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NOTE ON OECS/AGENCIES DISCUSSIONS

(Antigua, 21 May 1982)

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1. The exercise was undertaken as a result of an initiative by the UNDP Resident Representative (Barbados and Eastern Caribbean). The participants on the OECS side were:

Dr. Vaughn Lewis, Director General (designate)
Mr. Augustus Compton, Director, Central Secretariat
Mr. Swinburne Lestrade, Director, Economic Affairs

and on the Agencies' side:

Mr. Roderick Rainford, Deputy Secretary General, CARICOM
Mr. Fitz Francis, Economic Adviser, UNDICD/OECS
Mr. Sergio Dello-Strogollo, Senior Industrial Field Adviser, UNIDO
Dr. Mervyn Henry, Caribbean Programme Co-ordinator, PAHO/WHO
Mr. Hugh Cholmondeley, Caribbean Representative, UNESCO
Mr. Ihsan Khan, Adviser, WFP
Mr. Giovanni Tedesco, Representative, UNDP
Mr. Trevor Gordon-Somers, Resident Representative, UNDP
Mr. Silbourne Clarke, ECLA/CDCC.

AGENDA AND INITIAL EXCHANGES

2. The purpose and scope as defined by the Agenda was: "Briefing of Director General and Directors of the Organization of Eastern Caribbean States (OECS)" -

- i) Method of programming with Governments and regional institutions;
- ii) Resources;
- iii) Regional and multi-island programmes;
- iv) Relations - ECLA/CDCC and OECS;
- v) Caribbean Group (CGCED) and Inter-Agency Resident Mission (IARM)
- vi) Mills/Lewis Caribbean/Latin American relationship mission.

3. The objectives of the discussions were stated as:

- a) providing an opportunity for the OECS Secretariat and the United Nations bodies to re-establish a systematic dialogue, and to facilitate "feed-back" to the various headquarters;
- b) allowing the OECS Directorate to tell the UN bodies what the areas of focus ought to be;
- c) having regard to items iv) and vi) of the Agenda, to encourage special attention to the formulation of a Caribbean perspective.

4. In the initial round of comments it emerged that:

- PAHO/WHO welcomed the round table approach;
- CARICOM would like such meetings regularized, particularly as there was need for co-ordination of mandates at the technical level, even though, as regards 1982/83, programming has already been done by various Governments with Agencies so it is doubtful how much there can be changed in priorities and programmes;
- FAO would like to have a formal relationship with OECS, bearing in mind that not all the countries are members of FAO;
- ECLA/CDCC saw it as opportune, not only in terms of aiding the definition of an appropriate relationship to OECS, but also in terms of synchronising activities on the Agencies' side.

5. The OECS responses were that:

- Previous experience showed a distinct drawback when there was no formal secretariat link with the Agencies, for then non-members of Agencies could not participate in projects, and in this regard, it should be noted that UNESCO worked through WISA which arrangement covers only St. Kitts-Nevis and Montserrat;
- While subscribing to the CARICOM view, it was still too early for the OECS Secretariat to give a definitive position;
- The Directorate was still studying the former characteristics of WISA and ECCM to see how their prior functions need to be restructured and re-organized. Consideration was also being given to the role and

functioning of the OECS Central Secretariat. The Commonwealth Fund for Technical Co-operation (CFTC) was helping to get the Secretariat "off the ground". It was expected that the studies would be completed at the end of June. In effect, establishing the Central Secretariat amounted to bringing an additional complement into operation. The Secretariat would also have to deal with current re-organization situations like ECCA, CIC, etc.

SUMMARIES OF PRESENTATIONS

Method of Programming /Item i)/

6. The UNDP programmes on a country-by-country basis, its point of contact being the Ministry of Planning or the Ministry of Finance, which usually are in the Prime Minister's Office. (Other UN bodies have other contact points.) These programmes operate on the basis of a five-year financial cycle, the 1982-1986 programmes having already been prepared. On balance, the countries indicate their needs for Year 1 and some also for Year 2; but generally they do not have the capacity to programme for five years. In this situation there is difficulty in defining priorities for the five-year span. Some thought and attention have been given to the problems deriving from the multiplicity of agencies and the desirability that they programme together. The UNDP works with CARICOM/CDB/CDCC/OECS. Presently, UNDP needs the OECS view on multi-island programmes, which in the future would need to be programmed with OECS. Bearing in mind that the country programmes need annual review, it was suggested that OECS participate in those programming missions. Although not much can be done to affect the priorities for 1982 or 1983, it would still be useful as there may be some adjustments possible at the Christmas 1982 review.

