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ANNUAL ACTION PLAN, BUDGET SUBMISSION

AND

REGIONAL DEVELOPMENT STRATEGY STATEMENT REVISION

REGIONAL DEVELOPMENT OFFICE/CARIBBEAN (RDO/C)

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JUNE, 1985

ANNUAL ACTION PLAN, BUDGET SUBMISSION
AND
REGIONAL DEVELOPMENT STRATEGY STATEMENT REVISION

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REGIONAL DEVELOPMENT OFFICE/CARIBBEAN
ANNUAL ACTION PLAN, BUDGET SUBMISSION
AND
REGIONAL DEVELOPMENT STRATEGY STATEMENT REVISION

INTRODUCTION AND EXECUTIVE SUMMARY

The Regional Development Office/Caribbean's strategic plan, as presented in Part One of this document, is a synthesis of the requirements of the Annual Action Plan and revision of the Regional Country Development Strategy Statement. As such, the full planning period extends to 1990 and the explanations of proposed new directions and priorities are more extensive than would normally accompany the AAP. Issues raised by AID/Washington during the review of the regional CDSS, submitted in September 1984, are discussed within the body of the document, and reconciled and summarized in Appendix A of Part One, Section I. The regional strategy provides an overview of the individual Country Development Strategy Statements, which are attached as Annexes to the AAP, for the six LDCs in the Eastern Caribbean.

The objectives of economic assistance to the English-speaking Eastern Caribbean managed by RDQ/C are to:

- promote economic growth, primarily among the six members of the Organization of Eastern Caribbean States, as measured by significant movement in gross domestic production and employment, led by export earnings;
- strengthen free political institutions and environments in which private economies flourish;
- foster economic self-reliance; and
- support regional cooperation and regional institutions when they help achieve the first three objectives.

To achieve these objectives, RDQ/C efforts and resources will be directed at restructuring the economic environment to better promote export-led, employment-generating private-sector growth. Programs will focus on the three sectors with the most promise for such growth: agriculture, light manufacturing and enterprise development, and tourism.

Our strategy operates within four layered sets of institutional arrangements. Viewed as concentric circles, with each larger circle encompassing a wider range of institutions and/or countries, in the center are the six individual Eastern Caribbean LDC states (and to a more modest extent, Barbados); the next circle holds the institutions of the subregional grouping of the Eastern Caribbean States (OECS); the third adds the Caribbean Community (CARICOM) of 16 nations and its regional institutions; and the outer circle encompasses the World Bank-led Caribbean Group for Cooperation in Economic Development (CGCED).

The core RDO/C program is focused on the inner circle of the six OECS states. In aggregate, the country-specific strategies direct our efforts and resources towards the three key sectors of agriculture, light manufacturing/enterprise development, and tourism. Individually, the mix of emphases on these sectors varies among the countries, depending on the development opportunities and constraints which each present, with tourism of greater import in Antigua and St. Kitts/Nevis, for example, and agriculture having higher priority in Dominica and St. Vincent.

Our resource allocation reflects the central focus of RDO/C's strategy: on-the-ground development results in each of the countries of the OECS. Ninety-five percent of the 1986 funding requested, for example, is directed towards development activities implemented within the six states, overwhelmingly in support of the three key productive sectors. While some of this portfolio consists of projects with multiple recipients, or may be implemented through regional institutions, the unifying factor is near-to-medium term results in the specific countries. Key benchmarks for strategy achievement over the CDSS period are an average of 4.7 percent annual growth rates in GDP and 3.5 percent annual growth in employment over the six-year period from 1985 through 1990. Export and foreign exchange earnings are targeted to increase an average of 7.8 percent per year. Detail is provided in the country annexes.

These targets represent only the benefits to be achieved during the planning period. Adding to our benchmarks the value of future benefits will require that restructuring make lasting fundamental changes in economic environments which allow the next quantum jump in GDP, exports and income.

To achieve these ambitious targets, RDO/C projects and staff will be clustered in four programs: Infrastructure Expansion and Maintenance Systems Development, and High-Impact Agricultural Development, with major activities in each cluster integrated into single multifaceted projects in FY86; and Private Sector-led Productive Investment in Manufacturing and Tourism Development, and Public Management and Institutional Development, with major activities coordinated among separate projects and Mission management for them centralized during the AAP period.

Program clusters are designed to focus resources (financial and staff), concentrate impact, promote effective management to overcome myriad constraints and achieve the targets set for each of the key productive sectors. Their structure reflects our judgment as to the RDO/C management units most appropriate to support the development strategy proposed. Objectives and implementation strategies have been devised for each program cluster, in each country, with benchmarks and priorities established.

A policy dialogue agenda will support the strategy objectives at all levels of RDO/C interaction, the inner circle as well as outer ones. While this agenda is primarily directed at creating positive incentives and conditions for private sector investment, specific issues relative to individual countries in the region have been included.

Resources are earmarked for FY87 which would assist governments making difficult policy transitions such as fiscal policy revision or public sector divestiture.

Within the next circle, that of the OECS institutions, RDO/C proposes to provide institutional support to create economic policy analysis capability within the Economic Affairs Secretariate (after its restructuring including an assimilation of the primary functions of the Inter-Agency Resident Mission by the EAS), increase funding and participation in and through the Eastern Caribbean Central Bank, and route project services to member states in public management training and health management services delivery through the operational arms of the OECS.

Within the third circle, including CARICOM, RDO/C proposes to increase its involvement in the CARICOM structural adjustment dialogue initiated by the Nassau Understandings, continue grant funding the Basic Needs Trust Fund through the Caribbean Development Bank, fund regional institutions to meet specific development needs (eg. Caribbean Agricultural Research and Development Institute), and support the institutional development of regional organizations which promote private-sector led growth.

Within the Consultative Group, RDO/C will actively support the movement toward enlarging the forum to include discussions of structural adjustment issues within CARICOM, continue to contribute to the Caribbean Project Development Facility, foster full cooperation with multilateral and bilateral donors, highlight policy dialogue issues of acute concern to the U.S.G., and capitalize on opportunities for joint donor activity.

Within Part One, Section I contains the rationale for the strategy selection and the description of the proposed program to be implemented. Section II describes the organization and management of RDO/C under the program consolidation. USDH staff will be reduced by two before the end of FY85, and by three more before the end of FY86 (including reductions by one each per year in Grenada). Operational offices will be consolidated and restructured to parallel our four program clusters. Country Coordinators will be designated as focal points for program coordination of activities within each country.

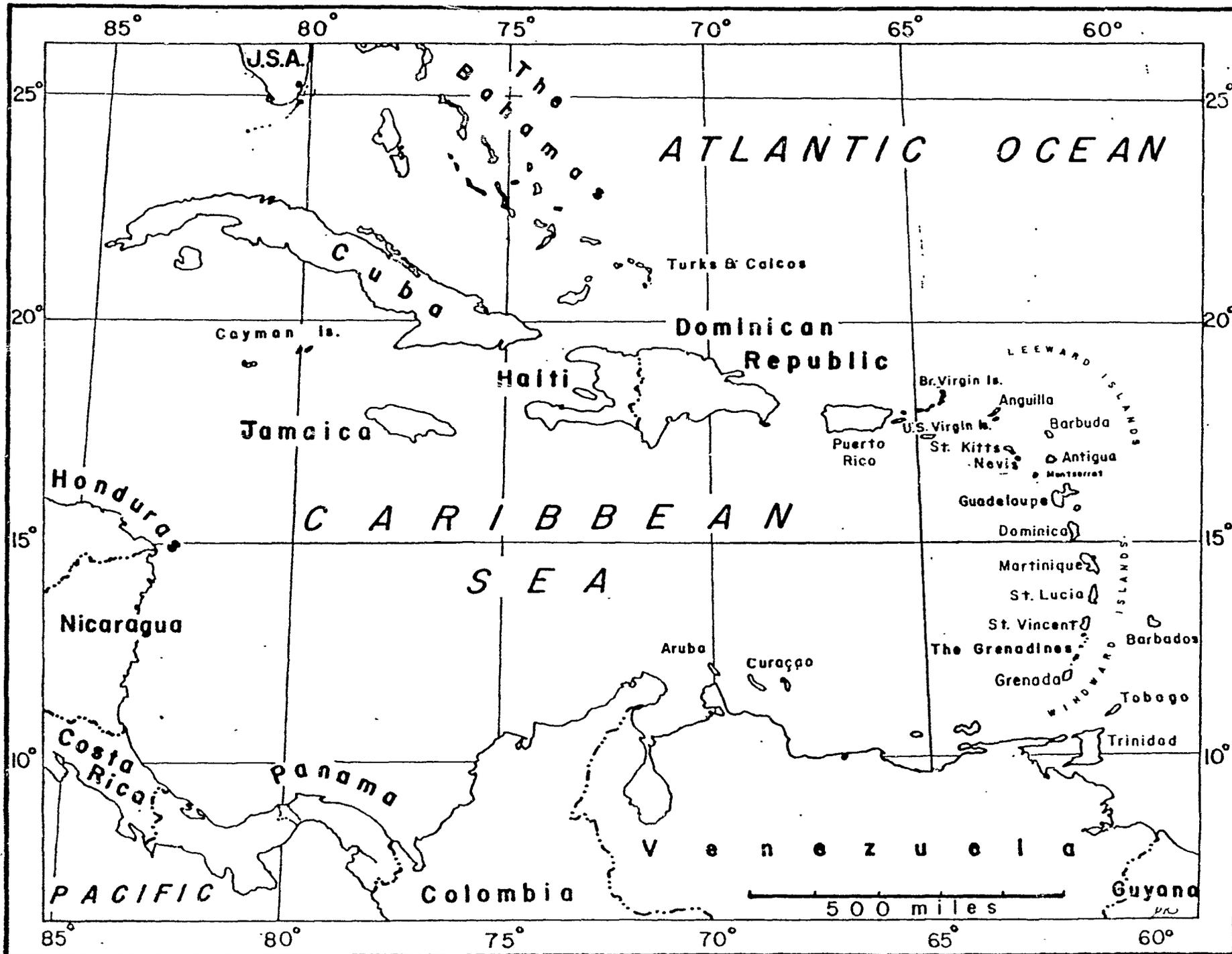
Section III discusses resources required for the AAP period, in both tabular and narrative forms. Tables present funding requirements aggregated by program clusters and in ABS Table I and IV formats. Funding requirements for FY86 were held to the CP level of \$66.1 million. FY87 requirements exceed the FY86 CP levels by \$7.9 million, reflecting recent strategy analysis which indicates that medium-term developments constraints are somewhat less tractable than previously perceived. Priorities for FY87 reductions to the CP level are included.

Part Two contains the Implementation Plan, including project descriptions and information on operating expenses for the planning period. The Implementation Plan focuses available resources within four program clusters to achieve growth targets in the productive sectors of

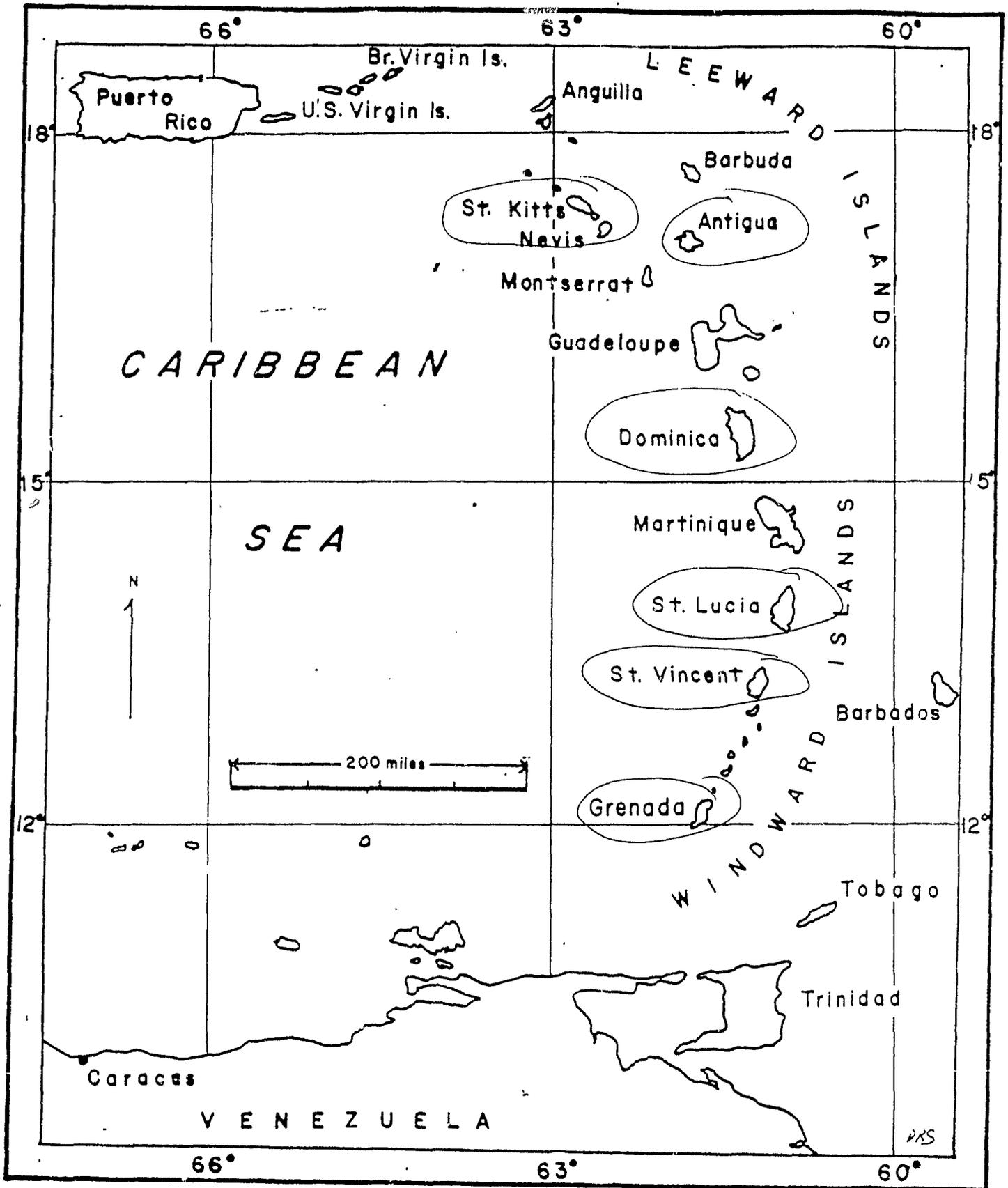
manufacturing, agriculture, and tourism. In FY86, RDO/C will develop integrated and consolidated projects in agriculture and infrastructure, which will extend and be augmented through the period of the regional strategy statement. Other new projects initiated in FY86 will be tied into consolidated Mission management to achieve the objectives of individual country and regional strategies.

Operating expenses for both RDO/C and the Grenada office are submitted for FY85 within approved annual levels. Operating Expenses budgets for FY86 and FY87 have been consolidated for these two locations. Mission OE requirements are relatively constant, with combined budget submissions of \$4,77,600 in FY86 and \$4,151,800 in FY87. During FY86 Grenada will establish a trust fund in the equivalent amount of \$300,000 which will reduce appropriated dollar requirements by a like amount.

THE WEST INDIES



THE EASTERN CARIBBEAN



PART ONE: PROPOSED MISSION STRATEGY

I. CARIBBEAN REGIONAL STRATEGY, 1986 to 1990

A. The Regional Strategy for the Six Island Nations within the OECS

1. Overview

a. A Growth Strategy

There are four overriding objectives of economic assistance to the six English-speaking nations of the Eastern Caribbean, to:

- i. To promote economic growth, primarily among the six members of the Organization of Eastern Caribbean States, as measured by significant movement in gross domestic production and employment, led by export earnings;

Major near-term economic goals for the six countries are shown in Table 1.

Table 1
ECONOMIC GOALS OF THE RDO/C PROGRAM FOR THE OECS STATES

<u>Country</u>	<u>Annual GDP Growth</u> (in percent)	<u>Annual Employment Growth</u> (in percent)
ANTIGUA	5.0	3.3
DOMINICA	4.5	3.4
GRENADA	3.9	3.0
ST. KITTS-NEVIS	3.0	2.8
ST. LUCIA	5.1	3.6
ST. VINCENT	4.6	4.1

Average regional growth in GDP is expected to reach 4.7 percent per year over a six-year period beginning in 1985. Employment targets are 3.5 percent regional average annual growth, a rate which will reduce unemployment. Although these goals may appear modest, there are very significant constraints to rapid development within these very small open economies which are described below.

There is a mutual compatibility between our near-term objectives, measurable in increments to GDP and employment, and our longer-term objectives, observed most directly by positive results from our policy dialogue, but including major economic re-ordering of the three sectors to be directly supported. Without economic restructuring, there will be little prospect for the magnitude increases projected for exports (and tourism revenues). There are at present too many fundamental obstacles to private sector investment in agriculture, manufacturing and tourism which stifle rapid and sustained growth. But

restructuring of the economies in the Eastern Caribbean can only be judged successful if there are real and measurable increases in marketable output. Then having satisfied both necessary and sufficient conditions for solid economic growth, establishing a platform for the next decade, the future benefits of present AID programs will be assured.

- ii. strengthen free political institutions and environments in which private economies flourish;

Self-sustaining growth is made possible by harnessing the energy of private sector initiative and investment. This is only possible if public policies and institutions support this goal. RDO/C programs are intended to impact on the entire fabric of each economy, helping provide growth which promotes political stability, as well as nurturing the specific policies which propel private sector development.

- iii. foster economic self-reliance;

The OECS states are precariously close to living beyond their means. Foreign capital and program support assistance have been necessary, in some recent years, to prevent major dislocations. Even with significant donor contributions, unemployment is estimated to be between 20 and 30 percent of the working age population. Remittances from relatives abroad constitute a major source of foreign exchange for each state and consumption for many families. RDO/C programs must not only increase Economic activities, but help balance public expenditures and revenues, reducing current account deficits and placing economic houses in order.

- iv. support regional cooperation and regional institutions when they help achieve the first three objectives.

Some programs which are useful to the OECS states are more efficiently supported by regional institutions than through bilateral efforts. Some policies are more effectively supported through regional groupings of states than through individual policy dialogue alone. Some economic decisions are optimized through joint efforts rather than independent actions. When these situation exist, RDO/C will support regional or subregional solutions, as described in following sections.

RDO/C will capitalize on private sector initiatives to lead productive growth in agriculture, manufacturing and tourism. While the conditions and the treatment differ for each country, the strategy remains the same: the creation of policies, practices, conditions and incentives which stimulate private sector investment, both domestic and foreign, in the three named sectors. By concentrating resources in support of three sectors and focusing on private decision making, the program is manageable, while attempting a forced march toward five percent annual increases in GDP via government parastatal action would be futile. By linking domestic suppliers to commodity exporters or tourism, the impact of foreign investment can be enhanced, deepening the changes which will occur in each sector. Large investment budgets and small number cases suggest that the growth targets, although demanding, are reachable by 1990.

