the interregional advisory services provided by the United Nations Department of Technical Co-operation for Development (UN/DTCDD), and the Technical Co-operation Programme of the Food and Agriculture Organization of the United Nations (FAO). Through the assessment exercise, the Governments were made aware of the increased scope for all United Nations system assistance and thus became interested in expanding the concept further to incorporate other multilateral and bilateral technical co-operation resources.

II. THE FOURTH CYCLE COUNTRY PROGRAMME

6. Important distinguishing characteristics of the countries of the Eastern Caribbean are their small size and limited resource base. The production structure of their economies is excessively dependent on a narrow range of agricultural export commodities and services, largely bananas, sugar and tourism. Moreover,

traditional export agriculture is affected by relatively high cost, a consequent lack of competitiveness and an endemic dependence on access to protected markets.

7. Rising import prices, accompanied by declining prices for their major export commodities, have resulted in a deterioration in the OECS countries' terms of trade. Recession has also contributed to a reduction in the availability of concessionary finance and in the flow of private capital, as well as migrants' remittances. Within recent years, natural disasters in the form of hurricanes and volcanic eruptions have emphasized the fragility of the economies of these countries and have exacerbated the difficulties they face. These developments have taken place at a time when the countries are required to bear the increased responsibilities and costs of the political independence they have attained during the last two decades. The emerging public sector institutions are characterized by a dearth of financial resources and a lack of qualified and experienced staff. The lack of staff constitutes a key bottle-neck to the planning and implementation of development programmes in the subregion.

8. The countries have become sensitized to the need to place their economies on a sounder basis by carrying out a programme of structural adjustment. Overall, the objective of this adjustment is the establishment of an appropriate sectoral balance between agriculture (including non-traditional agriculture), manufacturing, tourism and other services. It would also entail the adoption of a comprehensive export-oriented strategy that includes components of economic policy and institutional change, particularly the strengthening of the public sector's capacity to fulfil its mandatory responsibilities.

9. In keeping with these needs, the UNDP national and multi-island IPF resources totalling \$US 11,288,000 for all the OECS countries have been allocated to the major programme objectives as follows:

	\$US	per cent
(a) Strengthening of public management policy and planning	3 527 000	31.3
(b) Agricultural diversification and rural development	3 481 000	30.8
(c) Manpower development and vocational training	1 201 000	10.6
(d) Infrastructure development	820 000	7.3
(e) Tourism expansion	815 000	7.2
(f) Industrial diversification	400 00	3.5
Other objectives	325 000	2.9
Unprogrammed reserve	719 000	6.4
	11 288 000	100

10. UNDP IPF resources constitute a key contribution to be utilized as seed money in combination with other resources in meeting specific needs identified in the programmes. It should be noted that the total resources required to fund the overall technical co-operation and pre-investment needs identified in the TCPs amount to \$US 40,911,687. The Governments have indicated that in addition to the IPF contribution of \$US 11,288,000, United Nations agencies are expected to contribute in the order of \$US 9,422,454, with the remaining \$US 20,201,233 to be provided by other multilateral and bilateral sources. In certain instances, limited government cost-sharing will also feature in the funding of selected projects. The Governments have initiated negotiations with other donors and have indicated their interest in obtaining UNDP assistance for resource mobilization.

11. It should be emphasized that this approach to the country programming process in the countries of the Eastern Caribbean represents the ultimate extension of the possibility of using UNDP country programmes as a frame of reference for the integration of all technical assistance requirements. This approach not only enables the Governments to have an overall plan of their technical co-operation requirements, but also provides a basis for mobilizing resources in a systematic fashion in seeking to meet these needs. Moreover, the fact that the country programmes are being utilized for this purpose places UNDP at the centre of the process and certainly strengthens the role of the Resident Representative in assisting the Governments in the co-ordination of external technical co-operation activities.

12. This approach is ideally suited to the particular circumstances of countries such as those in the Eastern Caribbean with small IPFs. The alternative would have been to finance fully a few projects within the available IPFs. As such, the approach is consistent with the recommendations of the recent Joint Inspection Unit (JIU) report on Technical Co-operation in the Caribbean, endorsed in resolution 1986/61 of the Economic and Social Council, which called upon the United Nations system to devise creative responses to the special needs of these small island countries.

13. It should also be pointed out that UNDP is one of the sponsoring institutions of the Caribbean Group for Co-operation in Economic Development (CGCED), which is a collective consultative group arrangement established in December 1977, with the joint sponsorship of the World Bank, the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), the Caribbean Development Bank and the Organization of American States (OAS). This has provided an important framework for the co-ordination of donor assistance to these countries and has also facilitated the mobilization of resources in support of their development effort. In the context of the activities carried out by the Group, substantial sums of donor cost-sharing to two large-scale UNDP-assisted projects were generated. Total contributions to the Caribbean Project Development Facility (RLA/81/010), which is designed to assist in the identification, preparation and promotion of suitable private sector investment projects, amount to approximately \$US 6 million for the period 1982-1987. This project, which has carried out activities in all of the OECS countries and the British Virgin Islands, is likely to play an increasingly important role in the future by enlarging the contribution made by the private sector to the development effort in these countries. Similarly, the Inter-Agency

Resident Mission project (RLA/82/004), which has assisted the OECS countries in the preparation of their public sector investment programmes and in the improvement of their overall economic performance, has been supported with cost-sharing contributions amounting to approximately \$US 2 million for the period 1982-1986.