7. UNESCO responds to:

- a) UNDP-financed projects; and
- b) projects financed from UNESCO's regular budget.

Pre-investment activities are defined as distinct from catalysing activities, the latter being global studies which Governments can use for deciding what they need from particular institutions. UNESCO also

gives advice in its areas or competence (education, social matters and information programmes). In its operation in the Caribbean, it takes the form of a "kind of pool of experts" available to the region; that is, those experts are not assigned exclusively to particular projects. In carrying out specific projects in the Caribbean, UNESCO uses the senior technical assistance expert of the project as project manager, so there is no need for costing of project managers into such projects. A prime consideration has been to maintain flexibility in UNESCO programmes, so that the Governments can call on Advisers and Experts as if they are their own staff. UNESCO also undertakes actions to attract additional resources, through Funds in Trust, etc., when the philosophy and the purposes for which they are to be applied have been worked out.

8. PAHO/WHO works mainly through Ministers of Health, but not exclusively. The budgetary process is based on the American Programming and Evaluation System; and present activities are in terms of implementing the biennial budget for 1982/83. PAHO/WHO does its own evaluation, following the steps of speaking to the countries to determine what they want, when they will use the resources, then document and review. The Barbados Office co-ordinates all inputs to the Caribbean countries through Country Representatives. The OECS posed a new problem, as there may not be any additional resources beyond what was already programmed, due to the budget limits. However, a Programme Officer for the Eastern Caribbean has been located at the PAHO/WHO Barbados Office who is preparing a paper on what is needed for the Eastern Caribbean.

9. In the Pacific, under what may be regarded as a situation similar to that obtaining in the Eastern Caribbean, the experience of UNIDO was that many projects, though prepared by UNIDO, were implemented by other agencies, e.g., ILO or UNESCO. A recommendation would be made that one of UNIDO's projects be located in the Eastern Caribbean. Having regard to the current thrust in developmental policies, the report of the recent Seminar on the Balance between the Public and Private Sectors would be relevant and a copy would be provided.

10. The WFP proceeds on a project-by-project basis, that is, there is no IPF, neither is there the standard programmed approach. As a result, it has the advantage of being able to draw on wider resources from time to time (and not be limited to a predetermined budget limit for each country). All assistance is in the form of food - i.e., WFP cannot provide technical assistance. Currently, approximately US\$6 million is planned for the Eastern Caribbean. In terms of contact points, WFP can deal with any Ministry in a country. For future continuity, OECS should have a linkage to the WFP Governing Council. WFP has not yet adopted a regional approach to the Caribbean although an attempt has been made to formulate an Emergency Food Reserve project in collaboration with CARICOM.

11. About 50% of FAO's activities are supported by UNDP funding, and much of the remainder are financed from Trust Funds. The activities are determined on the basis of country programmes; that is, there are presently no regional or multi-island projects.

12. The discussion then turned to the prime question of whether the UN system could programme as a whole. On this aspect the ECLA/CDCC approach was articulated with emphasis on co-ordination commencing with policies and overall priorities within which projects are identified and programmed. A significant point exposed was the lack of opportunities for ECLA/CDCC to make inputs prior to finalization of plans for projects and programmes mounted by the other agencies.

13. It was pointed out that joint programming would require some institutional strengthening, particularly in areas such as statistics and economic advisory services. In some cases the need was for "once for always" projects; but others require "permanent" projects - and the latter is the norm for institutional strengthening which aims at adding capacity and capability, e.g., the IARM. Clearly it is desirable to achieve regional joint programming approach for OECS, especially to allow for changing priorities and increasing costs (UNDP now quotes US\$80,000 per man/year) with the necessity to "stretch" the technical assistance dollar.

14. Concerning sources, the point was made that recipient Governments were often unclear whether project funding depended on UNDP or would be from an agency's own budget, which could be obviated if there is "co-ordinated identification". Also, initially at least, it would seem desirable that regional projects should be submitted through CARICOM, and multi-island projects through the OECS.

15. Consideration was also given to some of the constraints. While a joint approach to programming would have advantages, the "real world" situation is that the basis for it hardly exists. For example, there is need for a prior range of information to satisfy the diverse inputs of the several agencies; there is the constraint that some Governments cannot project beyond twelve months; further, many projects are small and were not thought of even three months before submission (and some 80% of projects are in that category). In fact an essential requirement to joint programming is the building up of planning capability in the countries.