The growth targets are also observable indicators that necessary economic adjustments are taking place within each society. There are many supporting conditions to be achieved before there can be rapid movement in critical economic indicators. Some of these conditions are in the realm of public policy and will be addressed during our dialogue with host governments and regional institutions. Others are directly attacked by the addition of new infrastructure facilities and maintenance capabilities. Still others are within the sectors to be assisted: the establishment of linkages between foreign investment in manufacturing; agriculture and tourism and domestic enterprises; the relative pricing of factors of production, the need for fundamental human resource development for sustained growth in export industries. These structural changes must occur throughout the economic systems in the OECs countries, laying the foundation for future self-sustaining economic growth, a longer-term objective of RDO/C strategy.

b. Prospects for Growth

Enclave manufacturing is a highly desired prospect for the OECs countries. Foreign manufacturers bring their own market access, technology, management and operating capital, employing significant numbers of semi-skilled workers. Some manufacturers have been profitable, others promising. The most immediate problem has been identifying the potential of the small islands of the Eastern Caribbean to likely investors, a task undertaken by the Investment Promotion and Export Development Project, which will be continued during the planning period. An interrelated series of steps must be completed to ensure enclave manufacturing makes its maximum contribution to GDP and employment objectives. Government policies must be encouraging, financial incentives must be in place, the work force must be willing and able, the transportation system efficient, and supporting infrastructure must be adequate. The first objective is to attract enclave manufacturing. The second is to tie, when feasible, the export-oriented manufacturers more directly into the economy of the island through promotion of local subcontractors and service suppliers. Enclave manufacturing fulfills its promise best when it supports linkages to domestic enterprises and trains managers and entrepreneurs who spread into affiliated sectors. Then it can serve as an effective multiplier on domestic enterprise.

Agriculture continues to be a dominant sector in most island economies. Export agriculture, outside of sugar and bananas, consists mainly of fruits and vegetables sent to the CARICOM countries. There are a few successful exporters filling small niches in North American or in specialized European markets. Standards of living, per capita incomes and opportunities to emigrate are high, tending to increase labor costs in agriculture. But opportunities do exist to grow and sell high-quality, high-value agricultural commodities. Marketing has been a major drawback, with many production prospects withering on inadequate marketing, packaging and shipment schedules. To be fully exploited, the agricultural potential of the islands must be carefully crafted to fit market windows, provide specialized products and make rapid responses to changes in international conditions. The best

crafters have proven to be private agribusiness companies with their own established channels for market access. This is a resource that RDO/C intends to tap to significantly increase agricultural exports over the course of the next five years.

Tourism provides OECS countries significant foreign exchange at competitive prices and existing exchange rates. Tourism requires natural resources, infrastructure and marketing to attract high-payout and high-volume visitors. Correctly managed it can provide increasing value added as the hotel industry is linked to many smaller suppliers of tourism services: handicrafts, transportation, sports, sightseeing, clothing, entertainment and food supply. Tourism may benefit from a regional marketing strategy, since the OECS supplies a very small percentage of total Caribbean hotel occupancy. In the micro-environment in the Eastern Caribbean, even large percentage increases will be practical, such as 600 additional rooms on St. Kitts over the next five years.

c. Constraints on Growth within the Region

Table 2 presents the aggregated economic indicators for the six states, taken from the economic analysis sections of the six country strategies. Aggregate unweighted growth in GDP at constant factor prices during the last four years averaged slightly above three percent per year. RDO/C's strategy objectives call for average growth rates of 4.7 percent from 1985 through 1990. There are real and significant obstacles to achieving this growth rate, even with significant foreign aid flows.

First, given the structural difficulties, the small open economies have almost no absolute and few comparative advantages in earning foreign exchange. There has been limited success in enclave manufacturing, much of it producing for the middle-income (and protected market) CARICOM nations. With economic difficulties in CARICOM, firms have either closed or are attempting to re-direct their manufactures to North American markets. Agricultural exports are predominately sold in markets with quotas established for the OECS countries, well above world market prices. Farmgate prices are high and production inefficient with marketing/shipping presenting seemingly insurmountable difficulties for local producers seeking entry into competitive markets.

Looking across the individual countries, it is clear that the island states are not carbon copies. Antigua is obviously different, with more per capita income, tourism, and commercial debt than the others, a smaller resource gap and significant foreign investment. St. Vincent is close to the other end of the continuum, with the lowest per capita income after Grenada, a massive resource gap, but 4.8 percent real growth in GDP since 1980. Agriculture remains 30 percent of GDP in Dominica, with agricultural-based processing making significant further contributions and with very limited opportunities for increased earnings from tourism.

While the reasons which cause the Eastern Caribbean to be competitive in so few products differ among countries, and are presented in detail in the individual country strategy statements, in aggregate the following constraints to rapid growth apply generally:

TABLE 2A
ECONOMIC INDICATORS BY COUNTRY

	ANTIGUA	DOMINICA	GRENADA**	ST. KITTS	ST. LUCIA	ST. VINCENT***
	1984	1984	1984	1984	1984	1984
Population (thous.)	80.1	75.5	92.0	44.3	126.9	105.1
Population growth rate	1.6	1.2	1.5	0.5	1.5	1.8
PRODUCTION & INCOME						
GDP (US\$ millions)	135.3	67.3	66.0	55	151.3	81.5
* GDP annual growth rate	3.2	2	2.6	2.3	3.9	4.8
GDP per capita	1970	1100	717	1463	1190	841
Consump. as a % of GDP	86.2	93.3	110	115.1	86.5	95.5
Invest. as % of GDP	28.8	27.2	41	6.7	34.8	29.0
Sectoral breakdown of GDP (%)						
Agriculture	7.8	29.9	21.3	17.2	13.9	15.5
Manufacturing	5	7.8	2.6	13.3	9.7	11.0
Tourism	17.4	1.2	4.4	3.4	7.6	2.3
Government	2.5	3.6	21.1	19	22.1	18.9
Other	67.3	57.5	50.6	47.1	46.7	63.3
* Growth rate by sector						
Agriculture	0	-1.1	1.6	-2.8	1.1	11.4
Manufacturing	-0.7	7.2	-0.5	-1.8	4	3.4
Tourism	15.5	n.a.	1.3	2.9	1.7	0
Government	2.5	3.6	1.6	3.2	8.5	4.0
EMPLOYMENT						
Total (thous.)	24.7	23.1	30.3	13.1	34.1	27.8
Percent share:						
Agriculture	8.5	40	41.2	29	39.5	16.8
Manufacturing	6.3	7	3.0	20	7.9	10.9
Tourism	21.5	n.a.	3.3	14	12.2	3.0
Government	30	25	5.3	16	22.2	17.0
Other	33.7	28	47.2	21	18.2	52.3
* Annual growth in employment (%)	2.4	n.a.	-2.0	1.1	1.8	1.3
* Annual growth in work-force (%)	2.1	3.3	2.0	2.2	3.5	3.5
Unemployment rate (%)	20.1	20	30.0	19	25	22.5

Notes

* The growth rates for 1984 are average annual estimates, and refer to the 1980-84 period, except for Dominica and St Lucia which refer to 1978-1983. Those for 1990 refer to the 1985-90 period. CDSS calculations adjusted to standardize time period.

** All GDP data are in constant 1980 market prices.

*** St. Vincent GDP data are in 1984 constant prices; some data are for 1983 or 1985.

TABLE 2B
AGGREGATE ECONOMIC INDICATORS (CONTINUED)

	ANTIGUA	DOMINICA	GRENADA	ST. KITTS	ST. LUCIA	ST. VINCENT
	1984	1984	1984	1984	1984	1984
FOREIGN TRADE & BALANCE OF PAYMENTS (US\$ mill.)						
Exports of goods & NFS	92.2	32.9	39.2	33.2	96.7	62.4
Imports of goods & NFS	112.4	49.3	71.3	46.9	129.1	83.2
Trade balance	-20.3	-16.4	-32.1	-13.7	-32.4	-20.8
Financed by:						
Private transfers from abroad	12.6	9.5	11.7	8.1	14.0	n.a.
Foreign aid	2.8	9	25.2	3.6	6.5	n.a.
Comm. loans	3.8	neg.	5.2	-1.6	-0.6	n.a.
Direct priv. invest.	8	neg.	n.a.	4.6	10.0	n.a.
Other	-6.9	0.5	-10.0	-1.0	2.5	n.a.
Trade bal. as % of GDP	15	24.4	49	24.9	21.4	24
Debt service as a % of exports	15.8	3.3	13.0	3.3	2.1	2.4
PUBLIC FINANCE *						
Current revenues as a percent of GDP	27.4	32.3	37.0	34.9	28.8	33.2
Curr. acct. balance as a % of GDP	0	0	0.4	-6.0	3.2	1.5
Capital expend. (US\$ mill)		36.8	26.6	10.9	34.4	9.6
Financed by:						
Curr. acct balance	-0.7	8.9	0.3	1.3	0.3	1.4
Domestic financing	16.6	7.3	-2.4	0.1	16.8	1.9
Foreign financing	0.2	20.6	28.7	9.5	17.3	6.2
of which for. aid	(2.8)	(20.6)	25.2	(9.0)	(17.0)	n.a.

Sources: Economic Annexes to the CDSS Country Supplements and the latest World Bank and IMF reports.

Notes

* Current revenues, current acct balance and capital expenditures refer to the central Government only, except for Dominica and St. Kitts where cap. expend. refer to the public sector.

- Infrastructure development is incomplete, and that which has been provided is not maintained. This increases the cost of transportation, power, water, sewage disposal and communications.
- Diseconomies of small scale make both domestic and foreign market extraordinarily expensive. Domestic producers have neither the knowledge nor the scale to penetrate non-traditional hard-currency markets.
- The natural resource base, except for tourism, is weak. The island produce almost nothing which cannot be made or grown elsewhere, and "elsewhere" often has cheaper labor costs and better developed infrastructure.
- High-output, low-cost agricultural production has yet to arrive in the Eastern Caribbean. Yields are low, costs are high, technology is less than modern and labor costs much greater than labor productivity would suggest. Without a strong external push, agriculture will not overcome its inertia.
- There are few linkages between the foreign enclave sectors, who import, transform and re-export, and domestic enterprises or growers. The type of entrepreneurs, their methods and markets differ significantly and do not readily establish mutually-profitable commercial bonds.
- Public management is underdeveloped. Public ownership is generally synonymous inefficient with money-losing enterprises. Efficient public managers are thinly-spread across the government's responsibilities, providing services at higher costs than could the private sector.
- Public policies have not kept pace with rhetoric that espouses private sector-led development. The tax structure, policies, incentives, licensing requirements, import export restrictions are not yet conducive to extracting the maximum growth potential from the private sector.
- The human resource base is willing but undertrained. Formal education is poor preparation for real-life employment, and is based on a "pass the next level examination" model. Workers and managers have to learn on-the-job skills and approaches which have costs in additional training, start-up and overall efficiency.

As a result of these constraints structural misadjustment affects each sector in the island's economies. Correction must take place so that agriculture, manufacturing and tourism can

attract sufficient investment to drive export/foreign exchange growth. Sugar, a major foreign exchange earner, is often shipped at a net loss and banana exports may incur net losses to governments or producers' associations. Land tenure is not secure and land holdings are not well documented making long-term investments in agriculture less likely. The state continues to actively intervene in the economic life of the country, sometime for no other reason than that the knowledge and resource to divest have not been applied to prior-regimes acquisitions. Tourism investments require national planning and land use agreements which have not been undertaken. Exchange rate may be overvalued in relation to other currencies, requiring devaluation to boost exports while enforcing a lower standard of living on island residents.

In addition, the labor force is growing at an unprecedented rate as emigration prospects diminish. Even with rates of up to 50 percent emigration of working age cohorts in some countries, the overall average (unweighted) yearly increase in the labor force through 1990 is projected to be 2.85 percent. Employment statistics are the weakest of all data from the OECS countries. Under-employment and unemployment categories are often mixed, with multiple job holders among those who work occasionally in agriculture. While some official statistics from social security systems show unemployment between 10 and 12 percent, census data and common perception place the numbers between 20 and 30 percent. One of the requirements of the evaluation contract for RDO/C private sector programs will be to review labor force and employment statistics and provide benchmarks against which to measure program impact on employment over the next five years.

The constraints to fast-paced growth are formidable within the OECS countries. Yet the islands live within the small number case. A very few profitable endeavors can make a significant difference to export earnings, employment and GDP. Conversely, one or two failures, and the entire sector's contribution to GDP can turn negative. RDO/C's strategy will take advantage of the small number principle to leverage opportunities which will draw forth private sector responses, based upon appropriate government policies. These leading enterprises will serve as multipliers for economic activity within each OECS country. When combined with other donor activity, and the individual government's investment programs, the self-interest of entrepreneurs will be encouraged to draw the region into high export earnings, employment and economic growth.

2. Sector Goals and Targets To Be Achieved by 1990

a. Manufacturing and Enterprise Development

The first objective is to attract sufficient enclave manufacturing enterprises to boost employment, income and exports. This will be achieved by an integrating and clustering of RDO/C private sector support programs, as outlined in the following section. Concurrent with the attraction and set-up of foreign enclave manufacturing is a move to deepen enterprise development on each island, with assistance to local entrepreneurs. Thus, the second objective is to increase employment in indigenous enterprises which expand in response to demand from tourism,

agriculture and enclave manufacturing (the foreign exchange-earning sectors), and to demand from increased personal income within each society.

Each country strategy examined the prospects for manufacturing exports and indigenous enterprise development, with attendant contributions to GDP, employment and export earnings in the five-year planning period. The analysis included time series trends, infrastructure inventory and entrepreneurial history. A private sector annex is included in the supplementary analysis package for each country strategy. The analysis also included other donor projects and government development budgets taken independently of foreign aid. Table 3 lists the growth rate projections for the individual countries within the OECS considering all funding sources. These will serve as overall targets for the sector.

With the support to be provided by RDO/C, the objectives for annual growth in light manufacturing extend from a modest 3.6 percent in St. Kitts-Nevis to 14.9 percent in Grenada, with 7 percent per year the median growth target. By the end of the period, St. Kitts is estimated to have 23 percent of its work force in the manufacturing sector, while Grenada will have only 4.6 percent, demonstrating the potential for very small bases to grow at high percentage rates.

The manufacturing and enterprise development sector employs women in more than 50 percent of the new jobs created. This sector has the potential for the quickest response to increasing unemployment in the face of the rapidly growing labor force. Over the next two years, closely following infrastructure development (which also supports private sector development), it contains the next largest share of RDO/C's AAP budget.

b. High-Impact Export Agriculture

The first objective of the high-impact agricultural development program is to produce and export agricultural commodities to the commercial markets of North American and Europe. Production will be market driven, with the establishment in each crop line of a nucleus which delivers high-quality, carefully-packaged materials for export. This near-term phase will establish the appropriateness of both production technology and marketing channels for the minimum quantity which is commercially viable.

The second objective is to radiate from the proven nucleus to small holders who will be provided incentives to join in production, with extension and training to establish cultural practices, quality control and transportation requirements.

TABLE 3
MANUFACTURING SECTOR GROWTH GOALS TO 1990

	ANTIGUA		DOMINICA		GRENADA**		ST. KITTS		ST. LUCIA		ST. VINCENT***	
	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990
PRODUCTION & INCOME												
GDP (US\$ millions)	135.3	184.3	67.3	89.7	66.0	82.4	55	65.7	151.3	203.9	88.4	110.7
* GDP annual growth rate	3.2	5.1	2	4.5	2.6	3.8	2.3	3	3.9	5.1	4.8	4.6
GDP per capita	1970	2400	1100	1300	717	819	1463	1690	1190	1460	841	948
Sectoral breakdown of GDP (%)												
Manufacturing	5	5.7	7.8	8.5	2.6	4.9	13.3	13.8	9.7	10.7	11.0	11.5
* Growth rate by sector												
Manufacturing	-0.7	7	7.2	7	-0.5	14.9	-1.8	3.6	4	8.2	3.4	6.0
EMPLOYMENT												
Total (thous.)	24.7	30.3	23.1	23.4	30.3	35.7	13.1	15.6	32.9	42	28.8	35.4
Percent share:												
Manufacturing	6.3	7.1	7	8	3.0	4.6	20	23	7.9	9.6	10.9	11.3
* Annual growth in employment (%)	2.4	3.5	n.a.	3.4	-2.0	2.8	1.1	2.8	1.8	3.5	1.3	4.1
* Annual growth in work-force (%)	2.1	2.5	3.3	3.3	2.0	1.9	2.2	2.2	3.5	3.5	3.5	3.3
Unemployment rate (%)	20.1	15.2	20	18	30.0	27.0	19	16	25	19	22.5	18.0

Notes

* The growth rates for 1984 are average annual rates, and refer to the 1980-84 period, except for Dominica and St Lucia which refer to 1978-8 are 1978-1983. Those for 1990 refer to the 1985-90 period. CDSS calculations adjusted to standardize time period.

** All GDP data are in constant 1980 market prices.

*** St. Vincent GDP data are in 1984 constant prices; some data are for 1983 or 1985.

This two-phase procedure is necessary because of the limited natural resource bases of the islands of the Eastern Caribbean, and the structural anomalies within the agricultural sector. The resource base limits large-scale mechanized agricultural production. On islands where there is sufficient rainfall, volcanic mountains create slopes not appropriate for row crops or mechanized agriculture. Difficulties of internal transportation, marketing and external shipment have turned most agricultural production, other than plantation sugar and bananas, inward, serving the very limited domestic market. There are some ongoing exports, with limited success to date in increasing intra-island CARICOM trade. Supermarkets in Barbados carry Dominica grapefruit, St. Lucia oranges and St. Vincent vegetables, and there is continuing regional trade to larger islands both to the north and south.

Restructuring of the agricultural sector has been proceeding for years. Sugar cane and sugar manufacture, troubled industries in the Caribbean, remain important products on only two OECS islands, St. Kitts and St. Vincent. But protected markets and attendant higher prices have undermined the competitive vitality of most agriculture in the Caribbean, and inefficiencies combine with high labor costs to price existing production out of the world market. Significant inefficiencies, mindsets, bottlenecks and higher-than-market costs must be rationalized prior to large-scale agricultural production becoming profitable.

To accomplish the first objective, special programs funded by RDO/C will focus resources on marketable crop lines, testing with small shipments, using progressive farmer associations and/or private agribusiness firms and foreign investors to establish nucleus production units. Funding will support investments or performance contracts to establish the appropriate technology, and gain market access.

The second objective requires demonstrating the feasibility of commercial agricultural exports to small holders who will join in multiplying efficient production to achieve economies of marketing and shipment scale. RDO/C programs will help extend the technology demonstrated by the nucleus "estates" to small farmers, who will use the incentives of the market place, and the assistance provided in RDO/C's projects, to intensify production of those crop lines proven commercially viable.

Neither the first nor the second objective are possible without agricultural support services. Although not primary objectives for the next five years, RDO/C will continue to bolster institutional capacity in research and extension, credit, technology transfer, farmer organization, marketing/shipping, land tenure, and divestiture. These long-range programs, some supported for the past six years, have provided the foundation for the high-impact projects proposed for the planning period.

Successfully implemented over the course of the next five years, agricultural exports, employment and income should emerge from lethargic performance to become a leading sector in the Eastern Caribbean countries. Considering all likely inputs into the agricultural sector, including other donor program, Table 4 presents projections for growth in the agricultural sector between 1985 and 1990. Only on St. Kitts is agricultural growth targeted at a low 0.5 percent per year, up from negative numbers during the past four years. All other country objectives range from 4.6 percent to 5.6 percent annual growth rates. St. Kitts is constrained by declining sugar cane production which is very likely to be further reduced in the coming years. By the end of the planning period, Grenada is expected to lead the six countries in the size of its agricultural sector, with 42.6 percent of its work force so employed.