14. The TCPs which have been prepared with UNDP assistance will be incorporated in the World Bank Economic Memoranda prepared for these countries, thus presenting a more complete understanding of the relationship between overall economic policy variables, the public sector investment programme and technical assistance in the development process. UNDP has also been requested by CGCED to assume responsibility for maintaining a compendium of all capital and technical assistance flows to the subregion as a key instrument to facilitate co-ordination efforts. The first such compendium was produced in 1984 under the Inter-Agency Resident Mission project.

III. MANAGEMENT OF THE COUNTRY PROGRAMMES

15. Review of the country programmes and updating of the technical co-operation programmes will be undertaken by the Ministries of Finance and Planning and other relevant departments of the respective Governments and the UNDP office on an annual basis. An assessment of the status of the country programmes will be carried out by the Governments utilizing inputs realized from tripartite reviews, evaluations and any other relevant studies carried out by UNDP and United Nations agencies.

16. In managing the delivery of the country programmes, emphasis will continue to be placed on the adoption of cost-effective modalities of project implementation including Government execution, the use of national and regional expertise, United Nations Volunteers (UNVs), modified transfer of knowledge through expatriate nationals (TOKTEN) arrangements, and the pooling of national IPFs to form Multi-island projects, all of which were utilized to good advantage during the third cycle. The increased use of national and regional expertise has been made possible by the application of a regional fee structure based on levels of remuneration paid by the Caribbean Development Bank. Initial experience with UNVs, has, on the whole, been highly positive. Two agronomists in Montserrat and Antigua and Barbuda respectively have made a significant contribution to increasing production of non-traditional vegetables and identifying new markets for these products. In Dominica the UNV provided the services of a veterinarian who filled a critical gap in the Government's outreach programme for farmers in isolated areas of the country. Under a regional umbrella project, Water Resources Assessment and Development, highly qualified associate experts were provided to assist governments in assessing their water resources and also to establish appropriate systems designed to ensure an adequate supply of potable water. Under the guidance of a senior project manager based in Barbados, these associate experts were able to prepare water development plans which attracted follow-up investment of approximately \$US 20 million. Under a modified TOKTEN scheme, support was provided to permit nationals in St. Lucia, Grenada and Dominica to fill key economic management and technical co-operation posts. In recognition of the importance of integrating women fully into the development process, UNDP has begun a dialogue with the Governments to ensure that in the formulation and implementation of projects women are identified as a beneficiary target group.

17. The management of the programmes will continue to be characterized by an integrated approach to programming in the region based on the promotion of close co-ordination between national projects, subregional projects financed from the Caribbean Multi-island IPF, and Caribbean regional projects financed from the regional IPF for Latin America and the Caribbean from which countries of the Eastern Caribbean also benefit. This integrated approach is facilitated by the work of the Caribbean Unit within the RBLAC, which has responsibility for dealing with these various programmes, as well as the work of the CGCED.

IV. RECOMMENDATION OF THE ADMINISTRATOR

18. The Administrator recommends that the Governing Council approve the country programmes for the OECS countries, the British Virgin Islands and also the Caribbean Multi-island programme.

Notes

1/ The British Virgin Islands is an associate member of the OECS.

2/ This is the equivalent of needs assessment missions, but is defined in the context of the Caribbean Group for Co-operation in Economic Development (CGCED) deliberations as TCPs. More detailed information on the CGCED, which provides a key mechanism for co-ordination of capital investment and technical co-operation activities in the Caribbean, is provided in paragraph 13.

Annex

DATA SHEET ON OECS COUNTRIES AND BRITISH VIRGIN ISLANDS
(INCLUDING IPF ALLOCATIONS)

	ANTIGUA AND BARBUDA	BRITISH VIRGIN ISLANDS	DOMINICA	GRENADA	MONTserrat	ST. CHRISTOPHER AND NEVIS	ST. LUCIA	ST. VINCENT AND THE GRENADINES	CARIBBEAN MULTI-ISLAND FUND
POPULATION ('000)	78	11.6	77	91	12	45	125	114	
AREA (Km ²)	442	151	790	344	102	269	616	388	
PER CAPITA GNP (\$US) (1983)	1 710	2 600	980	840	2 360	950	1 060	860	
IPF (1987-1991) (\$US'000)	1 200	240	1 265	1 200	560	1 200	1 200	1 788	2 500
CONSTITUTIONAL STATUS	Independent Nov. 1981	Non-Independent	Independent Nov. 1978	Independent Feb. 1974	Non-Independent	Independent Sept. 1983	Independent Feb. 1979	Independent Oct. 1979	
MAJOR ECONOMIC ACTIVITY	Tourism Light Manu- facturing	Tourism	Banana Citrus Coconut	Spices Banana Tourism	Cotton Food Crops Tourism	Sugar Tourism	Banana Coconut Tourism	Banana Arrowroot Tourism	