Resources (Item ii)

16. At Annex I is a table of UNDP's IPF expenditures and Authorized Budget levels for eighteen Caribbean countries. For the OECS group of countries the total Illustrative IPF is approximately US\$20 million for the cycle 1982-1986. Within this total, some US\$4.5 million has been earmarked for multi-island projects. Examination of the country IPF's show that the annual allocations do not absorb the total, and in large part reflects the inability to programme for the five-year cycle. It should also be noted that the overall expenditures are modified by various cost-sharing arrangements, as for example with CDB.

17. PAHO/WHO's overall resources are contributed: 50% from member countries; 24% from WHO; 16% from UNDP; and 10% from other sources. Of the total, about 10% is allocated for the Caribbean (approximately US\$18 million); and from the documentation circulated to the Governments they know the funds available to them and how they are spent. The figures for the current period (mainly covers consultants) were programmed in September-October 1981 on the basis of the programming exercise.

18. UNESCO's resources available to the Caribbean (excluding funding for UNESCO-executed projects deriving from UNDP) are allocated on a national basis to take account of unexpected projects, and the limitations on forward programming. These resources fall broadly into five categories: the participating programme (for countries); the regular programme; regional and subregional resources for assistance to initiatives like CARICOM, OECS, etc.; funds-in-trust from bilateral donors who do not wish to set up their own mechanism for assistance; and special account resources (e.g. for CARIFESTA).

19. FAO has resources of US\$260 million for field offices and all disciplines (e.g., Latin American Regional Office at Santiago, etc.) of which some US\$35 million is allocated to technical co-operation projects - all this being regular programme funds.

Regional and Multi-Island Programmes /Item iii/

20. UNDP allocations for the Regional Bureau for Latin America Region include the Caribbean countries (among them the OECS member states). As Annex I table shows, multi-island projects allocations throughout the five year budget cycle are treated separately. A breakdown of estimates of the programmed multi-island project activities is shown at Annex II where it will be observed that the authorized budget levels for 1982 and 1983 are fully "earmarked"; and that thereafter, progressively there is a lower proportion of "earmarking" of the authorized budget level. It should be noted that UNDP expects the Governments to contribute some resources to effect a measure of cost-sharing.

21. UNDP's current overall allocation for the Latin American region is US\$32.7 million for new programmes, of which, it has been suggested, the Caribbean should get 25% and Central America 25%. The present profile is that there are nine on-going projects and 23 pipeline projects, the latter covering:

- a) strengthening of institutions;
- b) support to CDCC and CARICOM;

- c) enhancing TCDC; and
- d) implementing international mandates.

22. Within the wide range of projects serving all or several of the Caribbean countries, there is the need for co-ordination. A case quoted was the CARICOM project for Disaster Preparedness and the Pan-Caribbean Disaster Preparedness Team (located in Antigua).^{1/}

Relations - ECLA/CDCC and OECS /Item iv)/

23. The prime objective was to increase the level of support to the Eastern Caribbean countries. The initiative derived from a resolution of CDCC, in which all the OECS member states participate as members or associate members. Complementary to their membership in CDCC, there was also the previous relationships by which ECLA Office for the Caribbean enjoyed observer status to both the WISA and ECCM Councils of Ministers.

24. Preliminary indications are that a formal ECLA/CDCC-OECS relationship was favoured. Immediate attention should be given to enhancing the participation of OECS member states in, and the benefits they derive from, ongoing CDCC programmes and projects. It was noted that OECS member Governments had not so far benefited as much as they could from CDCC programmes such as the documentation services of the Caribbean Information System, the Statistical Data Bank, the Caribbean Council for Science and Technology, TCDC within the Caribbean and Latin America, also the ILPES Training and Advisory Services in Planning. The immediate need was to focus on establishing a mechanism to ensure that OECS Governments benefit more fully from CDCC activities. Additionally, it has to be determined what specific programme activities formulated in terms of the special needs of the OECS member states, need to be pursued. In terms of next steps, decision would be required by the OECS Authority which should reflect their view of the arrangements that would need to be made for a

^{1/} It would seem that the CARICOM project aims at the establishment of a permanent institutional capacity, which was presented as separate from the activities under the Pan-Caribbean project.

focal point to maintain the working contacts with the OECS Secretariat. Such decision should preferably be reflected at the next session of the CDCC, indicating if possible, the substance of the special CDCC support for the OECS group of countries. Consideration therefore must also be given to seeking a specific allocation through ECLA/CDCC to provide continuing services to the OECS member governments of CDCC.