Because of under employment in agriculture, new employment generation will lag the sector's contributions to export earnings and GDP. Even after excess labor in agriculture is absorbed, improvements in labor productivity can be expected to continue employment gains at below the rates of growth of the other target indicators for the sector.

c. Tourism Development

Tourism is an important foreign exchange earner and sector employer on five of the islands of the Eastern Caribbean. The program objective for the next five years is to increase the capacity of the region to provide tourism facilities, and to increase the utilization rates and income from those facilities. There is a competitive advantage in tourism, with significant receipts at existing exchange rates. To achieve the objective of increased capacity, usually denominated in hotel rooms, RDI/C programs will provide infrastructure support to new private sector tourism development. To achieve the objective of increased utilization rates, RDO/C will support studies and outreach to the North American markets, with assistance in designing more competitively priced and imaginatively presented vacation packages.

In some circumstances, additional tourism facilities have low marginal costs, due to unused infrastructure. However, most of the Eastern Caribbean's lush and readily accessible beach locations have been built. New hotels often must include costs for roads, water systems, power, and sewage disposal. Some islands, such as Dominica, have no white sand beaches, and limited mass-market tourist appeal. Grenada may be in a most favorable situation, with the potential to make improvements in existing hotel accommodations allowed to deteriorate during a prior regime, as well as refurbishing the large Grenada Beach Hotel (now under lease to a private firm) by the end of 1985. But there are high infrastructure costs to new hotel construction, with infrastructure demands which will require major investments in the near term.

If infrastructure development to support tourism expansion is one thrust of the program, packaging and marketing represent another. There are vacancies during the height of the tourist season and long periods when low or zero occupancies are accepted as standard. The

TABLE 4
AGRICULTURAL SECTOR GROWTH GOALS TO 1990

	ANTIGUA		DOMINICA		GRENADA**		ST. KITTS		ST. LUCIA		ST. VINCENT***	
	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990
PRODUCTION & INCOME												
GDP (US\$ millions)	135.3	184.3	67.3	89.7	66.0	82.4	55	65.7	151.3	203.9	88.4	110.7
* GDP annual growth rate	3.2	5.1	2	4.5	2.6	3.8	2.3	3	3.9	5.1	4.8	4.6
GDP per capita	1970	2400	1100	1300	717	819	1463	1690	1190	1460	841	948
Sectoral breakdown of GDP (%)												
Agriculture	7.8	8.4	29.9	31.4	21.3	22.2	17.2	14.9	13.9	14.8	15.5	17.4
* Growth rate by sector												
Agriculture	0	5.6	-1.1	5.4	1.6	4.6	-2.8	0.5	1.1	5	11.4	5.0
EMPLOYMENT												
Total (thous.)	24.7	30.3	23.1	23.4	30.3	35.7	13.1	15.6	32.9	42	28.8	35.4
Percent share:												
Agriculture	8.5	8.3	40	39	41.2	42.6	29	21	39.5	36.8	16.8	17.1
* Annual growth in employment (%)	2.4	3.5	n.a.	3.4	-2.0	2.8	1.1	2.8	1.8	3.5	1.3	4.1
* Annual growth in work-force (%)	2.1	2.5	3.3	3.3	2.0	1.9	2.2	2.2	3.5	3.5	3.5	3.3
Unemployment rate (%)	20.1	15.2	20	18	30.0	27.0	19	16	25	19	22.5	18.0

Notes

* The growth rates for 1984 are average annual rates, and refer to the 1980-84 period, except for Dominica and St Lucia which refer to 1978-83. Those for 1990 refer to the 1985-90 period. CDSS calculations adjusted to standardize time period.

** All GDP data are in constant 1980 market prices.

huge U.S. market could accommodate a variety of alternative vacation plans, such as the marketing of the milder climate Eastern Caribbean in the hot, humid areas of the U.S. during the summer.

The targets for the five-year period to 1990 are shown in Table 5, including assumptions on other donor activity, and government support to the tourism industry. Growth rates for tourism development range from "negligible" on Dominica to 17.7 percent per year on Grenada, with the median at 6 percent annual increases. After Antigua, which is the "tourism" island in the Eastern Caribbean, St. Kitts should have 19 percent of its work force in tourism in 1990, but contributing only 4.6 percent to GDP. This illustrates the need for deepening of the tourism sector to involve local enterprises and service organizations.

Tourism is estimated to provide three job opportunities for each hotel room, including the supporting services industries. A deliberate attempt will be made to link major tourist facilities to domestic entrepreneurs providing services, commodities, handicrafts, entertainment and food. Studies have shown that employment is divided evenly between men and women in the hotel and supporting services industries.

3. Programs to Achieve Goals and Targets in the Three Productive Sectors

a. The Program Clusters

Activities and projects within RDO/C will be clustered in four programs:

- i: Infrastructure Expansion and Maintenance Systems Development;
- ii. High-Impact Agriculture Development;
- iii. Private Sector-led Productive Investment in Manufacturing and Tourism Development; and
- iv. Public Management and Institutional Development.

For FY1986, project proposals will be consolidated into multi-activity program clusters in Infrastructure Expansion and Maintenance Systems Development, and High-Impact Agricultural Development. In Private Sector-led Productive Investment in Manufacturing and Tourism, and Public Management and Institutional Development, independent projects will be grouped under consolidated direction, with future movement toward single projects in these clusters to be determined in the next fiscal year.

The number of individual projects will decrease, as supporting activities are merged into full program thrusts. While it is clear that Infrastructure and Maintenance Systems Development and Public Management and Institutional Development will support objectives in all three productive sectors, High-Impact Agricultural Development and

TABLE 5
TOURISM SECTOR GROWTH GOALS TO 1990

	ANTIGUA		DOMINICA		GRENADA**		ST. KITTS		ST. LUCIA		ST. VINCENT***	
	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990
PRODUCTION & INCOME												
GDP (US\$ millions)	135.3	184.3	67.3	89.7	66.0	82.4	55	65.7	151.3	203.9	88.4	110.7
* GDP annual growth rate	3.2	5.1	2	4.5	2.6	3.8	2.3	3	3.9	5.1	4.8	4.6
GDP per capita	1970	2400	1100	1300	717	819	1463	1690	1190	1460	841	948
Sectoral breakdown of GDP (%)												
Tourism	17.4	19.5	1.2	n.a.	4.4	9.3	3.4	4.6	7.6	8.3	2.3	3.0
* Growth rate by sector												
Tourism	15.5	6.8	n.a.	n.a.	1.3	17.7	2.9	8	1.7	6.5	0	4.5
EMPLOYMENT												
Total (thous.)	24.7	30.3	22.1	23.4	30.3	35.7	13.1	15.6	32.9	42	28.8	35.4
Percent share:												
Tourism	21.5	24.5	n.a.	n.a.	3.3	7	14	19	12.2	13.9	3.0	3.2
* Annual growth in employment (%)	2.4	3.5	n.a.	3.4	-2.0	2.8	1.1	2.8	1.8	3.5	1.3	4.1
* Annual growth in work-force (%)	2.1	2.5	3.3	3.3	2.0	1.9	2.2	2.2	3.5	3.5	3.5	3.3
Unemployment rate (%)	20.1	15.2	20	18	30.0	27.0	19	16	25	19	22.5	18.0

Notes

* The growth rates for 1984 are average annual rates, and refer to the 1980-84 period, except for Dominica and St Lucia which refer to 1978-83 are 1978-1983. Those for 1990 refer to the 1985-90 period. CDSS calculations adjusted to standardize time period.

** All GDP data are in constant 1980 market prices.

*** St. Vincent GDP data are in 1984 constant prices; some data are for 1983 or 1985.

Private Sector-led Productive Investment in Manufacturing and Tourism Development have overlapping jurisdictions. Investments by agro-processing firms, managerial training for small entrepreneurs, shipping and marketing arrangements for agricultural production could be handled by either cluster. As the major projects within the program clusters are designed, or revised, these areas of potential duplicating responsibilities will be identified and resolved.

b. Program Consolidation

RDO/C projects, consolidated into four primary clusters, will directly support the attainment of objectives in the productive sectors selected as targets for the next five years. Previous project support to regional institutions and organization development created programs one step removed from direct AID control. Projects often supported one component of a multi-component input requirement without certainty that the remaining services would be available. Beginning with a strategy of private sector-led growth, RDO/C will concentrate resources, coordinate with other donors and host governments, and integrate functions to ensure coverage of all supporting requirements for productive private investment.

In each of four program clusters, RDO/C will obtain the capacity for rapid delivery of the necessary components which will make the programs work. With supporting services provided by regional institutions, RDO/C program resources will be directed at the point of impact, where the sweet peppers are grown, the factory shells constructed and the tourism industry supplied by local service companies. It is the integration of activities, the coordination of inputs and the unified attack on constraints that exemplifies program consolidation during the upcoming planning period. There are obviously economies of scale to be achieved in promoting manufacturing, tourism and agriculture through private investment and leadership across six small islands. The country programs, as shown in the CDSS's, will shape the interventions to the needs of the individual economic and social milieu. The consolidated program thrusts will ensure that the region is supplied with linkages, investors and opportunities.

RDO/C intends to deepen interventions by directing resources to the actual users. If enclave manufacturing begins the process of export and employment generation, a small enterprise project will help build cooperators, subcontractors and perhaps eventually, joint venture partners. The new tourist hotel should be supplied with services, workers and managers, products and agricultural commodities from local enterprises, assisted through projects supported by AID. Export agriculture may begin with a self-contained foreign investment which, when proven, will become a marketing channel for small holders who have been assisted through the transition into new production technology. During the next five years, RDO/C expects to help create mutually profitable working relationships between service/commodity suppliers in the Eastern Caribbean and buyers/distributors in the North American market. These arrangements are the key to self-sustaining development impact.

The consolidated program will also sharpen the policy dialogue and allow more direct RDO/C involvement with policy change and program direction. A general discussion of the need for fiscal policy reform can use as documentation the success of fiscal incentives designed to attract domestic and foreign investors, or the burdens created by government's inappropriate attempts to generate increased revenue. The new program provides funding which could help governments make difficult policy shifts, easing the burden of re-direction. It makes RDO/C a direct player in the productive process, and thus in the policy arena in which production and export takes place. This is a natural movement after years of building a useable support base in the region, the subregion and on individual islands of the Eastern Caribbean.

The integration proposed will also strengthen RDO/C management by grouping together like activities, increasing significantly the role of supporting contractors. The two program clusters with integrated projects in FY86, Infrastructure and Maintenance Systems Development, and High-Impact Agricultural Development, will each have an organizing central contract. In the face of declining direct hire staff, the contractors will be tasked to integrate with information and management systems already in place, and provide much of the country-level interface between RDO/C programs and those of other donors and working-level host country officials. This will free RDO/C personnel for policy analysis and change, project monitoring and correction, and program coordination and review. The two other program clusters, Private Sector-led Productive Investment in Manufacturing and Tourism Development, and Public Management and Institutional Development will review the management and supervision requirements of newly-grouped activities, and decide next year on the most useful organizing principle.

4. High-Impact Agricultural Development Cluster

a. Description of the Program Cluster

This cluster consists of two components, one multifaceted project which focuses resources to deliver commercially viable agricultural production, and projects, many of them ongoing, which provide funding to regional supporting services. The regional supporting services include farming systems research (CARDI), extension (MUCIA, UWI and Ministries of Agriculture), land tenure (St. Lucia), and intra-regional marketing (CATCO).

The High-Impact Agricultural Marketing and Production Project, designed as an umbrella for directed interventions in agriculture, will support both phases of planned agricultural development: the "demonstration" phase in which high quality output is directed to the export market from foreign investors or the most able producer's associations, and the "extension" phase which follows, when the island's small holders are actively encouraged to join in the proven technology and marketing channel. Four promising crop lines with likely market access have been selected for initial concentration, with others to be identified and tested during the next few years.

To activate Phase I, the project will include specific resources directed at locating and linking U.S. private agribusiness firms, distribution channels, buyers of specialized agricultural products and middlemen, to profitable opportunities on the six islands. In addition, it will provide incentives to private sector investors to locate on an island, and begin production and export, either through a "factory shell" concept, where the project provides infrastructure to the specifications of the investor, or through performance contracting which increases the returns from export sales in the early years. For crop lines such cacao, which has existing production stock, the project will work with model farms and producers to establish high-output cultural practices, while linking production to one of several U.S. buyers who have expressed interest in high-quality cacao.

To extend Phase I findings to the bulk of the island's agriculturists, the project will also contain funding for Private Voluntary Organization involvement in farmer organization development, the potential for credit, farming systems research, specialized technical assistance and extension support, transportation, packaging and shipping facilities, and input provisions.

A core technical assistance contract will supply the resources to undertake most subcomponent designs, the marketing linkages, provide the information and coordination necessary to ensure all components of the High-Impact Agricultural Marketing and Production Project are complementary, and ensure on-the-ground actions get underway to achieve the production and export objectives.

The focus of the program cluster will be directed to producing and selling into non-traditional, hard currency markets, initially expected to be through investors or buyers who already have market channels established, or who will accept the responsibility of generating new market access. The project will help determine the specifications for successful export, and the inputs required to deliver that output from small holders who agree to join in increasing production levels. Given the inefficiencies within the agricultural sector, it may be several years before profitable quality, quantity and farmgate cost can be achieved.

Each crop line or investor which appears as a candidate for support will be subject to formal review, analysis and RDO/C approval if the program calls for major inputs. For small experiments, the core contractor will be funded to undertake, or support, pilot tests of crop lines, marketing opportunities, shipment procedures and processing methods. Once subactivities are designed and approved, a bilateral agreement will be completed with the individual country specifying the next year's commitment in agriculture. These agreements will allow a shift on any one island between activities, as some prove more successful than others, and among islands as the next year's agreements are negotiated.

Supporting services such as research and extension, will complement the interventions in specific crop lines or processes. While institutional development funds will be directed to the regional

institution, operational funds to support, for example, extension within the cacao rehabilitation program, will be dispensed on an island-specific basis, in conjunction with the other inputs required for the cacao subactivity. This will ensure the attention of the local arms of the research and extension services without cutting off those institution building components which have proven efficacious in the past.

Given the difficulties in creating efficient export agriculture in the Eastern Caribbean, and the phased nature of the proposed strategy, the program cluster will not generate production and export in even proportions over the planning period. While export sales should occur early in FY87, the extension of the technology and generation of quantity from small holders will require the full five years to achieve the stated objectives.

b. Program Interventions

The heart of the program is the High-Impact Agricultural Marketing and Production Project, which is to be initiated during FY86. This project will contain the core activities of the integrated program cluster: crop line support, marketing linkage establishment, central technical assistance contract, and producer association development. It will add to ongoing agricultural activities on every island: soil and water conservation for St. Kitts, vegetable production and intra-regional export on St. Vincent, land tenure registrations on St. Lucia, banana rehabilitation on Dominica, and agricultural support on Grenada.

Complementing the High-Impact Agricultural Marketing and Production Project, with funding support contained in separate projects, will be the services of CARDI, MUCIA and Ministry extension personnel, CATCO, and access to regional training funds for key agricultural personnel. Small enterprises serving the agricultural sector will be supported from a Private Sector Assistance Project.

Since the purpose of the program cluster is to generate export sales of agricultural commodities, the integrated project must be flexibly designed to provide necessary, not yet identified, services. We envision a five-year project funded at \$50,000,000, with \$21,800,000 programmed for the AAP period. The out years will allow intensification of ongoing production, or diversion as new crop lines are tested and proven. It will directly support agricultural production and sales in selected crop lines or investors with a clearly identified market. The four crop lines listed below, and the three candidates for intensive agricultural production, were chosen for their marketability:

i. Cacao rehabilitation, with excellent soils, a past tradition of high-quality production and two international buyers expressing willingness to purchase on forward contract, if quality and quantity can be met. Even after many years of neglect, cacao trees can be brought to high production levels. Three islands, Grenada, St. Lucia and St. Vincent, have existing cacao trees with the potential for new plantings on all windward island. This is a major long-range intervention which is tentatively costed at \$3,500,000.

ii. Banana rehabilitation, particularly on Dominica, identified in the country strategy as important for growth in employment, income and exports. Bananas are sold into the protected European market above world market prices. With increased production, the industry should be profitable in the short run. In the longer run, the High-Impact Agricultural Marketing and Production Project will promote diversification to obtain other sources of agricultural export earnings. This short-range intervention is estimated to cost \$3,500,000 over two years.

iii. Mariculture development, for expansion and sales of existing ocean products to the U.S. market. Previous research suggests potential high profitability in this specialized industry. The natural environment contains many locations where enclosed ocean production can take place. This activity is under design, and estimated to cost \$2,550,000 over the next two years.

iv. Tree crop development, among the windward islands with adequate rainfall and steep slopes. British development assistance has planted thousands of fruit trees in recent years, without a marketing plan. The project will help determine appropriate quality and quantity for commercial sales, and support specialized market penetration. This activity will be designed and begun in FY87, estimated to cost \$1,500,000.

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In addition, the project will have a \$3,250,000 intensive agricultural development fund which will be available to support intensive agricultural production. Three crop lines have been identified to date as having potential: winter vegetables, cut flowers and ornamentals, all for the U.S. market. Other suggestions will be identified and studied, or tested, as the project proceeds. All crop alternatives which have viable marketing strategies, those good ideas which come equipped with their market or marketing connections, are eligible for funding. Insofar as an investor needs certain infrastructure generated, irrigation systems or storage facilities for example, these may be constructed and leased back for the agricultural operation. Once the activity is established, the project will help spread the technology to the surrounding area, utilizing the nucleus estate concept from Asia as a model. This is a reactive fund, seeking risk-takers with ideas and capital. It can be used to speed the introduction of innovations, and to support crop lines not previously tested in the Eastern Caribbean. In concept, it is not unlike the factory shells loan fund, or the Private Investment Incentive Fund (both described in a following section), seeking to attract enclave manufacturers to the islands of the Eastern Caribbean through special start-up incentives.

The project will also provide \$1,500,000 over two years for farmer organization support, through grants to Private Voluntary Organizations. Producer organizations are a necessary component of the strategy which is dominated by private sector decision making, and can be instrumental in convincing members to undertake new cultural practices, or make investments in land and crops for future sales. The PVO community has established that it can provide

cost-effective technical assistance services to local organizations of farmers.

c. Agricultural Cluster Development and Management

Early in FY86, RDO/C will design the High-Impact Agricultural Marketing and Production Project while simultaneously setting the specifications for a core Technical Assistance contract within the project. The Agriculture and Rural Development Office will continue with the design for mariculture development, and with the specifications for banana rehabilitation for windward islands. Both these subactivity designs should be ready by December 1985, when RDO/C expects final AID/Washington approval for the overall project. The award of the technical assistance contract is expected in March, 1986. The core contractor would then be charged with designing the subactivities in cacao rehabilitation and intensive agriculture, which would both be ready for obligation and implementation for the later months of FY86.

