5380025
CONGRESSIONAL PRESENTATION

PROGRAM: CARIBBEAN REGIONAL.

ACTIVITY DATA SHEET

CP 79.05

TITLE	FUNDS	PROPOSED OBLIGATION (In thousands of dollars)	
Caribbean Productive Employment Generation	Selected Development Activities	FY 79 Loan 7,500 Grant 3,100	LIFE OF PROJECT Loan 7,500 Grant 3,100
NUMBER 538-0025 GRANT [X] LOAN [X] / NEW [X] CONTINUING [ ]	PRIOR REFERENCE None	INITIAL OBLIGATION FY 79 / ESTIMATED FINAL OBLIGATION FY 79	ESTIMATED COMPLETION DATE OF PROJECT FY 83

Purpose: To strengthen the institutional capacity and provide financial support for the development of productive employment opportunities throughout the Caribbean in order to comprehensively address widespread unemployment and expand the revenue base for financing of essential social services for the poor.

Background: Without access to remunerative, productive employment, the satisfaction by the poor of other basic human needs--food, health, education and shelter are severly constricted, if not impossible. Throughout the Caribbean today, high rates of unemployment and underemployment, ranging from 15% to 40%, constitute a major development problem and create the potential for social and political unrest. Agriculture alone cannot be expected to absorb the expanding labor force. A viable strategy for development that is concerned with human needs must emphasize the use of these human resources to increase production and in turn provide for a more equal distribution of income and wider participation in economic activities. A comprehensive approach for stimulating labor-intensive industry and services is planned in conjunction with the Caribbean Group for Cooperation and Economic Development (CGCED). This approach includes the systematic evaluation of capital and technical assistance for the following: Policy studies to establish the optimum climate for creation of labor-intensive enterprises and for mobilizing private resources; expanding the technical and financial resources, capacity of intermediate development finance institutions, both public and private within the region; strengthening indigenous managerial and technical manpower resources; product and market research and development; feasibility studies and enterprise development profiles; investment capital for new or expanding enterprises which are labor-intensive, maximize the use of raw materials or meet regional marketing requirements.

Host Country and Other Donors: The generation of productive employment is viewed by both recipients and donors as the number one development priority for Caribbean countries and is expected to receive primary attention by the CGCED. Studies to be undertaken in conjunction with CGCED efforts will result in a coordinated strategy for addressing employment problems both on a regional and individual country basis. Financing for such studies and for implementating the employment strategy is expected to be provided by a number of donors in addition to the U.S. Moreover, participating industries and host countries will be expected to contribute equitably to these ends. U.S. support for productive employment generation, as proposed herein, will be in accord with agreements to be reached within the CGCED framework.

FY 1979 Program: Grants totalling $3.1 million will be provided for studies, technical assistance and training. Loans totalling $7.5 million for investment financing.

Major Outputs: All years: Two major outputs. Improved institutional capacity and investment climate for promoting labor-intensive industries on a self-sustaining basis. The second is in terms of new job opportinities created for the poor. It is anticipated that 4-5000 new permanent jobs in industry will be created as a direct, initial result of this project.

Beneficiaries: Low-skilled under and unemployed workers, especially young adults under 25.

A.I.D. Financed Inputs:	($ thousands) FY 79
Loans	7,000
Policy studies (10 studies)	500
Technical assistance (100 pm)	1,300
Training (200 trainees)	400
Product and marketing development	400
Feasibility studies (20 studies)	500
Grants Total	3,100

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1977	-	-	-
Estimated Fiscal Year 1978	-	-	-
Estimated through September 30, 1978	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1979	L 7,500 G 3,100	-	L 7,500 G 3,100

PRINCIPAL CONTRACTORS OR AGENCIES

To be selected.

PD-AAG-446 (2)