25. The required consultations with the Governments of the OECS member states were not yet concluded. No reply could be given to the query whether the resources to provide support to the Eastern Caribbean countries would be diverted from Port of Spain or supplied by CEPAL.

CGCED and IARM /Item v)

26. After the CDB Twelfth Meeting of Board of Governors at St. Lucia, the Caribbean countries met and examined the subjects that were to be considered at the Fifth CGCED Meeting. Main concern was with the proposals for trade and incentives policy, the implications for CARICOM, and more specially the Ranis study and report. The IBRD thesis was that the Caribbean Governments' policies had an over-protection anti-export bias due to the system of incentives. The Governments' reactions were that not sufficient information was given to facilitate study of the proposals; neither was there any indications of the implications for the Caribbean countries if the proposals were to be adopted. The Ranis report not being available, there was no firm basis for detailed examination.

27. Concerning the Inter-Agency Resident Mission which was expected to be approved at the CGCED meeting, a re-drafting of the project document was in progress, which would take into account the views in the paper submitted by the OECS/Economic Affairs Secretariat.

28. There was recognition that regional Caribbean projects were not being supported by the donors. Perhaps due to the nature of the CGCED, regional projects were given lower priority than balance of payments problems, and national projects. It was also noted that there was strong pressure to narrow the areas of discussion at CGCED to focus on investment, incentives, private sector development, and export promotion.

Mills/Lewis Caribbean/Latin American Relations /Item vi/

29. The explanation was given that the Mills/Lewis mission originated from a resolution adopted at CEPAL/s Montevideo session, that the mission was still at work and expected shortly to conclude its report, hopefully by mid-July.

SUMMING UP

30. The OECS Central Secretariat was still to be established and decisions to be taken on its structuring and working. These aspects require that OECS governments will have to pursue questions of budgetary assistance resources. The links between resources and multi-island projects will need to be made more clear, and there will need to be knowledge of the availability of what can be put into planning.

31. Some aspects of the CDCC/OECS relationship will need to be left open as they will derive from the work of the OECS Secretariat itself. The IARM adds a dimension of assistance, but its tasks will have to be incorporated into the Secretariat's functions eventually.

32. The appropriateness of rationalization of agencies approach to OECS remains unresolved. They have different periods and methods of programme budgeting. There is evidently too, an over-estimate of the OECS group of countries to plan several years in advance. In addition, the variations in budget timetables among the agencies affect the whole process of planning; and in a measure, the choice of projects because what can be done depends on the resources that seem to exist at various points in time.

33. The OECS Secretariat, however, should play a role in national programming, and in addition should have a prime responsibility for UNDP's multi-island programme. The OECS Secretariat also has a role to play in the consideration of the UNDP's Latin American region allocation.

IPF EXPENDITURES AND AUTHORIZED BUDGET LEVELS (ABL) FOR RBLA REGION

(US\$ '000)