The core contractor will establish an office in Barbados and integrate reporting from all activities into RDO/C management and accounting formats. The contract would provide the commercial agribusiness linkages to the United States, in conjunction with the services provided by Coopers and Lybrand under the Investment Promotion and Export Development Project, agricultural economic feasibility studies, computerized information management, and agricultural coordinators for each major producing island. These farm management specialists with private sector experience would coordinate the components of the High-Impact Agriculture Marketing and Production project with ongoing and planned activities of other donors in agriculture, and the daily operations of the Ministries of Agriculture on each of the six islands. When called upon by the Agriculture and Rural Development Office, the core contractor will employ a pilot fund to test modest activities prior to attempting commercialization. The core contract is estimated at \$5,700,000 for the early years of the project.

d. Agricultural Program Cluster Benchmarks

- High-Impact Agricultural Marketing and Production Project designed and approved before January, 1986.
- Technical assistance contract awarded in March, 1986.
- Four intervention designs completed, with RDO/C approval, to allow obligation and implementation to begin in FY86.
- Research, extension, and marketing institutions funded by RDO/C provide specific field support to the production activities of the project in FY86.

- Banana production and exports up 20 percent by the end of 1987.
- Cacao production and sales to international buyers in container-sized shipments in 1987.
- New export sales from mariculture and intensive agriculture in 1987.
- Extension of production techniques to small holders in commercial agriculture in 1987.

5. Infrastructure Expansion and Maintenance Systems Development

a. Description of the Program Cluster

This program cluster encompasses major infrastructure construction identified as first priority in the CDSS's and maintenance systems development under one integrated project. The concept is straightforward, one comprehensive project allowing subproject construction activities to be separately designed, approved, obligated and implemented. While new infrastructure development is ongoing, special attention will be given to designing and putting in place a continuing and periodic maintenance system for each country in the OECS.

New infrastructure will support all three productive sectors with necessary transportation facilities, power, water, and sewage disposal. While three major subactivities have been identified for the AAP period, many more have been and will be requested by the countries of the Eastern Caribbean, and will be brought forward in future years. Grouping all infrastructure in one project will ease management, subactivity designs, and oversight responsibilities.

One reason new infrastructure construction is so important in the OECS countries is the almost complete lack of systematic maintenance capacity. Where minor capital costs would repair a problem in early years, delay in providing basic maintenance often means replacement in the future. Without maintenance capability, original construction is sometimes overengineered and overconstructed. The creation of an effective maintenance capacity will allow new infrastructure to be designed with the knowledge that repair services will be available. While new infrastructure construction will constitute distinct subactivities, maintenance systems development will proceed on all islands under one integrating contractor, with the design for this component flowing from a maintenance review now being undertaken by RDO/C.

The program cluster has an estimated life of project cost of \$80,000,000 over the next five years.

b. Program Interventions

First priority subactivities for new infrastructure construction include:

i. The St. Kitts Southeast Peninsula Road and related construction which opens a new tourism area for development, matched with improvement to the port in Nevis to allow containerized shipments. This activity is estimated to require \$9,600,000 in the AAP period.

ii. The second phase of the Antigua water project, providing potable water for the main tourism centers. This activity is estimated to require \$7,600,000 in the AAP period.

iii. Grenada infrastructure support, to rehabilitate and repair serious eroded capacity due to years of neglect. This activity is estimated to require \$19,500,000 during the AAP period.

iv. Maintenance Systems Development, a FY87 project to be designed after the integrating A&E contractor is in place and familiar with the requirements of the island states. This activity is estimated to require \$2,000,000 in FY87 funding.

v. A central contract for A&E services which will provide design services for new activities, including the maintenance system development subproject, and construction supervision. This activity is estimated to require \$1,800,000 during the AAP period.

c. Program Development and Management

During early FY86, proposals will be solicited from A&E firms to complete feasibility studies on identified subactivities, provide design services for new infrastructure subprojects and the maintenance systems development component for all islands in the OECS, complete the detailed construction specifications and the construction bid process, and provide supervision, where appropriate, of the individual subcontracts let for independent subactivities within the project. Design activities by the A&E contractor should commence shortly after the beginning of 1986.

During early FY86, RDQ/C will complete the feasibility study for the St. Kitts SE Peninsula road, reducing the demands on the contractor to three subprojects to be completed during FY86. Infrastructure subprojects will be obligated through bilateral agreements with the individual countries in the OECS.

d. Program Cluster Benchmarks

- Project Paper approved and central A&E awarded contract before January, 1986.
- St. Kitts road approved as a subproject activity, designed by RDQ/C, let for bids to a subcontractor and work begun during FY86.
- Antigua Water II approved as a subproject activity, designed, let for bids to a subcontractor during FY86.

- Grenada Infrastructure approved as a subproject activity, designed, and obligated in FY86.
- The maintenance systems development component of the project is designed, approved, funded and implemented by early FY87.

6. Private Sector-led Productive Investment in Manufacturing and Tourism Development

a. Description of the Program Cluster

The Private Sector-led Productive Investment in Manufacturing and Tourism Development program cluster has as its near-term strategy creating the environment for rapid growth in private business investment, leading to increased employment and exports. The initial target is the attraction of enclave manufacturing enterprises which provide the basis for much of the programmed growth in the private sector. Deepening of enterprise development to local businesses which support export-earning activities, and development of local businesses better serving local demand are follow on activities which complement the attraction of enclave enterprises.

The Eastern Caribbean economies include a three-tiered private sector structure:

i. enclave enterprises which bring in inputs, management, and technology, and export to established markets in the U.S. and/or Europe;

ii. regional enterprises which sell in local markets and inter-regionally and may be able to make small inroads into competitive export markets;

iii. domestic enterprises which serve local markets with little opportunity for export potential.

While there are entrepreneurs servicing more than one market, the ownership, nationality, and background of the three tiers is often distinct, and the categories serve a useful function for targeting RDO/C resources and objectives.

Enclave manufacturing is being served by the Coopers and Lybrand contract; infrastructure (roads, ports, airports and energy); factory shells; and limited training for employees. New supporting services are proposed to provide more direct financial incentives to foreign manufactures to locate on the islands of the Eastern Caribbean, including management and expanded skills training to ease work force constraints, a Private Investment Incentive Fund to overcome start-up costs, more direct support to improving government policies and foreign investment licensing procedures, and technical assistance and funding to assist in the privatization of presently state-owned enterprises.

Regional export enterprises have been served by project development support (CPDF/IFC), and credit (CFSC; CPDF-arranged commercial financial packages, and LAAD in agribusiness).

Domestic enterprises have been served by the establishment of National Development Foundation (NDF) grants and other PVO activities on a country-specific bases. These will be a primary target of the Small Enterprise Assistance Project.

Overall support to the business community has been provided by RDO/C support to the Caribbean Association and Industry and Commerce, through improvements in the investment climate generated by regional and national business-government dialogue, training and technical assistance to businesses and chambers of commerce.

RDO/C longer-term strategy is to integrate the three tiers of the private sector and thus obtain the benefits of synergism and mutual support. "Enclave" manufacturing is intended to provide short-term benefits, necessary in present circumstances of increasing unemployment and imbalance in trade accounts. Such enterprises can provide more benefit to their host economy if they help establish and promote regional and domestic enterprises. The integrated program will strive to link enclave manufacturing to regional and domestic producers by improving the management and service provisions of local enterprises. This will be complemented by incentives for forward and backward subcontracting in both productive and service industries. The first step is to generate more local enterprises serving the export manufacturer. The second step is to assist local enterprises expand their services or products for larger domestic or regional markets. Enclave manufacturing should create a "multiplier" in domestic business activity. Making this linkage work will be the second thrust of the RDO/C's program beginning in FY86.

The third thrust of the RDO/C's program is to bolster local domestic enterprise activity. There are items imported which can be produced locally. Since there are significant limits to employment in agriculture or government, the private commercial sector, with traditionally low capital-labor ratios, must be the employment generator for the future. This portion of the RDO/C's program will concentrate on providing the knowledge and capacity to initiate or expand locally-viable businesses serving mainly the local population.

The RDO/C's strategy is private-sector led, with a multi-year history of successful support to enterprise development in the OECS. The integration of the existing programs, melding in new initiatives, will not come to fruition until FY87, at which time our knowledge base will be improved, and the methods of integration more readily understood.

b. Program Interventions

One important addition to the private sector program cluster will be a technical assistance contract which will provide design and evaluation services for all private sector projects ongoing, and will

assist in the ongoing assessment of the most appropriate direction and management of current and planned activities in FY87. This contract will include both a long-term resident evaluation specialist and short-term assistance to evaluate all ongoing and concluded activities, seeking insights which will help improve the impact of the overall program. Funding for the technical assistance contract, estimated at \$500,000, will be included in the amendment to the IPED project.

During the AAP period, RDO/C will continue to fund those activities which have proven successful at raising the level of enterprise activity, and to fill gaps in the support strategy identified above. The new project components include:

i. A Private Investment Incentive Fund which will allow the RDO/C to ease the start-up costs of new investments should that be a major obstacle to the attraction of a sizeable manufacturing enterprise. High start-up costs has often been responsible for discouraging enterprises from establishing in the region. The Fund, estimated to require \$3,000,000 during the regional strategy period, to be included in the amendment to the IPED project, will encourage investments in enclave manufacturing.

ii. Divestiture technical assistance and funding to help governments move from theory to action in withdrawing from inappropriate government intervention in productive sector activity. This funding is estimated at \$500,000 in FY86, as an amendment to the IPED project.

iii. Support to the Caribbean Investment Promotion Service, which provides training and perspective to Ministry officials charged with setting foreign investment policies, and establishing investment promotion campaigns. This will be funded as an amendment to the IPED project.

iv. Concentrated and directed training to upgrade enterprise development skills for potential subcontractors to export enterprises, managers of local businesses and potential entrants into private enterprise. A regional training initiative (a Regional Management Institute), funded jointly with USAID/Jamaica, will develop the training infrastructure, cadre, curriculum, and supporting facilities for an business management development. This activity will require \$11,800,000 from RDO/C funds in the AAP period.

v. Incorporation of specialized private sector training activities: BIMAP, CAIC, OAS, NDF, and the Management Institute mentioned above under the responsibility of the Private Sector Office of RDO/C. This will coordinate training and technical assistance support to potential investors requiring a work force which has special skill attributes. With the exception of the Institute, these activities are ongoing and will be managed to make best use of the comparative advantages of each institution.

vi. Direct assistance to small business development in all facets of local activity, including tourism, services, and small

agriculture-based enterprises. This FY86 project is estimated to require approximately \$8,350,000 during the AAP period.

vii. Assistance to tourism development. The cluster will provide support to tourism marketing, particularly for the North American market. This activity is estimated to require \$1,400,000 during the planning period.

c. Project Development and Management

Management of the program cluster will be from within the Private Sector Office. The office will develop a major amendment to the Investment Promotion and Export Development project totalling \$8,000,000. This project will include funding for the evaluation contract, the Private Investment Incentive Fund, technical assistance for privatization, and support to the Caribbean Investment Promotion Service, and additions to the Coopers and Lybrand contract.

During FY86 the Private Sector Office, using outside contractor assistance, will design the Tourism Development and the Small Enterprise Assistance Projects. RDO/C will work with USAID/Jamaica to design the Regional Management Institute.

d. Program Cluster Benchmarks

- Project Papers approved for Tourism Development, Small Enterprise Assistance, and Regional Management Institute in FY86.
- Integrated impact analysis of private sector ongoing or completed projects submitted by the institutional contractor, with recommendations for future programming in this cluster, in FY86.
- Special skills training from four institutions integrated into the Private Sector Office and made directly supportive of incentive packages to attract manufacturing, providing management and labor training programs in FY86.
- Private Investment Incentive Fund activated in FY86 with five disbursements which have the effect of committing investors to locate in the Eastern Caribbean.
- Disbursements from the Eastern Caribbean Central Bank under the on-going IPIP project reach target levels of \$4,000,000 in FY86 and \$8,000,000 in FY87.
- Credit disbursements from the Caribbean Financial Services Corporation reach target levels of \$4,000,000 in FY86 and \$12,000,000 in FY87.

- RDO/C sets a strategy for support to tourism, and begins providing the services called for within the new strategy in FY86.

7. Public Management and Institutional Development

a. Description of the Program Cluster

This cluster is directed at improving policies and management in the public sector within the states and the regional institutions of the OECS. Improving the economic policies of host governments and strengthening the management of public agencies are mutually intertwined objectives. Without agreement on reasonable long-run objectives, better management is self-defeating. Without sound management, rationalized policies cannot be implemented. While the focus of RDO/c's strategy for the planning period is with the private sector, government must actively cooperate in this plan. The program cluster is designed to devote resources to help governments understand the issues in a productive-sector led development strategy, and then take action to set in motion sound management practices in support of sound economic objectives.

The soon-to-be activated Public Management and Policy Planning project (PMPP) ~~will serve as one central focus for the cluster, with resources to study and help implement new policy changes, as well as re-orient senior level management perspectives.~~ Insofar as the Economic Affairs Secretariate of the OECS can provide economic policy analysis in support of structural adjustment requirements, both PMPP and IARM funding can be devoted to improving the institutional capacity of this organization. By FY87, some policy changes may be identified which are needed but will require outside assistance. The Structural Reform Support Program proposed for FY 87 will provide funding to overcome difficult public policy hurdles in the path of private sector growth.

The Regional Development Training II Project will be funded to provide continued training for the public sector through the training wing of the Economic Affairs Secretariat. In addition, RDT II, while placed under the public management cluster, will be divided among the four program clusters, with an allocation reserved for government officials working in each cluster area who could most profit from a new training experience. The continuation of obligations under the Regional Pharmaceuticals Project, placed under the OECS, will be added to this program cluster. A new initiative in Health Resources Management will be launched in FY87, in a concentrated attempt to rationalize health expenditures and reduce the ever-expanding drain from health services on often deficit national budgets.

b. Program Interventions

Only the Health Resources Management project, ~~programmed at \$1,500,000 in FY87, represents a new initiative.~~ This project is directed at improving the setting of health objectives and the strengthening of health services management throughout the Eastern Caribbean. Since health services are consuming an increasing proportion

of the national budget, in a period of rapidly rising population, better utilization of resources is the only feasible alternative to an increased health budget. The objective of this project is to improve delivery, particularly of preventative health services, while reducing overall costs. Gaining control of social service expenses would go far toward helping governments match their expenditures with locally generated income. The Regional Pharmaceutical Project (\$700,000 in FY86) is a companion effort to the Health Resources Management, both attempting to improve services while lowering the basic costs of medical care.

The remaining projects are follow ons from earlier programming. PMPP will be activated in FY85, with the bulk of funding (\$4,500,000) obligated in FY86. As mentioned earlier, this project was designed to be bilateral assistance in policy analysis and specialized technical assistance to OECS countries but will be implemented to support, in addition to the states in the Eastern Caribbean, the Economic Affairs Secretariat of the OECS. Assistance to the Inter-Agency Resident Mission, budgeted at \$500,000 in FY86, is aimed at improving the policy analysis and planning capability in the OECS, with a plan, organized by the World Bank, to combine the responsibilities of the IARM and the EAS in the near future. A regional structural adjustment fund (the Structural Reform Support Program), to begin at \$4,300,000 for FY87, will be a funding response to the requirements identified by the PMPP staff and RDO/C, when insurmountable financial difficulties require funding support to obtain policy re-direction.

The Regional Development Training II Project, a continuation of prior years, programmed at \$2,700,000, will continue training of public officials within OECS states, through the EAS, and in addition is allocated to the four program clusters for their priority needs.

c. Program Development and Management

No new projects will be developed for FY86. Consolidation of the activities within the public management cluster will be initiated in FY86, leading to the creation of the Public Management Office within RDO/C in FY87. PMPP technical assistance will provide the central contract staff for this activity. The two health-related projects and the follow on projects in support of policy change and improved management will be integrated into the public management cluster in FY87.

d. Program Cluster Benchmarks

- Cluster consolidation planned in FY86 and implemented in FY87.
- PMPP project activities lead to proposals for program support to policy re-direction, to be implemented in FY87.
- Arrangements for institutional support to the OECS/EAS begun in FY86 as plans for designation of responsibilities between the Inter-Agency Resident Mission and the EAS are completed.

8. Other Program Components

Outside the four primary clusters, but important to the overall program of RDO/C are a number of activities directed at the basic needs of the communities within the Eastern Caribbean. The categories include:

i. Social and economic infrastructure, provided by the Basic Needs Trust Fund, through the Caribbean Development Bank (\$10,000,000 in FY87), and the Special Development Activities Fund (SDA) for small community oriented projects (\$1,200,000 during the AAP period).

ii. Housing Guarantee Program (HG), to be continued on Barbados as a follow on to the current HG. In addition to the \$10 million HG to be authorized in FY85, the current HG companion grant will be amended to add \$500,000 to assist in the institutionalization of private sector-based solutions to the shelter needs of low income Barbadians.

iii. Population programs, with support to family planning (IPPF \$500,000); continued funding to the Population and Development Project (\$1,000,000 in FY86); and a new project in private sector delivery of family planning, to be designed and implemented in FY87 (\$1,000,000 in FY87). An effective population program is an important adjunct to the economic growth objectives of the three productive sectors. As emigration prospects are reduced, and women have the opportunity to join the labor force, unwanted pregnancies cause both social and economic problems of significant proportion. RDO/C intends to continue support to population programs as a necessary long-run contribution to economic growth.

B. The Regional Strategy for the Organization of Eastern Caribbean States (OECS)

Within CARICOM, the subregional OECS grouping contains the OECS and its administrative staff, co-located with the Policy Secretariat on St. Lucia, the Economic Affairs Secretariat (EAS) located on Antigua, and a Policy Committee which cuts across issues from both secretariats. Economic policy and planning assistance to OECS countries is also provided by the Inter-Agency Resident Mission (IARM). Located on Antigua, and operated under the aegis of the World Bank and the UNDP, the IARM provides technical assistance and other services to both the EAS and the OECS states.

The OECS institutions are relatively new, and are forced to cope with myriad regional, subregional, and country-specific economic and political issues. Staffing is not yet sufficient, either in numbers or experience base. The responsibilities of the EAS have not been delineated fully and the commitment of the member countries has yet to be translated into appropriate levels of financial support. Transfer of functions from the IARM to the EAS and other regional organizations and the termination of the IARM as a separate entity have been scheduled and should occur by the end of 1986. This transfer will require significant institutional development of the EAS as a staffed, trained, equipped and funded economic support secretariat, with clearly defined operating parameters.

Working within the framework of the OECS, RDO/C's Public Management and Policy Planning Project (FY85) will provide assistance to governments in areas of fiscal management and planning. The PMPP contract team leader will be located in Antigua, and will be supportive of and coordinate activities with the EAS and IARM. Once the IARM is phased into the EAS and the latter's institution's role more fully defined, some adjustment in the PMPP project may be required to provide institutional support. The EAS and the OECS Political Secretariat in St. Lucia will be important in our regional policy dialogue on issues such as fiscal reform and exchange rate adjustment.

The Eastern Caribbean Central Bank is the monetary authority for the OECS, issuing a common currency for all the states, setting the foreign exchange rate and regulating money supply based on foreign exchange assets. In its limited role as monetary authority it has functioned effectively. With the signing of the Infrastructure for Productive Investment Project (IPIP) in FY84, RDO/C and ECCB are engaged in a process of expanding the role of the ECCB as an instrument for the development of the private sector in the region. Resources under IPIP are available for on-lending through commercial banks to finance factory space/industrial parks owned by the private sector. A continuation of IPIP in FY87 will be considered if the project proceeds as planned.

In FY85, RDO/C will sign an agreement with the OECS creating a regional mechanism for the central procurement of pharmaceuticals by the OECS states. The project will create a self-sustaining management staff and revolving fund for procurement so that the cost of pharmaceuticals to member governments can be reduced substantially. While not institutional support per se, the project is an excellent example of subregional

cooperation, creating a system which will require no donor financing beyond the necessary initial technical assistance.

Table 6 shows the funding, ongoing and proposed for the OECS subregional grouping during the planning period.

Table 6
RDO/C FUNDING TO AND THROUGH OECS SUBREGIONAL INSTITUTIONS
(\$000)

<u>Institution/ Project Title</u>	<u>New</u>	<u>FY86</u>	<u>FY87</u>	<u>Purpose</u>
	<u>Ongoing</u>			
OECS/Reg Training	O	350	500	Management Training
EAS/PMPP	O	4,500		Bilateral Assistance EAS Support
IARM	O	500		Support IARM/ EAS Transition
OECS/PS Reg. Pharm	O	700		Pharmaceuticals Management
ECCB/ IPIP II	N		6,200	Credit Factory Shells

Our analysis concludes that building effective regional institutions within the OECS is a necessary component of our development strategy. The ECCB has a well-defined charter in setting monetary and foreign exchange rate policies. Through IPIP, it has emerged in a new role as a financial intermediary for private sector investment. We will assess the degree to which this development role can be further stimulated during the AAP period, as well as work with the ECCB on the issue of exchange rate adjustment.

Direct funding for the Economic Affairs Secretariat, while supported in principle, will require the articulation of a rationalized organizational structure, firm financial support by member governments and clear priorities and objectives. Through PMPP, we will have in place some resources to be responsive and will consider augmenting our assistance beyond the AAP period to the extent the EAS can be used to further the structural adjustment process and/or support our strategy objective of export-oriented, private sector-led growth.

C. The Regional Strategy for Caribbean Community (CARICOM) Institutions

The third concentric circle within which the RDO/C program operates is the English-speaking Caribbean, essentially the member states of CARICOM. Prior to 1982, the RDO program was focused on regional institutions, supporting their institutional development and efficiency while channeling resources through them to specific activities in the English-speaking Caribbean. Most of the resources were concentrated in the regional institutions within the CARICOM framework, particularly the Caribbean Development Bank.

In 1982, a significant policy decision was made to permit RDO/C to provide assistance on a direct bilateral basis to the independent island states of the Eastern Caribbean. Concomitant with that decision, RDO/C's total program was increased substantially using ESF resources, the majority of which were used to fund the bilateral program.

The RDO/C bilateral program (excluding Grenada) now amounts to over 30 percent of the active project portfolio. Sharply declining levels of assistance have been channeled through CARICOM public sector institutions since FY1982 while the majority of regional funding shifted to regional private sector institutions.

Historically, RDO/C has assisted and channeled funds through a large number of public and private institutions serving the larger English-speaking Caribbean community. Table 7 lists the projects through FY85 expected obligations by institutional affiliation.

The issue of setting an appropriate mix between regional and bilateral projects is indeed complex. It is clearly inappropriate to concentrate RDO/C resources totally in bilateral projects. The small size and resource base of the island states clearly necessitates creating and sustaining a set of efficient regional institutions to respond to common problems and take advantage of economies of scale in resource use. The fundamental issue is the degree of consonance between the objectives of AID, of the OECS countries of the Eastern Caribbean, and of the CARICOM regional institutions. While the RDO/C regional program has been relatively successful in enhancing institutional capacity of the CARICOM regional institutions, it is not always possible to establish a causal relationship between regional institution building and development impact in individual countries, particularly the Eastern Caribbean mini-states. A brief summary of past RDO/C experience with the major CARICOM institutions may be helpful in clarifying the strategy framework within which decisions about the mix of resources between CARICOM public sector institutions, those related to the OECS, and direct bilateral activities will be recommended.

The major public institutions servicing the English-speaking Caribbean are the CARICOM Secretariat and the Caribbean Development Bank. CARICOM and its Secretariat were created to further intra-regional cooperation and create a viable regional common market. Goals of the institution included establishment of a common external

tariff, reduction of barriers to trade between its members, and harmonization of incentives to promote regional and foreign investment. It also served as a forum for regional policy issues. There has been very little involvement of CARICOM in the internal economic affairs of member countries, and modest potential for CARICOM to exercise a moderating or rationalizing influence on issues of domestic policy. When Guyana was unable to meet its responsibilities under the CARICOM multilateral Clearing Facility for regional trade financing, or when Trinidad and Tobago elected to erect trade barriers to CARICOM regional manufacturers, CARICOM attempted to solve the difficulties this posed for regional cooperation within the existing positions taken by each independent country. Little, if any, progress has been made to resolve either problem.

Table 7
AID FUNDING TO AND THROUGH
CARIBBEAN REGIONAL INSTITUTIONS THROUGH FY85
(\$000)

Public Sector

<u>Project Title</u>	<u>PACD</u>	<u>Loan Grant</u>	<u>Total Authorized</u>	<u>Project Purpose</u>
<u>CARIBBEAN DEVELOPMENT BANK</u>				
Spl Dev Fund	77	L	10,000	Indust Estates
	78	L	12,000	Onlend to DFC
Housing Dev	77	L	8,400	Lowcost Housing
C. Institutional Dev	78	G	1,840	TA Fund
Food Crop Prod	82	G	685	Agribusiness
Integ Agri Dev	82	L	10,000	Feeder Roads Ag Credit
Basic Human Needs Fund	82	G	2,000	Infrastructure
C. Dev Facility I	82	L	20,000	Ec&Social Infra
C. Dev Facility II	82	L	17,500	Ec&Social Infra
C. Dev Facility III	82	L	16,000	Ec&Social Infra
Basic Human Needs Fund	83	G	10,000	Infrastructure
C. Educational Dev	83	G	3,545	School Constr
C. Dev Facility IV	83/84	L	12,000	Ec&Social Infra
C. Institut Dev	84	G	1,840	TA Fund
Employ Inv Prom I,II	85	L	8,400	Factory shells Credit Onlend to DFC
	85	G	1,400	TA for DFC
Alter Energy Systems	85	G	4,003	Energy Dev Training
Reg Agrobuss Dev	86	L	6,500	AG Business Credit
DFC				Direct to Users
Basic Needs Trust Fund	87	G	12,700	Infrastructure School Construction
<u>CARICOM</u>				
Reg Dev Training	84	G	2,450	Training
Health Manpower Pl	84	G	512	H Manpower Pl
Alter Energy Systems	85	G	3,247	Energy Dev
Uniform Building Code	85	G	216	Draft Code
Reg Population and Dev	86	G	600	Nat Task Forces

CARIBBEAN AGRICULTURAL RESEARCH AND DEVELOPMENT INSTITUTE

Emerg Food Prod	82	G	73	Hurricane Relief
Small Farm Crop	82	G	2,211	Research
East C. Farm Syst	88	G	7,550	Farm Syst Res Institut Building

UNIVERSITY OF THE WEST INDIES

Int Reg Dev	82	L	8,500	Facility Const LDC Scholors
C. Agri Ext	83	G	1,551	Ag Extension
C. Education Dev	85	G	3,796	Curricu Dev
C. Ag Extension II	87	G	2,000	Training Institut Dev
C. Eye Care	87	G	132	Training

CARIBBEAN EPIDEMIOLOGY CENTRE

Epidem Surveil & Train	85	G	2,185	Training Institution Dev
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Private Sector

LATIN AMERICA AGRIBUSINESS DEVELOPMENT

Reg Agribus Dev	79	L	6,000	Equity Invest Sub-lending
Agribus Expansion	85	L	6,000	Equity Invest Sub-lending

CARIBBEAN ASSOCIATION OF INDUSTRY AND COMMERCE

CAIC	87	G	3,500	Institution Dev Training Public Sector/ Private Sector Dialogue
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CARIBBEAN FINANCIAL SERVICES CORPORATION

CFSC	87	L	12,000	Onlend to users
		G	400	

CARIBBEAN TRADING COMPANY

CATCO	87	L	4,000	Intra-reg trade
		G	225	Institution Dev

CARIBBEAN CREDIT UNION

C. Credit Union Dev II	86	G	535	Institution Dev
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CARIBBEAN FAMILY PLANNING AFFILIATION

Fam Planning Dev	84	G	977	Institution Dev	Fam
Plan Info, Educa, Commun and Training	86	G	340	Institution Dev	

BARBADOS INSTITUTE FOR MANAGEMENT AND PRODUCTIVITY

BIMAP	87	G	2,580	Training
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The Nassau Understanding, while attempting to breathe new life into an increasingly fragmented CARICOM market, clearly reflects the divergent positions of its member governments, particularly those of the major states of Jamaica, Trinidad and Tobago, Guyana and Barbados. With our primary strategy focus on the Eastern Caribbean and recognizing the forces of disintegration at work among the larger CARICOM states, there is precious little opportunity to make effective use of resources to or through the CARICOM Secretariat. One target of opportunity is to influence the evolution of CARICOM's structural adjustment dialogue, as initially put forth in the Nassau Understanding. Through increased dialogue and provision of very modest AID resources (such as assisting in financing the CARICOM study on the harmonization of fiscal incentives for investment), RDO/C will continue to be involved with CARICOM. Moreover, RDO/C will also attempt to bring indirect influence to bear on CARICOM policy positions by supporting and encouraging the OECS and its member countries to lobby for positions in CARICOM that are most beneficial to them. However, funding of common services (such as regional training opportunities) or institution building activities (such as the Regional Alternative Energy Project) will no longer be pursued with the Secretariat.

The Caribbean Development Bank is the most successful and influential institution serving the English-speaking Caribbean, following from its role as the major actor in mobilizing financial resources for its borrowing member states. AID has provided substantial resources to the CDB (amounting to over \$150 million since CDB's creation), and has used the Bank in part as an effective intermediary to undertake a broad range of specific project activities in the Caribbean.

In the recent past, changes within the CDB and AID have significantly reduced the nature and depth of our relationship. From CDB's perspective, it is less inclined to pursue AID resources because of the restrictions typically associated with those resources (limited range of eligible subprojects, source/origin and other procurement rules, etc.) and availability of funds from other donors. Second, CDB is moving towards a unified fund for all its concessional resources which would operate on one set of procedures and within which donor funds would be comingled. This is not a viable mechanism for AID.

From AID's perspective, CDB is no longer needed as a conduit for funds for the larger territories (Jamaica, Guyana and Barbados) and has proved to be ineffective as a mechanism for lending to the private sector. In addition, major infrastructure projects are now undertaken on a bilateral basis. The one program of continuing mutual interest is the Basic Human Needs/Basic Needs Trust Fund program. Given the success of the program in the Eastern Caribbean, CDB's excellent track record in its management and the multiplicity of small, highly visible projects it funds, RDO/C will consider additional financing in FY87.

Increasing RDO/C funding through the CDB is problematical. Since the U.S. is not a member of the CDB, policy influence is at best indirect, usually through the CGCED or related to specific AID-financed project conditionality. At the country level, we can exercise greater influence through bilateral projects than through the CDB. RDO/C is using other institutions to support private sector development and no longer must rely on the CDB to play this role. In addition, debt problems with CDB's major borrowers (such as Guyana) are becoming of concern.

In spite of the obstacles, the importance of the CDB in the region and to the OECS countries makes continued RDO/C involvement with it essential. During the period of the AAP, RDO/C will assign the program economist to regular liaison with the Bank's staff. We also will seek to identify and build upon additional areas of mutual interest in areas supportive of our strategic objectives.

Another Caribbean institution of importance to RDO/C is the Caribbean Agricultural Research and Development Institute (CARDI). It is an institution still developing its capacity, successfully establishing research agendas and activities in the islands of the Eastern Caribbean. Both research and research institutions have long development cycles, and the countries in the OECS are occasionally impatient with the lack of delivered findings. But CARDI is making observable progress, and under RDO/C's High Impact Agricultural Program it will be tasked to provide specific assistance to RDO/C interventions which generate commercial agricultural production.

Other public sector institutions related to the Caribbean Community will be considered for funding when they provide specific services important to the success of other projects being implemented within the Eastern Caribbean. For example, the University of West Indies may receive resources under the High-Impact Agricultural program for training of extension agents; the Caribbean Tourism Research and Development Center may receive assistance to increase tourist arrivals in OECS member states under the proposed FY86 Tourism Development Project.

Private sector institutions operating within the English-speaking Caribbean have received increasing amounts of AID assistance over the last several years and will continue to play a central role in our strategy in FY86 and FY87.

The umbrella regional private sector organization, the Caribbean Association of Industry and Commerce is working to strengthen its affiliated member Chambers of Commerce and Manufacturers Associations, providing technical assistance and training for affiliated productive enterprises, supporting US-based CBI initiatives such as the Caribbean Basin Information Network, and providing a structured format for dialogue between the private and public sector in the Caribbean. In an environment where public actions are necessary preconditions for active private sector growth, the efforts to enhance this dialogue to date have been successful and will continue to be supported.

While CAIC was an existing organization within the region, the Caribbean Financial Services Corporation was recently created to provide an impetus to private sector development. Shaped and supported by the RDO/C, CFSC is just getting underway. It is an important source of investment financing for the private sector and is a new instrument for providing resources for that purpose. An evaluation of its first year of operation is scheduled for June/July 1985. If the results are positive, we will provide additional resources to it from loan funds in FY85 and consider it for additional resources during the FY86-90 planning period.

The conclusion from our analysis of the efficacy of increasing RDO/C funding to regional organizations is that modest levels of support should be provided to CARICOM institutions, including RDO/C participation in policy dialogue, meetings and program reviews, financing of specific studies related to structural adjustment issues, and encouragement for regional solutions to regional problems. RDO/C's program economist will be assigned responsibility for regional dialogue, providing much more consistent and regular liaison than was possible in the past. The RDO/C will fund the Caribbean Development Bank in its expanded implementation of the Basic Needs infrastructure program and seek new opportunities of mutual interest in support of our strategy. The remaining public sector agencies and institutions will be funded when their services are required for project support. Organizations in the private sector, such as the Caribbean Financial Services Corporation, will be assisted to ensure they develop a sound foundation from which to offer needed resources to the private sector primarily in the Eastern Caribbean. The following table presents the proposed funding for CARICOM regional institutions for the AAP period.

Table 8
CARIBBEAN REGIONAL INSTITUTIONAL
FUNDING FOR FY86 AND FY87
(\$000)

<u>Project Title</u>	<u>New</u>	<u>FY86</u>	<u>FY87</u>	<u>Purpose</u>
	<u>Ongoing</u>			
CARDI II	O	1,320	2,130	Research
CAIC	O	800	280	Training Public Sector/ Private Sector Dialogue
CDE/BNTF	N		10,000	Infrastructure

D. The Caribbean Group for Cooperation in Economic Development (CGCED)

The CGCED is a unique forum of over 30 donor and recipient countries and some 16 international institutions. Chaired by the World Bank, the CGCED has been effective in mobilizing a significant increase in total donor resource flows to the Caribbean, and in coordinating donor assistance, and is the primary arena for national and regional economic policy dialogue because it brings together the full array of involved governments and international institutions. The May 1985 CGCED donors' meeting in Paris put forward revised thinking by the Bank on the role of the CGCED, moving toward a much stronger focus on structural adjustment issues. RDO/C fully supports this evolution of the Group and we will participate with AID/Washington in the definition of the U.S. position regarding the CGCED. The Group is an important adjunct in our policy dialogue strategy.

One spin-off of the CGCED is the Caribbean Project Development Facility, assisting the private sector in the broader Caribbean to identify investment opportunities and package proposals for consideration by financial institutions. In FY85, RDO/C will increase its support for CPDF by adding another \$500,000 in grant funding with another \$500,000 to be provided in FY86. The CPDF has successfully packaged a number of projects in the CARICOM and OECS areas and merits continued support. Following the completion of this second phase of the CPDF's life, we will support transferring the functions of CPDF from the IFC in Washington to the Caribbean and creating a CPDF entity within a regional private sector institution such as the Caribbean Financial Services Corporation.

E. POLICY DIALOGUE STRATEGY AND AGENDA

1. The Need for Policy Change

In varying degrees, all the OECS countries pursue economic policies that fall short of encouraging productive, private sector-led, market-oriented economic development. RDO/C is firmly convinced that in addition to its programs that directly tackle non-policy constraints such as infrastructure and market development, the Mission must focus on policy changes if the A.I.D. strategy is to be successful. RDO/C's examination of policies in place in each of the OECS states, conducted in the country strategy and RDSS revision process, suggests that the following subdivision of the policy problems is useful.

- (1) structural economic issues
- (2) fiscal policy issues,
- (3) foreign exchange policy issues, and
- (4) monetary and financial policy issues

The discussion describes what the Mission proposes to do in general, how the issue affects the outcome of the Mission's overall strategy, what specific steps the Mission will take to resolve the issue, and what the expected outcome by the end of that period will be, in terms of actions taken by public sector organizations.

RDO/C will tackle policy issues in four related institutional settings, which correspond to the preceding sections of this document. First, all policy issues we describe are important in that they affect economic performance and development of the national economies of the OECS states. Consequently, the primary focus of the Mission's policy dialogue will be with the individual national governments, although some issues will also require dialogue on one or more of the broader sets of institutional arrangements above this bilateral level. Policy discussions will be held quarterly or semi-annually with each state at the highest RDO/C and national levels. Means of encouraging national governments to carry out policy change will include project-related conditionality and, in particular cases, conditionality tied to program assistance (such as the Structural Reform Support Program.

The second circle, the subregional grouping, includes those organizations that tie the OECS states together. The primary organizations involved here are the various secretariats of the OECS (e.g., the Economic Affairs Secretariat) and the Eastern Caribbean Central Bank (the joint central bank for the OECS states). The third and next higher circle is the regional grouping and consists of indigenous organizations which link the larger English-speaking Caribbean. Central to our economic policy interests here are two entities: the CARICOM (Caribbean Community) Secretariat and the Caribbean Development Bank (CDB). Finally, on the highest circle, is the Caribbean Group for Cooperation in Economic Development (CGCED), a World Bank-led organization which gathers together the Caribbean states, multilateral donor agencies, and bilateral donor governments every eighteen months to coordinated aid to the Caribbean.

In the following discussion, we first briefly assert the relative priorities of the critical policy issues. We then describe our agenda for treating these issues on each of the four circles, beginning with the states in the Eastern Caribbean.

2. A Tentative Discussion of Priorities for Change

Any discussion of priorities for policy change must be viewed as an initial approximation. As RDO/C's knowledge of what is yet a relatively new program element improves, this will be replaced with greater certainty and with increasingly effective dialogue in each of the four circles of relationships and with consequentially better results. Our initial impression of the relative priorities--and it is a strong impression--is that the highest priority should be placed on "structural economic issues" and our lowest on "monetary and financial issues." Second and third priorities, relatively, are "fiscal policy issues" and "foreign exchange policy issues." An important caveat is in order here: all four types of issue are complementary and discussing any one without considering the others will likely lead to erroneous results.

"Structural economic issues" are the most critical of the four types because of the inefficiency of production in the OECS states, as suggested by their high unemployment levels, low economic growth rates, and their lack of commercial creditworthiness. Structural adjustment is generally recognized as the solution to existing problems. Of these structural issues, RDO/C believes that of primary importance is that each state should articulate a "comprehensive development strategy," designed and agreed upon jointly by the public and private sectors in the country. Second, each state should carefully examine the validity and nature of its private investment approval process with an eye to streamlining this process and ensuring that the most effective set of investment incentives is in place. Third, each state should examine the entire existing set of market restrictions and, in the context of the comprehensive development strategy, make policy changes that are consistent with that strategy. Fourth, each state should reassess the advisabilty of public sector ownership of productive assets in light of the development strategy and should consider the privatization of those assets. Inasmuch as economic development is an ongoing process, and inasmuch as the economic environment is ever changing, government must constantly reappraise decisions taken on policy changes.