| COUNTRY | 1977-81 IPF | TOTAL 1977-81 EXP | 1982-86 ILLUSTRATIVE IPF | 1982 ABL | 1983 ABL | 1984 ABL | 1985 ABL | 1986 ABL | 1982-86 ABL |
|------------------------|----------------|-------------------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|
| Antigua | 1,765 | 1,435 | 1,765 | 554 | 298 | 282 | 297 | 311 | 1,742 |
| Bahamas | 2,400 | 2,603 | 2,400 | 345 | 364 | 384 | 403 | 424 | 1,920 |
| Barbados | 2,500 | 2,533 | 2,500 | 360 | 380 | 400 | 420 | 440 | 2,000 |
| Belize | 1,650 | 1,074 | 1,650 | 543 | 376 | 344 | 317 | 290 | 1,870 |
| Bermuda | 700 | 700 | 550 | 79 | 83 | 88 | 92 | 98 | 440 |
| British Virgin Is. | 300 | 450 | 300 | 150 | 60 | 10 | 10 | 10 | 240 |
| Cayman Islands | 700 | 700 | 550 | 79 | 84 | 88 | 92 | 97 | 440 |
| Dominica | 1,362 | 1,362 | 2,300 | 500 | 400 | 300 | 300 | 340 | 1,840 |
| Grenada | 1,880 | 1,880 | 2,100 | 302 | 319 | 336 | 352 | 371 | 1,680 |
| Guyana | 5,000 | 5,340 | 8,500 | 1,179 | 1,244 | 1,310 | 1,377 | 1,440 | 6,550 |
| Jamaica | 7,500 | 7,181 | 7,500 | 1,080 | 1,140 | 1,200 | 1,260 | 1,320 | 6,000 |
| Montserrat | 400 | 426 | 700 | 75 | 106 | 117 | 118 | 118 | 534 |
| Netherlands Antilles | 1,900 | 1,900 | 1,500 | 216 | 228 | 240 | 252 | 264 | 1,200 |
| St. Kitts-Nevis | 700 | 813 | 1,300 | 187 | 197 | 208 | 218 | 230 | 1,040 |
| St. Lucia | 1,765 | 1,733 | 2,100 | 334 | 319 | 336 | 352 | 371 | 1,712 |
| St. Vincent/Grenadines | 1,420 | 1,454 | 3,250 | 824 | 494 | 520 | 546 | 572 | 2,956 |
| Trinidad and Tobago | 5,000 | 5,196 | 5,000 | 720 | 760 | 800 | 840 | 880 | 4,000 |
| Turks and Caicos Is. | 400 | 633 | 850 | 122 | 129 | 136 | 143 | 150 | 680 |
| Multi-Islands | 8,420 | 8,578 | 4,516 | 950 | 636 | 673 | 709 | 645 | 3,613 |
| Sub-Total | 45,062 | 33,253 | 49,331 | 8,599 | 7,617 | 6,772 | 8,098 | 8,371 | 40,457 |

Total OECS Group, approximately US\$20 million.

CARIBBEAN MULTI-ISLAND PROGRAMME 1981-1986

| Project No. and Title | 1981 | Under/Over Expenditure 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | Total 1982 - 1986 |
|---|----------|-----------------------------------|---------|---------|------|------|------|-------------------------|
| CAR/73/001 Industry | 134,130 | (22,052) | 50,000 | - | - | - | - | 50,000 |
| CAR/74/006 Investment Promotion | 13,645 | 8,975 | - | - | - | - | - | - |
| CAR/75/004 Social Security | 54,007* | (31,792) | | | | | | |
| CAR/75/010 Statistics | 371,060 | (51,164) | | | | | | |
| CAR/77/002 Civil Aviation | 11,314 | (60,917) | | | | | | |
| CAR/77/006 Vocational Training | 321,533* | (23,765) | 180,000 | - | - | - | - | 180,000 |
| CAR/77/007 Agriculture | 583,718* | 10,737* | - | - | - | - | - | - |
| CAR/78/001 Programme Support | 18,549 | (51,451) | | | | | | |
| CAR/79/001 Economic Advisory Services | 79,400 | 4,483 | 23,350 | - | - | - | - | 23,350 |
| CAR/79/002 Tourism | 54,446 | (554) | - | - | - | - | - | - |
| CAR/80/004 Shipping | 106,919 | (9,494) | 101,505 | 60,000 | - | - | - | 161,505 |
| CAR/80/005 Meteorology | 78,423 | 1,423 | - | - | - | - | - | - |
| CAR/78/003 Caribbean Health | - | (12,000) | 100,000 | 122,000 | - | - | - | 222,000 |

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CARIBBEAN MULTI-ISLAND PROGRAMME 1981-1986 (Continued)

| Project No. and Title | 1981 | Under/Over Expenditure 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | Total 1982 - 1986 |
|-------------------------------------|------------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------|
| CAR/80/002 Statistics | - | | 295,550 | 330,000 | 380,000 | 420,000 | | 1,425,550 |
| CAR/81/002 Agriculture | - | | 200,000 | 124,000 | 200,000 | | | 524,000 |
| CAR/79/003 Marketing | (1,362)* | (9,362)* | | | | | | |
| Sub-Total | 1,820,775 | (251,940) | 950,405 | 636,000 | 580,000 | 420,000 | | 2,586,405 |
| Pipeline: | | | | | | | | |
| Education | | | - | - | - | 75,000 | 75,000 | 150,000 |
| GRAND TOTAL | 1,795,972 | | 950,405 | 636,000 | 580,000 | 495,000 | 75,000 | 2,736,405 |
| Authorized Budget Levels | 2,021,000 | | 950,000 | 636,000 | 673,000 | 709,000 | 645,000 | 3,613,000 |
| BALANCE | 200,000 | | - | - | 93,000 | 214,000 | 570,000 | 877,000 |

* Estimates only.