In view of the weak financial position of all the OECS states, "fiscal policy issues" assume much importance. First, each state must examine its revenue system in light of its development strategy to determine whether reforms, particularly in the tax system, would increase domestic and foreign investment in productive facilities. Second, the

negligible or negative rates of public savings in each OECS state argue strongly for government to carefully study the expenditure side of its budget in order to determine whether cuts are warranted. ~~These two activities are closely related and ideally should be carried out simultaneously.~~

The gradual reduction of competitiveness of the Eastern Caribbean in tourism and other exports points to the need for a careful examination of foreign exchange policy, primarily with respect to the advisability of altering the generally overvalued exchange rate for the Eastern Caribbean dollar. Although this is an important issue, the Mission has relegated it to third in its list of priorities primarily because the likelihood of action is slim. Thus, while we expect to address and discuss this issue, the multiplicity of decision points if change is to occur may preclude any action.

Finally, "monetary and financial policy issues" are very difficult to cope with, given the currency union-type financial arrangement that exists in the Eastern Caribbean. Governments simply are not empowered to print money or borrow excessively except from external sources. The one area amenable to some change, however, and which AID will be actively examining, is how domestic commercial credit is used. In most OECS states, private (and public) uses of credit are heavily biased toward consumption rather than production, and term borrowing facilities are practically unavailable from the commercial banking system.

3. Dialogue Agenda at the National Level

a. Structural Economic Policy

RDQ/C will recommend that governments alter structural economic policy elements that inhibit a strong private sector role in the development of a market-oriented economy in the Caribbean. The most evident and influential of these are (a) investment incentives and investment approval, (b) market restrictions, (c) price controls, (d) state asset ownership policies, and (e) comprehensive development strategies.

i. Investment Incentives and Investment Approval

RDQ/C will continue its efforts to persuade OECS governments of the need to maximize the efficiency of investment incentives provided to private sector, particularly foreign investors. In general, the incentives are similar across countries but there is utility in ensuring that dissimilarities in any one country do not make it a less favorable investment site. In some cases this may occur because incentives offered are not those the prospective investor would find attractive from a tax standpoint, while the incentive at the same time reduces potential government revenues. RDQ/C will work with the existing IPIP project to help identify countries which would profit from changes in their incentive structures and RDQ/C will also be funding a CARICOM study of fiscal incentives throughout the Caribbean. If particular countries require assistance in redrafting incentive

structures, RDO/C will encourage them to make use of PMPP technical assistance in FY86. By the end of FY86, RDO/C expects the incentive structures of all the OECS states to work more to their advantage in attracting investment.

RDO/C will strongly encourage all the OECS states to streamline their foreign investment approval processes and their processes for granting fiscal incentives to local manufacturers producing for export markets. Anything less is bound to adversely affect RDO/C's private sector oriented development approach. In some countries--the least efficient is probably Grenada--the approval process is very cumbersome and unpredictable in terms of time required to obtain a decision on an application. RDO/C will continue to use the institution-building resources available through the IPIP project to develop existing organizations responsible for project investment approval. The Mission expects that by the end of 1986, at least four countries will have investment approval processes as efficient as that of St. Lucia.

ii. Market restrictions

In order to stimulate private sector development in the Eastern Caribbean, RDO/C will encourage the OECS governments to deregulate their markets, particularly with respect to import licensing regulations and with respect to monopoly and monopsony status conferred on import and export businesses, respectively. The motivation behind such restrictions is usually to take advantage of economies of scale and therefore protect import consumers against high prices and domestic producers against low prices. Often, on the export monopsony side, the holders of such monopoly rights are the public sector. Import licensing arrangements are used not only to monitor the inflow of goods government wishes to control for policy reasons, but also to assist in regulating the market. While all such arrangements may have been established for the purpose of protecting the country's population, such systems virtually always become increasingly distorted as market conditions change. In any event, RDO/C believes that the massive management burden that frequent fine-tuning imposes on governments, plus the potential for incorrect timing, argues against such tinkering with markets. RDO/C believes it probably would be more socially and economically efficient to dismantle the systems and permit the market to allocate resources.

RDO/C will, working with OECS/EAS, conduct an examination of the effects of such marketing restrictions to determine how strongly they distort resource allocation. In instances where the study finds significant inefficiency, RDO/C will, through consultation and the PMPP project, attempt to persuade governments of the desirability of policy change. In addition, because the effects of export monopsonies on agriculture are generally greater than on other sectors, RDO/C will include agreement for changes as conditionality necessary to the success of its high-impact agriculture project. By the end of FY87, RDO/C expects all the OECS countries to have significantly reduced the most influential market restrictions.

iii. State ownership of productive assets

RDO/C will strongly urge the OECS governments to carefully examine their ownership of productive assets and to seriously consider some form of privatization for most of them. Throughout the Eastern Caribbean, governments have typically taken the approach that the public sector should participate in productive activity. In some cases, such as public ownership of utilities, this may be justified. In other cases, the governments have taken over failing enterprises or become the primary investors in new ones. The former often occurs when government judges an enterprise to be so important to the national economy that failure is unthinkable. The latter, new production facilities, are often projects to support infant industries that government presumes will become viable in the longer term. The continuation of parastatals in government asset portfolios is a matter of concern for several reasons. First, the continuation of parastatals does not send a clear signal to potential investors of government's support for private sector-led growth. Second, parastatals are often inefficient producers because of weak incentives to the civil servants who manage them. Consequently, resource use is excessive and parastatals often are a drain on public budgets. Finally, the Eastern Caribbean LDCs require much additional infrastructure and productive assets, if privatized, would provide capital to develop essential infrastructure.

~~RDO/C will, through the PMPP project, attempt to persuade all the OECS governments in 1986 to examine their asset portfolios and make a determination of whether certain productive assets can be privatized, either through divestiture or through some kind of leasing arrangement. This work is underway currently in Grenada and the results of that assessment and of subsequent government actions may serve as a model for other OECS states. RDO/C expects that by the end of 1986, Grenada's government will have privatized those of its non-utility parastatals that it intends to privatize. By the end of FY 1987, the other OECS countries will have made significant strides toward accomplishing the same task.~~

iv. Comprehensive development strategies

RDO/C firmly believes that a vital element in the success or failure of each OECS government's private sector development thrust is whether the country has articulated a comprehensive development strategy (CDS). As distinct from a "national economic plan," which is usually a public sector document, a CDS would be a joint public-private expression of what is can be expected in the economy in the medium term and what steps should be taken to reduce constraints to attainment of that target. If, for example, the CDS identifies particular sectors as being the most promising growth sectors, then a more supportive public sector investment program can be more thoughtfully put together, and a discussion of priorities be included in the CDS. In addition, government can determine which aspects of existing policies (e.g., tax policy) are inimical to development of those sectors. Above all, the effort to construct a CDS must have significant support and input from the private sector.

If this occurs, and if the CDS is a credible document, it should be extremely useful in attracting direct foreign investment, as well as gaining donor assistance in infrastructure projects.

RDO/C will recommend that each OECS country prepare a preliminary CDS by the middle of FY86, and a revised, more complete document by December 1986 in time for the CGCED meetings. To date, St. Vincent is developing a five-year plan, St. Lucia has had one in draft for some months, and Grenada is embarking on one in the near future. The first two of these are public sector documents, while the intention of the Government of Grenada is to make the effort a joint public-private one. RDO/C will, in its regular periodic policy meetings with the governments, present a case for the desirability of such a document. We will also be prepared to support the development of CDSs through the PMPP project, if countries so desire.

b. Fiscal Policy

RDO/C should work with each of the OECS governments to press for a careful examination of its tax structure and for implementation of reforms as necessary to make the tax system as encouraging of productive economic activity as possible. At the same time, governments should also explore ways of making the recurrent expenditure side of the budget more cost effective. Finally, RDO/C will encourage governments to carefully analyze their public sector investment programs (PSIPs) both from the standpoint of the importance of each project with respect to the country's development strategy, and from the standpoint of the recurrent cost implications of each project.

With their recurrent budgets in deficit or barely in balance, the OECS governments have trouble even coming up with counterpart funds for externally funded investment projects, let alone paying for infrastructure investment themselves. At the same time, in most states tax revenues are not only very high in relation to production, but the tax systems have been put together in a piecemeal fashion over the years, without any conscious effort to examine their incentive or disincentive effects. Furthermore, civil services are less efficient than they could be, in spite of high rates of recurrent expenditure.

RDO/C will undertake a preliminary study of the fiscal regimes in Antigua, St. Kitts, Dominica, St. Lucia and St. Vincent. The study's purpose will be to identify the fiscal systems that most seriously inhibit private sector developments laid out in the country's general development strategy, and suggest reforms that would improve the systems. Upon completion of the study, RDO/C will, through the PMPP project and its contacts in OECS/EAS and the relevant governments, present the results of the study and some preliminary reform recommendations. The ultimate goal of this "process" level will be to encourage those governments identified as having the most problematic fiscal systems to seriously consider reform.

RDO/C's objective during the action plan period will be to have each government request from OECS/EAS, PMPP, or some other mechanism, technical assistance to improve one portion of its fiscal system. In some cases, governments may wish to improve tax administration, but this alone would not constitute acceptable satisfaction of the benchmark.

c. Foreign Exchange Policy

RDO/C will vigorously pursue attempts to analyze the effects of the appreciated U.S. dollar-tied E.C. dollar on the regional economy as well as its effects on individual states, in order to determine whether devaluation is an economically beneficial solution to the region's less than optimal competitiveness. (RDO/C has not yet gained access to two studies on the issue reportedly in preparation--one by the IMF and one by ECCB--but will make every effort to do so as soon as possible.) If RDO/C's assessment of the situation concludes that devaluation of some type is warranted, RDO/C will encourage such a move, politically sensitive though it be. At the same time, RDO/C will assess the effects of foreign exchange controls on the region's economy, and will discuss with ECCB the merits of their existing guidelines on this issue, in order to determine the desirability of changes.

These two policy issues, exchange rates and foreign exchange controls, have an important influence on the success of RDO/C's strategy for the region. One effect of a devaluation would be to make domestic production of export crops more profitable, thereby encouraging production of diversified products for markets with respect to which the Eastern Caribbean would be price takers. Second, given a fixed international price for manufacturing output, reduced costs of production (e.g., labor costs) should encourage foreign investors. A third effect would be to reduce local expenditures of tourists paying foreign currency, thereby perhaps encouraging greater tourism expenditures. However, if either (a) higher import prices (in domestic currency) automatically raised domestic prices to fully or more than compensate for the devaluation, or (b) elasticity of demand for tourism services and key exports is very low, then devaluation would have ambiguous or perhaps negative merit. The complexity of the economic questions and the sensitivity of the political questions argues for extreme care in RDO/C's taking a position on the devaluation issue.

By the end of FY86, at the latest, RDO/C expects to have examined the studies in question and to have developed a mission position. If the position suggests the need for devaluation, RDO/C will engage in discussions on the topic with the OECS/EAS, the ECCB, and individual governments, using not only mission resources, but also contracted, internationally known economists.

d. Monetary and Financial Policy

RDO/C believes it should be an important objective of OECS economies that government policy not constrain the availability of

credit for the development of private sector activity. Government regulations or government borrowing requirements should not be permitted to stifle the supply of credit for private sector productive uses.

Monetary policy in the usual sense is not an issue in the OECS states because of their participation in a currency union. The ECCB, not governments, prints money, the supply of which is strictly dependent upon the foreign exchange holdings of the ECCB. However, two countries (St. Vincent and the Grenadines, and Grenada) still have usury laws which set ceilings on lending rates and which should be removed as soon as possible. In some states (e.g., St. Vincent), the government has borrowed heavily from the commercial banking system, squeezing out credit for any private sector use. In most of the OECS states, not only are the spreads between borrowing and lending rates wide, but credit is available through the commercial banking systems only for short-term uses, a factor that constrains the development of the indigenous private sector.

By midyear FY1986, RDO/C will contract for an analysis of the banking system in OECS states, the output of which will enable the Mission to assess whether steps can be taken to improve credit availability for productive private sector uses. The results of that study will guide RDO/C's dialogue with governments (and will suggest directions for credit-provision programs sponsored by the Mission, such as using the ECCB to rediscount funds.) Implementation of resultant recommendations may in some instances, require that RDO/C provide tide-over program assistance to a particular country, if its budget situation has been compelling it to make excessive use of commercial credit. Related conditionality, for example, is to be included in a forthcoming program grant to Grenada. As for the two states with usury laws, RDO/C will encourage both governments to reexamine this policy, in light of what emerges from the study.

RDO/C expects that by the end of FY86, both St. Vincent and Grenada will have repealed their usury laws. Both governments have indicated interest in this reform. As for credit availability, it is extremely difficult to be precise about expected outcomes, except that the Mission foresees the need for increased private sector lending, especially for fixed investment but also for working capital. In other cases, credit availability will likely be enhanced by a direct provision of loanable funds to organizations such as National Development Foundations, which will be expected to channel funds to the private sector for productive purposes.

4. Dialogue at the Subregional Level: the OECS/EAS and the ECCB

The bulk of the issues discussed in the preceding section in connection with the bilateral level are in varying ways also relevant for discussion at the subregional level. In particular, there are financial and balance of payments issues on one hand, that will be discussed with the ECCB, and there are structural adjustment and fiscal policy issues on the other, that will be discussed with the OECS/EAS (the Economic Affairs Secretariat of the OECS.)

a. Issues related to the OECS/EAS

As the EAS is strengthened and expands its functions to assume most of the activities of the Inter-Agency Resident Mission (IARM), RDO/C will increasingly seek its views on structural economic issues which RDO/C believes are affecting individual countries. The EAS can be an extremely useful sounding board for RDO/C's policy dialogue with individual states, and can serve to reinforce to the individual states the necessity of the policy changes that RDO/C believes are important. Examples of the types of policy issues that we would expect to discuss with the EAS are fiscal policy changes, design and implementation of comprehensive development strategies, and means of improving fiscal incentives and streamlining the investment approval process in each state.

Although there currently exist no plans for regular meetings between RDO/C staff and the EAS staff, we expect to examine the feasibility of instituting such a mechanism during FY1986. RDO/C's primary interaction with the EAS in the interim will be through the AID-funded Public Management and Policy Planning (PMPP) project, which will be obligated in FY1985, which will be co-located with the EAS in Antigua, and which will provide individual OECS states with technical assistance on public policy matters.

Benchmarks of the success of our interaction with the EAS are difficult to time because of the currently underdeveloped state of the organization. In addition, RDO/C is helping to shape the role of the organization, but is doing that through the fourth level (the CGCED), and the pace of the development of the EAS cannot be determined at this stage. More immediate benchmarks include the establishment of the PMPP project in Antigua by early in FY1986 and the beginning of requests for policy studies by individual governments in FY1986. A second benchmark for the EAS and our involvement with it will be the successful transition of functions from IARM to EAS by the end of calendar year 1986. A third will be the convening of regular sessions with the EAS to discuss both OECS policy issues and RDO/C programs to encourage policy changes; it is anticipated that this will not occur until sometime in FY1987.

b. Issues Related to the ECCB

The major interaction on a policy level between RDO/C and the ECCB will be regarding foreign exchange policy, although monetary and financial issues will also be part of our dialogue. The issue of the exchange rate for the EC dollar is an extremely sensitive one. Both the World Bank and the IMF have urged the OECS states to consider altering the exchange rate, and the IMF has reportedly completed a study of the matter. RDO/C, despite attempts, has not been successful in obtaining the study.

RDO/C's approach to the exchange question is discussed fully in the relevant subsection in section 5.c., above, and will not be repeated here. That discussion states that RDO/C will establish an independent Mission position on the issue and will, depending on that position, will engage in discussions with the ECCB, the EAS, and member governments on the topic.

5. Dialogue at the Regional Level: CARICOM and the CDB

This level is far above the primary target countries of RDO/C's program, by definition, and the Mission's interaction on policy issues with the two primary organizations in this level--the CDB and CARICOM-- will consequently be minimal. In part because of the more broadly regional nature of the two organizations, policies they consider may work to the benefit of the region as a whole, but sometimes to the detriment of the OECS states as a group. A major task confronting the regional organizations is to develop a master plan for structural adjustment in the Caribbean, one goal of which is to expand the scope of extra-regional export production.

Without USG membership in the CDB and without the possibility of formal participation in CARICOM, there is little that RDO/C can do to directly influence these organizations' positions or recommendations on policy issues. RDO/C will continue to monitor policy-related issues dealt with by CARICOM (and indeed anticipates funding at least one of the studies being prepared in connection with the structural adjustment plan,) using press and other reporting, as well as contacts within CARICOM. As a development organization, the CDB is a much more appropriate target for the Mission to interact with. The Mission will continue to attend the CDB's annual meetings and to use the informal opportunities afforded by those gatherings to argue for consistency between what the CDB proposes and our programs, particularly on economic policy issues. The ultimate benchmark for success will be the regional organizations' public release of a structural adjustment guidance document, the effect on the OECS states of which does not conflict with RDO/C's programs. In this connection, it will be vital for RDO/C to cement its relationship with OECS/EAS, and to regularly consult with that organization on progress in the regional organizations' design of the structural adjustment program, in order to forestall program results inconsistent with preferred subregional outcomes.

6. Dialogue at the Supraregional Level: the CGCED

As an important participant on the donors' side of the CGCED table, RDO/C is well-placed to influence the decisions of an organization that plays an important part in the OECS states' economic development. Although the Group deals with the regional Caribbean, it also recognizes the importance of the subregional level and the particular problems facing the small island nations of the OECS. Because the regular eighteen-monthly meetings of the CGCED convene subgroup sessions on each of the OECS states, these can be used to further emphasize the need for specific policy changes that RDO/C has already discussed on a bilateral basis with the OECS governments. To the extent that RDO/C can use the pre-CGCED donors' meeting to gain agreement or support on specific policy changes, the donors can present a unified position at the CGCED subgroup sessions, thereby reinforcing RDO/C's position on the relevant issue.

RDO/C envisions two policy issues in particular as being usefully handled in the CGCED context. First, if RDO/C determines that and alteration in the EC dollar exchange rate is necessary, RDO/C will at the same time it is presenting the case to the OECS governments approach the World Bank and the IMF to attempt to develop a unified position on the issue with them. The ensuing CGCED meeting (either a regular Group meeting or an ad hoc meeting) would then be a forum to discuss the issue and encourage the countries to take action.

The second issue of relevance to the CGCED forum is that of structural adjustment in general. Inasmuch as a primary objective of AID's strategy in the Eastern Caribbean is to encourage structural adjustment that will permit the private sector to play the lead role in generating economic growth and employment, RDO/C should attempt as much as feasible to influence the Group's position on the issue. As the CARICOM structural adjustment exercise unfolds, the participants in CGCED will have an opportunity to comment critically at various stages, and RDO/C will prepare such comments, especially on how the evolving plan appears to affect our view of OECS interests. And as the IARM-EAS transition plans develop, RDO/C will closely monitor and be prepared to influence these plans through the CGCED.

The major benchmark of success will be a congruence between RDO/C's strategy for the OECS states and pronouncements and strategies emanating from the CGCED.

TABLE 9
POLICY STRATEGY AND AGENDA: A MENU

<u>POLICY ISSUE AND ACTION</u>	<u>RDO/C STRATEGY</u>	<u>BENCHMARK</u>	<u>APPLICABLE CIRCLE*</u>			
			<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
1. Examine and alter any aspects of existing fiscal incentives that undercut country's ability so as to attract foreign investment to the maximum extent possible.	1a. Work with PMPP to help identify where changes should occur. 1b. Fund CARICOM-sponsored study of fiscal incentives. 1c. PMPP will, as requested, assist countries in making changes. 1d. Encourage OECS/EAS participation in assessment of relative reforms of fiscal incentives.	1a. By end-FY86, all OECS fiscal incentives structures have been examined and alterations have begun.	P	S	S	
2. Streamline investment approval process to attract direct foreign investment.	2. Use institution-building resources of IPED to improve functioning of government organizations responsible for approving investment applications.	2. By year-end 1986 all organizations will have been assessed and at least four will have reached or exceeded the current level of efficiency of St. Lucia.	P	S		
3. Reduce or remove market restrictions which hinder productive private sector production through inefficient resource allocation.	3a. Work with OECS/EAS to examine market restrictions in each country. 3b. Using PMPP, attempt to persuade governments of the necessity of change. 3c. In the area of export tariffs on agricultural products, include conditionality of reducing tariffs in high-impact agriculture project agreements. 3d. Monitor progress in CARICOM's development of a structural adjustment plan, to ensure it is not incompatible with RDO/C's view of structural adjustment goals for OECS.	3a. By end-FY87, to have significantly reduced the most influential market restrictions in each country.	P	S	S	

(Cont/d)

<u>POLICY ISSUE AND ACTION</u>	<u>RDO/C STRATEGY</u>	<u>BENCHMARK</u>	<u>APPLICABLE CIRCLE*</u>			
			<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
4. Privatize state-owned productive assets to (a) improve public finances, and (b) raise the efficiency of production of these assets.	4. Through PMPP will encourage all OECS states to examine their portfolio of parastatals.	4a. By yearend 1986, all OECS states will have conducted assessments of their parastatals. 4b. By end-FY87, all countries will have made and implemented decisions on privatization.	P			
5. Design a comprehensive development strategy (CDS) to guide the development of the PSIP and to guide the government in enacting market-supportive policy reforms.	5a. Discuss with each government in the semi-annual bilateral meetings the importance of the CDS. 5b. Provide, if requested, PMPP support for the design of the CDS. 5c. Encourage OECS/EAS involvement in CDS design. 5d. Coordinate CDS development with CGCED resources and meetings.	5a. By mid-FY86, all countries will have initiated work on their strategies. 5b. By yearend 1986, in time for the CGCED meeting, all countries will have prepared CDS documents.	P	S	S	
6a. Develop tax systems that not only encourage private sector activity, but also cover public sector funding requirements.	6a. Fund a study of the fiscal systems in all OECS states but Grenada.	6a. Each state will have made at least one request for technical assistance to reform one element of its tax system or budget system.	P	S		
6b. Reorganize or restructure budgeting systems to raise cost effectiveness and to increase public savings.	6b. Use results of study to persuade-- through PMPP--the states with the most serious tax system problems to utilize PMPP technical assistance to reform their tax systems. 6c. Ensure that relevant OECS/EAS resources are brought to bear on this issue.					
7. Work towards an exchange rate regime that reflects comparative prices inside and outside the OECS, in order to increase OECS competitiveness.	7a. Conduct an examination of exchange rate, its effect on production and the effects of various scenarios for change. 7b. Lobby with national governments and the subregional organizations for implementation of RDO/C's position. 7c. Maintain close working relationship with ECCB on this topic in order to have that organization be part of RDO/C's decision on the issue. 7d. Consult regularly with multilateral non-regional donors (e.g., World Bank and IMF) through CGCED framework.	7a. Mission position on exchange rate developed by end-FY86. 7b. Discussions with governments during semi-annual bilateral policy discussions, beginning no later than early FY87.				

F. Grenada and Barbados Special Concerns

1. Grenada's Special Development Needs

Compared with the rest of the OECS states, Grenada has special development needs. Grenada's economy is fighting an uphill battle. The legacy of the PRG's strongly pro-public sector policies, its injudicious external borrowing, and its inattention to infrastructure maintenance all have left the country with a poor foundation for growth. At the same time, the newly elected government has dedicated itself in public statements to a market-led approach to growth in its economy and to democracy in its political processes. To enable the new government to carry out these goals, significant external assistance will be required--both financial and technical--over the coming years.

Grenada's economy faces problems similar to, but arguably greater in degree than, those confronting the other OECS states. Unemployment is 25-30 percent, probably the highest in the region, and per capita GDP is the lowest. The country's manufacturing sector still includes no enclave investors. Hotel occupancy rates, despite the new airport, are the lowest in the Caribbean. Agriculture, although more diversified than the sector in many other states, is based on overaged crop-producing trees. Prospects for improvement in many of these areas are dim unless Grenada's dilapidated infrastructure is upgraded, significantly and soon.

Since the October 1983 intervention, AID and other donors have provided large sums of money to assist in Grenada's development, and have either paid for or encouraged many necessary changes. In FY1984 and FY1985 AID will obligate a total of \$ 57 million, including \$ 19 million for the new airport and \$ 10 million in budget support. In spite of these large sums of budget and development support through 1985, we do not expect significant economic growth until many additional improvements in policies and infrastructure occur, and until these improvements generate domestic and foreign private sector investment that translates into growth. In the meantime, Grenada will continue to depend upon external assistance and, in the short run--i.e., the next two years--we believe that the high expectations of the USG and the Grenadian people will be difficult to fulfill. If sufficient funds are not forthcoming, we have great concern regarding the alternative outcome: increased unemployment, negligible growth, and consequent political and social instability.

To avoid this undesirable outcome, three things must occur. First, the government must continue to attend to economic policy reforms, in order to encourage the most efficient use of the country's scarce financial, human, and material resources. Second, the government requires significant external budgetary support if it is to meet its external and internal obligations. Third, the country's infrastructure must undergo extensive upgrading if Grenada is to attract foreign investment in productive activities that can provide employment and generate growth.

To ensure the success of Grenada's private sector-led, market-oriented growth plans, external donors must be prepared to provide a reasonable level of support. That support will have to be for budgetary support as well as for infrastructure building. What that total level should ideally be is not clear to date however, because the government has not designed or articulated a comprehensive development strategy that can accurately assess priorities in the public sector investment program. RDO/C believes that, however, in order to make a sufficient impact on Grenada's development constraints, AID must be prepared to provide more than the \$ 10 million per year bilateral aid currently being considered for Grenada in FYs 1986 and 1987. The amount of money that will "make a difference" for Grenada will become clearer as the government designs its development strategy over the coming months, encouraged in this endeavor by AID-funded program assistance in FY1985.

2. Barbados -

With its high per capita income, Barbados has reached a significantly higher level of economic development and quality of life for its citizens than any of its fellow members of CARICOM (excluding Trinidad and Tobago). Barbados has been characterized as having a broad-based and growing private sector, a stable democracy, and sound public policy and management.

Against that backdrop, however, the economy has grown slowly over the recent past. Growth was positive in 1984 of approximately 2.4%. With the recovery of the U. S. economy in 1983/84, tourism registered strong gains and there was a sharp record in the downward trend in sugar production. However, the manufacturing sector has not recovered from the disruption of the Trinidad market. Other signs of weakness in the economy include rising unemployment and falling foreign exchange reserves.

Our development strategy for Barbados is to continue to provide resources for private sector development through existing programs (such as the Caribbean Financial Services Corporation and the Caribbean Association of Industry and Commerce) and to small businesses through the FY 86 Small Business Development project. Barbados also is eligible to use resources under the Public Management and Policy Planning project on an exception basis for short-term studies or technical assistance.

Our major activity in Barbados over the AAP will be the \$10 million Housing Guaranty (FY85) and \$500,000 DA grant designed to consolidate and institutionalize the use of the private sector for delivery of shelter solutions to lower income families. The HG also will provide some balance of payments support by permitting Barbados to borrow U. S. dollars on better terms than otherwise could be possible (at least to the extent that using local currency generated by the HG are not translated into imported construction materials).

While little is planned for Barbados, RDO/C is concerned about the direction of the economy and softening in the manufacturing sector. We will appraise our assistance strategy during the AAP based in part on the growth of the economy in CY 1985.

(Cont/d)

<u>POLICY ISSUE AND ACTION</u>	<u>RDQ/C STRATEGY</u>	<u>BENCHMARK</u>	<u>APPLICABLE CIRCLE*</u>			
			<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
8. Ensure the efficient flow of credit to private sector productive uses.	8a. Commission a study of the OECS commercial banking systems to assess whether steps can be taken to remedy the credit situation. 8b. Convey results of study to OECS governments, especially if government policies are at fault. 8c. Closely coordinate study of commercial banking systems with the ECB.	8a. Contract for study by mid-FY86.	P	S		

* "A" through "D" (respectively) the national, subregional, regional, and supraregional levels. "P" denotes primary dialogue effort, and "S" denotes secondary effort.

G. Current Status of FY 1986 ABS Benchmarks

Benchmarks from FY 1986 ABS

Current Status

1. It is expected that at least one major new investment will be established in each participating country including Grenada^{*/}.

During the period June 1984 through March 1985, the following new investments were made as a result of investment promotion by Coopers and Lybrand under projects 538-0042 and 538-0119.

Antigua - Electronics Industry
Belize - Winter Vegetables
St. Kitts-Nevis - Electronics Industry
St. Lucia - Tapestry Kitts
- Crown American.

Dominica, St. Vincent, and Grenada did not have new investments during that time, but prospective investors continue to be identified. With more than two years remaining in projects 538-0119 and 538-0088, it is expected that the benchmarks will be met.

2. Pending availability of funding, the Caribbean Project Development Facility (CPDF) will support 6-8 more investment projects in 1985-86.

Within the last year, 10 more investment projects have been completed.

3. The Caribbean Financial Services Corporation (CFSC) will soon initiate long-term financing by the end of FY 1986 and it is expected that some 40 enterprises will benefit.

Since March 1984, 11 enterprises have received financing from CFSC.

4. The Caribbean Association of Industry and Commerce (CAIC) will expand its assistance to private enterprise, including promotion, training, and technical assistance, and will strengthen national Chambers of Commerce.

CAIC has expanded its members from 12 to 18 chambers, five manufacturers associations, and over 100 businesses during the last two years.

^{*/} This applied to the FY 1985 Infrastructure for Productive Investment Project (538-0088) working in conjunction with the Project Development Assistance Program (538-0042) and Investment Promotion and Export Development (538-0119).

Benchmarks from FY 1986 ABS

Current Status

5. National Development Foundations will expand their technical assistance and credit activities in support of small and micro enterprises. It is expected that at least two new NDFs will receive Field Support Grants by the end of FY 1986.

During the past year, a Field Support Grant was provided to a U.S. PVO to establish an NDF in Grenada, and that program is well underway with 14 loans disbursed totalling \$20,000. Additional funds were also provided to the ongoing OPG with the National Development Foundation of Dominica. For the remainder of the Eastern Caribbean, the Mission's approach has shifted from provision of country specific grants to provision of broader-based regional ones. Recently, RDO/C provided a regional, one year grant for technical assistance and credit for NDFs in Barbados, St. Lucia, St. Vincent, Antigua, and St. Kitts-Nevis.

6. The Caribbean Confederation of Credit Unions will continue to mobilize private sector savings in the region from the 1983 level of \$320 million to \$400 million in 1985 with increasing funds being used for productive purposes.

The 1983 level of savings has been reassessed and the adjusted figure for that year is \$302 million. It is estimated that savings for 1985 will reach \$318 million and 1986 will be \$326 million. One of the major reasons why growth has not risen to the degree originally expected is the decline of certain currencies (particularly the Jamaica dollar and Guyana dollar) in relation to the U.S. dollar. In negotiating a new agreement signed with CCCU in 1985, the grantee was encouraged to increase the proportion of funding used for productive purposes.

Benchmarks from FY 1986 ABS

Current Status

7. Construction of factory shells and related infrastructure with the loan/grant program initiated in FY 1984 and a follow-on loan for FY 1985, which when combined will provide some 625,000 square feet of factory space. The factory shell program should not only result in increased investment but also provide significant employment opportunities.

The original AID loan was obligated in August 1984, and no follow-on for FY 1985 is currently planned. Financing proposals for Antigua, St. Vincent, St. Lucia and Grenada have been prepared and it is expected that they will be approved by the end of 1985. It is expected that these projects alone will result in provision of at least 200,000 square feet of additional factory space. Based on prior experience, one job should be created per every 150-300 square feet of factory space so that 667 to 1333 jobs should be generated from these projects alone.
8. The Cumberland Hydro Electric Program, soon to be instituted in St. Vincent will, ultimately provide 3.4 megawatts of power increasing the electricity available to 15,000 households.

It is expected that the contract for construction work under the Cumberland Hydro Electric Project will be signed by the end of May and construction will begin by the end of June. Construction of the power plants should be completed in approximately two years.
9. In Dominica, a Rural Electricification Program is planned for FY 1985.

An ESF grant of \$4.7 million was signed with GOCD in March 1985. The contract for installation of the generators should be awarded by the end of the fiscal year.
10. The Basic Needs Trust Fund will continue to finance labor-intensive activities at the community level, and it is estimated that this project will generate 63,000 person weeks of employment.

Since the BNTF was signed in June 1984, sixty one (61) sub-projects in nine countries have been approved totalling \$5.4 million (or about 45% of the total project cost). It is expected that some 30,000 person weeks of employment will be generated from the original sixty one sub-projects, benefitting some 100,000 persons. Benchmark is therefore being achieved on schedule.

Benchmarks from FY 1986 ABS

11. In FY 1985 and 86, RDC/C intends to complete the ongoing program in extension implemented by the Midwest Universities Consortium in International Activities (MUCIA) and the University of the West Indies (UWI) by FY 1986. Sixty (60) extension agents will be reaching an average of five farm families per day with new technologies being introduced.

12. In FY 1985 and 1986, RDO/C will continue with the agricultural research program with the Caribbean Agricultural Research and Development Institute. This farming systems research program will have tested sixty new technologies by the end of FY 1986.

Current Status

Over the past year, an average of 60 extension workers for the Windward Islands (St. Lucia, St. Vincent, Dominica and Grenada) and an average of 10 extension workers for the Leeward Islands (St. Kitts/Nevis, Antigua, and Montserrat) have been active in providing extension services through a variety of activities, including the following:

<u>Activity</u>	<u>Average hours per Month</u>
1. Individual farmers	70
2. Meeting with Farmers groups	42
3. Demonstration and field days	12

In a 1984 evaluation, farmers (particularly part-time, commercial, and large scale) have indicated a significant increase of regular contact by extension workers. (Data on the number of families contacted, however, is not currently available).

As of March, 1985 at least forty (40) experiments had been completed with forty (40) more in progress.

Benchmarks from FY 1986 ABS

Current Status

13. The Caribbean Agricultural Trading Company should nearly double the value of its gross sales in exports of fresh produce from \$750,000 to \$1.3 million for 1986.

Sustained trading activities under CATCO only began in October 1984. In the six (6) month period from October to March 1984 monthly value of exports of agricultural produce rose from \$18,000 to \$117,000 and it is expected that the 1985 export level should reach \$500,000. Assuming continued growth at current levels, exports of agricultural produce should exceed \$1,000,000 in 1986.
14. The WINROCK International will continue to implement the Antigua Livestock Improvement Project in FY 1985 and FY 1986, under which 25 livestock producers will directly benefit from increased production and income.

During the last year, 30 livestock producers have benefitted directly from this project. They have increased livestock production and have accrued increased incomes from sale of beef to local hotel markets.
15. The Regional Non-Formal Skills Training Program being implemented in St. Lucia and Dominica will be expanded in FY 1985 to include Grenada, St. Vincent, and Antigua.

On May 30, 1985 an agreement amendment was signed for \$3 million to extend the Non-Formal Skills Training program to Antigua, Grenada, St. Kitts-Nevis and St. Vincent, as well as for continuing activities in Dominica and St. Lucia.
16. A pilot pre-vocational skills program will be launched in FY 1986 in St. Kitts and St. Lucia to improve the basic skills of pre-high school students.

After further review, the Mission has decided not to proceed with the prevocational skills program at this time, but to continue non-formal skills training through the OAS/USAID regional project which has shown considerable success in training and placing participants.
17. In FY 1985 a regional program will begin, which will provide training and technical assistance to financial and planning units in Eastern Caribbean Governments.

The PID and PP for the Public Management and Policy Planning project (538-0096) have been approved and proposals have been received and are under review. It is expected that this project will be obligated in FY 1985 as planned.

Benchmarks from FY 1986 ABS

18. The International Planned Parenthood Federation will continue to work through the Caribbean Family Planning Association, the Caribbean Community and Eastern Caribbean governments in encouraging increased utilization of family planning practices. It is expected that birth rates will decrease as contraceptive prevalence increases by 15% in the FY 1984 - 1986 time period.

Current Status

Updated information on contraceptive prevalence, which would provide a basis for comparison of previous to current levels, is not available at this time. Initial contraceptive prevalence surveys were conducted in 1983 for St. Vincent, St. Lucia, Antigua and Dominica, with follow-on surveys scheduled for 1986. Original surveys for St. Kitts-Nevis, Grenada, and Montserrat took place this year.

APPENDIX A:

RECONCILIATION OF ISSUES RAISED
BY THE REVIEW OF THE REGIONAL CDSS

Reference: STATE 381274, December 29, 1984; Subject: FY 1986
Caribbean Regional CDSS

A. Issues

Issue No. 1: Stabilization and Structural Adjustment. We agree that further analysis is required on the need for exchange rate adjustment and possible stabilization assistance. The Policy Dialogue Agenda (Section I.E of part one) proposes that RDO/C examine ongoing studies concerning the appropriate levels of exchange rates for the Eastern Caribbean, since the conclusions are not obvious, and push for changes should that be the recommendation accepted by the Mission.

Issue No 2: Policy Dialogue. Section I.E in the Proposed Mission Strategy Section of the AAP proposes an agenda for policy dialogue for RDO/C. While some topics are obvious candidates for bilateral discussions, others require regional institutional involvement, or perhaps both. With the PMPP project in place, and scheduled meetings between the Director, RDO/C, and each major actor in the Eastern Caribbean, the policy dialogue will assume its critical role as a centerpiece of regional and bilateral strategy.

Issue No 3: Program Scope. The revised regional strategy takes account of the need to integrate the regional approach with bilateral programs, to end the proliferation of small individual projects, regionally or bilaterally, to conserve scarce direct-hire staff resources and to deal with the absorptive capacity of regional, particularly OECS-regional institutions.

Issue 4: Sector Programs. Sector goals and benchmarks are specified in Part one, A, B, C & D.

B. Points for Clarification:

1. PVO Strategy

RDO/C supports the use of Private Voluntary Organizations in roles which call for direct contact with the targeted population and/or private organizations directly involved in development. Voluntary agencies have proven useful in helping organize and train farmers, in improving the performance of local managers of small enterprises, in providing support to service agencies in population and health, and in providing direct health services on Grenada. Except for Infrastructure Expansion and Maintenance Systems Development and Public Management and Institutional Development, each program cluster and Other has PVO funds scheduled for FY86 and FY87. While no block grant has been set aside exclusively for PVO activities, their utility is recognized and they are written into field operating programs where ever applicable.

2. The Role of Women in Development

The private sector-led strategy outlined above is not gender specific in its impact, but has proven in the past to affect women and men seeking employment approximately equally. Enclave manufacturing is traditionally an employer of women semi-skilled workers. The tourism industry has found, in previous studies, an even division of new jobs between men and women as hotel rooms multiply. While concentrating on the productive sectors, we have devoted considerable resources to health and population programs which impact most directly on women and children. Should special opportunities emerge, such as entrance into the Regional Management Institute, for example, RDO/C will ensure that women are represented in proportion to their high involvement in the private sector in the Eastern Caribbean.

3. Tourism

Tourism has been incorporated into a basic strategy thrust of the proposed RDO/C program. An initial assessment has been completed and studies will continue leading to an initial PID in tourism promotion in FY 86. Clarification of AID's policy vis-a-vis tourism also is important.

4. Unemployment

Increasing unemployment in the countries of the Eastern Caribbean is caused by a nearly three percent annual increase in the size of the available labor force, while new jobs are growing more slowly and the emigration rate has decreased. The Regional CDSS places major emphasis on increasing employment opportunities. Preparation of the individual country strategy statements highlighted the weakness of employment statistics, and the large gap in our, and the countrys' knowledge, of how many are and are not working at any particular time. Resolving this deficiency in employment statistics will be one component of our private sector program, drawing upon the resources of the central technical assistance evaluation contract within the Private Sector Office or an appropriate IQC.

APPENDIX B

TABLE 1A
ECONOMIC INDICATORS BY COUNTRY TO 1990

	ANTIGUA		DOMINICA		GRENADA**		ST. KITTS		ST. LUCIA		ST. VINCENT***	
	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990	1985	1990
Population (thous.)	80.1	88.2	75.5	82.5	92.0	100.6	44.3	45.7	126.9	139.6	105.1	116.8
Population growth rate	1.6		1.2		1.5	1.5	0.5		1.5		1.8	1.8
PRODUCTION & INCOME												
GDP (US\$ millions)	135.3	184.3	67.3	89.7	66.0	82.4	55.0	65.7	151.3	203.9	84.5	110.7
* GDP annual growth rate	3.2	5.1	2	4.5	2.6	3.8	2.3	3	3.9	5.1	4.8	4.6
GDP per capita	1970	2400	1100	1300	717	819	1463	1690	1190	1460	841	948
Consump. as a % of GDP	86.2	n.a.	93.3	n.a.	110	95	115.1	n.a.	86.5	n.a.	95.5	93.0
Invest. as % of GDP	28.8	n.a.	27.2	n.a.	41	31	6.7	n.a.	34.8	n.a.	29.0	31.0
Sectoral breakdown of GDP (%)												
Agriculture	7.8	8.4	29.9	31.4	21.3	22.2	17.2	14.9	13.9	14.8	15.5	17.4
Manufacturing	5	5.7	7.8	8.5	2.6	4.9	13.3	13.8	9.7	10.7	11.0	11.5
Tourism	17.4	19.5	1.2	n.a.	4.4	9.3	3.4	4.6	7.6	8.3	2.3	3.0
Government	2.5	1.5	3.6	3	21.1	13.8	19	18	22.1	19.6	18.9	15.5
Other	67.3	64.9	57.5	57.1	50.6	49.8	47.1	48.7	46.7	46.6	63.3	55.6
* Growth rate by sector												
Agriculture	0	5.6	-1.1	5.4	1.6	4.6	-2.8	0.5	1.1	5	11.4	5.0
Manufacturing	-0.7	7	7.2	7	-0.5	14.9	-1.8	3.6	4	8.2	3.4	6.0
Tourism	15.5	6.8	n.a.	n.a.	1.3	17.7	2.9	8	1.7	6.5	0	4.5
Government	2.5	1.5	3.6	3	1.6	-3.4	3.2	2	8.5	3	4.0	3.0
EMPLOYMENT												
Total (thous.)	24.7	30.3	23.1	28.4	30.3	35.7	13.1	15.6	34.1	42.4	27.8	35.4
Percent share:												
Agriculture	8.5	8.3	40	39	41.2	42.6	29	21	39.5	36.8	16.8	17.1
Manufacturing	6.3	7.1	7	8	3.0	4.6	20	23	7.9	9.6	10.9	11.3
Tourism	21.5	24.5	n.a.	n.a.	3.3	7	14	19	12.2	13.9	3.0	3.2
Government	30	23.1	25	24	5.3	3.8	16	15	22.2	20.7	17.0	16.1
Other	33.7	37	28	29	47.2	42.0	21	22	18.2	19	52.3	47.7
* Annual growth in employment (%)	2.4	3.5	n.a.	3.4	-2.0	2.8	1.1	2.8	1.8	3.7	1.3	4.1
* Annual growth in work-force (%)	2.1	2.5	3.3	3.3	2.0	1.9	2.2	2.2	3.5	3.5	3.5	3.3
Unemployment rate (%)	20.1	15.2	20	18	30.0	27.0	19	16	25	19	22.5	18.0

Notes

* The growth rates for 1984 are average annual rates, and refer to the 1980-84 period, except for Dominica and St Lucia which refer to 1978-83. Those for 1990 refer to the 1985-90 period. CUS\$ calculations adjusted to standardize time period.

** All GDP data are in constant 1980 market prices.

*** St. Vincent GDP data are in 1984 constant prices; some data are for 1983 or 1985.

TABLE 1B
ECONOMIC INDICATORS BY COUNTRY TO 1990

	ANTIGUA		DOMINICA		GRENADA		ST. KITTS		ST. LUCIA		ST. VINCENT	
	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990	1984	1990
FOREIGN TRADE & BALANCE OF PAYMENTS (US\$ mill.)												
Exports of goods & NFS	92.2	156	32.9	48.1	39.2	71.1	33.2	46.0	96.7	139.9	62.4	96.0
Imports of goods & NFS	112.4	200	49.3	68.5	71.3	92.9	46.9	61.2	129.1	175.6	83.2	117.3
Trade balance	-20.3	-44	-16.4	-20.4	-32.1	-21.8	-13.7	-15.2	-32.4	-35.7	-20.8	-21.3
Financed by:												
Private transfers from abroad	12.6	15	9.5	15.2	11.7	15.0	8.1	10.8	14.0	18.0	n.a.	n.a.
Foreign aid	2.8	n.a.	9	n.a.	25.2	n.a.	3.6	n.a.	6.5	n.a.	n.a.	n.a.
Comm. loans	3.8	n.a.	neg.	n.a.	5.2	n.a.	-1.6	n.a.	-0.6	n.a.	n.a.	n.a.
Direct priv. invest.	8	n.a.	neg.	n.a.	n.a.	n.a.	4.6	n.a.	10.0	n.a.	n.a.	n.a.
Other	-6.9	n.a.	0.5	n.a.	-10.0	n.a.	-1.0	n.a.	2.5	n.a.	n.a.	n.a.
Trade bal. as % of GDP	15	22	24.4	22	49	27	24.9	23.1	21.4	17.5	24	20.9
Debt service as a % of exports	15.8	6.1	3.3	7.3	13.0	17	3.3	3.8	2.1	6.9	2.4	3.3
PUBLIC FINANCE *												
Current revenues as a percent of GDP	27.4	n.a.	32.3	n.a.	37.0	n.a.	34.9	n.a.	28.8	n.a.	33.2	30.6
Curr. acct. balance as a % of GDP	0	n.a.	0	n.a.	0.4	n.a.	-6.0	n.a.	3.2	n.a.	1.5	2
Capital expend. (US\$ mill)	n.a.	n.a.	36.8	n.a.	26.6	n.a.	10.9	n.a.	34.4	n.a.	9.6	24.1
Financed by:												
Curr. acct. balance	-0.7	n.a.	8.9	n.a.	0.3	n.a.	1.3	n.a.	0.3	n.a.	1.4	2.9
Domestic financing	16.6	n.a.	7.3	n.a.	-2.4	n.a.	0.1	n.a.	16.8	n.a.	1.9	0.7
Foreign financing	0.2	n.a.	20.6	n.a.	28.7	n.a.	9.5	n.a.	17.3	n.a.	6.2	15.0
of which for. aid	(2.8)	n.a.	(20.6)	n.a.	25.2	n.a.	(9.0)	n.a.	(17.0)	n.a.	n.a.	n.a.

Sources: Economic Annexes to the CDSS Country Supplements and the latest World Bank and IMF reports.

Notes

* Current revenues, current acct balance and capital expenditures refer to the central Government only, except for Dominica and St. Kitts where cap. expend. refer to the public sector.

II. Organization and Management of RDO/C Under the Program Consolidation

A. Implementation of the Cluster Concept

RDO/C faces three significant challenges which must be addressed if it is to function in a cost, management, and development effective manner: (a) a large number of projects, many of which have multiple components, (b) a combined regional and bilateral program which includes significant project activities operating in seven independent island states and minor activities in four dependent states, and (c) a major bilateral program and staff in Grenada. To complicate RDO/C's task further, we are to reduce our USDH staff by two by the end of FY 85 (one each in Bridgetown and St. Georges) and an additional three by the end of FY 86 (2 in Bridgetown and 1 in St. Georges).

In response, and as described in the strategy above, we intend to consolidate and focus the great majority of continuing and new projects into four program clusters which intersect functional account lines: (a) High-Impact, Agriculture Development; (b) Private Sector-Led Productive Investment in Manufacturing and Tourism, (c) Public Management and Institutional Development and (d) Infrastructure Expansion and Maintenance System Development. By focussing the portfolio into four program clusters, it will be possible to significantly enhance project or activity management and to create stronger, positive interaction among project activities within the program clusters and within each recipient country. Cluster mix and resource magnitude will vary from country to country in response to our strategic plan and objectives. We anticipate more creative use of project-funded contractors to enhance portfolio development and management, and restructuring Mission staff and functions to better align them with the requirements of the program.

An earlier section of the Action Plan discussed the manner in which the cluster concept will be implemented in the four areas in programmatic terms, with the most integration of activities occurring in the agriculture and infrastructure portfolios in FY 86 as discussed below.

The high-impact agriculture cluster contractor will be an extension of the resources of the Agriculture and Rural Development Office, permitting that division to allocate more USDH time to sector issues, policy dialogue and basic oversight of the portfolio. The contractor will permit a deepening of our relationship with host institutions and country situations, improve and facilitate project management, permit the establishment of a tight management information system within the project cluster (including financial data) and enhance RDO/C access to technical expertise on short notice. We anticipate a contract system similar to our current Technical Service for Mission (TSM) but one, (preferably including a U.S. private sector agribusiness firm in a joint venture or subcontracting arrangement) which will permit assignment of a long-term team leader to Barbados and other long-term staff to the OECS countries as may be required.

Under the Infrastructure Expansion and Maintenance Systems Development cluster, we envision a similar arrangement with a U.S. engineering firm to provide pre-feasibility and feasibility studies of potential project activities, engineering, economic financial and environmental analyses suitable for project approval and oversight of engineering and construction work of activities implemented within the cluster. The engineering contractor would perform site visits on a more intensive and extensive basis than is now possible, compile and synthesize project activity reports identifying issues and problems and make available short-term experts in needed areas on short notice. Again, the intent is to provide a project-funded extension of the USDH staff and a deepening of our involvement in projects and within countries.

Concerning the Public Management and Institutional Development and Private Sector-led Productive Investment in Manufacturing and Tourism clusters, we will be exploring a similar mechanism to enhance our management by using project-funded contractors. We will consider moving to this approach in the FY 87-88 timeframe after evaluating its effectiveness as applied to the agriculture and infrastructure clusters.

In addition, in FY 86, RDO/C will initiate the phased restructuring of its staff to reinforce the program cluster concept and relate staff structure explicitly to strategy and program direction. Staff responsibility also will be reoriented to provide country expertise and coordination, a function which is central to implementing the policy dialogue on a bilateral basis. Equally important, it will achieve a more synergistic relationship between program clusters and strategy within specific countries.

By the beginning of FY 86, the following changes will be implemented:

- (1) The Office of Economics will be increased by one USDH and consolidated within the Program Office;
- (2) The Private Sector Division within the Office of Development Resources will be increased by one program-funded PSC and the internal reassignment of one Project Development Officer (BS-94);
- (3) Those elements of the portfolio of the Office of Human Resources Development which support the private sector development cluster will be managed by the Private Sector Division (e.g. the grant to the Barbados Institution of Management and Productivity (BIMAP)).
- (4) The existing Health and Population portfolio and the balance of the Human Resources Development portfolio will be consolidated into one division. By the beginning of FY 87, this Division will evolve into the Public Management and Institution Building cluster.

- (5) Country Coordinators will be designated for Grenada, St. Kitts/Nevis, Antigua, St. Vincent, Dominica, St. Lucia and the other dependencies (Montserrat, British Virgin Islands, Anguilla, and the Turks and Caicos). These officers will have other duties, but will serve as the focal points for program coordination for their assigned countries.

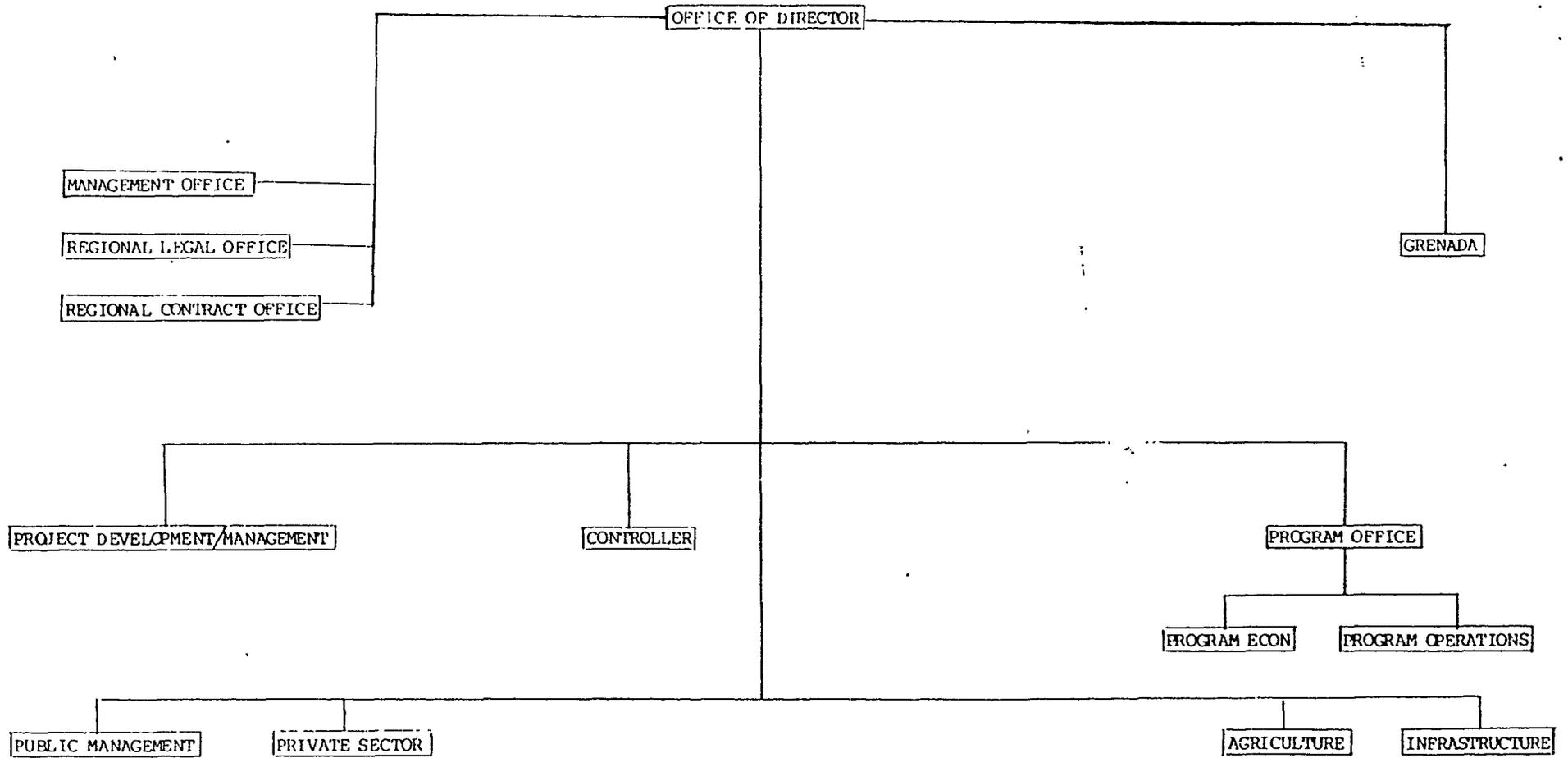
B. Grenada

As planned, RDO/C has assumed increasing direct management responsibility for the Grenada program. The RDO/C office in Grenada has been restructured to reinforce high priority concerns in the areas of fiscal reform/policy dialogue and agricultural development. The current staff consists of an Associate Director (serving as the AID Representative), General Development Officer, Project Development Officer, Program Economist (arriving June, 1985) and Agricultural Officer (arriving July, 1985). The RDO/C controller has assumed responsibility for the Grenada Program (effective mid-June). The RDO/C Engineering office assumed oversight responsibility as of June 1, 1985.

By FY 87, the Grenada staff will be reduced by one USDH. The FTE position will be moved to Barbados and used to maintain three USDH engineers in RDO/C Barbados.

RD/C ORGANIZATION CHART

.FY 87



III. Resources Required for AAP Period

A. Budget Tables

1. Annual Action Plan Cluster Summary, p. 78
2. Cluster Program
By Appropriation Account
FY1986, p. 79
FY1987, p. 80
3. ABS Table I - Long Range Plan by
Appropriation, p. 81
4. ABS Table IV - Project Budget Data, p.82

<u>ANNUAL ACTION PLAN - CLUSTER SUMMARY</u>	<u>FY86</u>	<u>FY87</u>	<u>FUNDING</u>
INFRASTRUCTURE EXPANSION AND MAINTENANCE SYSTEMS DEVELOPMENT	23,300	19,800	
ST LUCIA GEOTHERMAL	2,000		ESF
INFRASTRUCTURE EXPANSION AND MAINTENANCE SYSTEMS DEVELOPMENT	21,000	19,500	
ST. KITTS ROAD/PORT	6,750	2,850	ESF
ANTIGUA WATER II	3,800	3,800	ESF
GRENADA INFRASTRUCTURE MAINTENANCE SYSTEMS DEV	9,500	10,000	ESF
DESIGN/COORDINATION CONTRACT	950	850	SDA
PD&S (ESF)	300	300	ESF
REGIONAL TRAINING	(100)	(300)	HRD
HIGH IMPACT AGRICULTURE DEVELOPMENT	12,600	15,800	
ONGOING PROGRAMS	1,820	2,130	
ST. KITTS RESOURCES MANAGEMENT	500		ESF
EASTERN CARIBBEAN FARM SYS. (CARDI)	1,320	2,130	ARDN
HIGH IMPACT AGRICULTURE MARKETING & PRODUCTION	9,500	12,300	
MARICULTURE DEVELOPMENT	750	1,800	ESF
CACAO REHABILITATION	1,000	2,500	ESF
BANANA REHABILITATION	2,000	1,500	ESF
TREE CROP DEVELOPMENT		1,500	ESF
INTENSIVE AGRICULTURE	750	2,500	ESF
DESIGN/COORDINATION CONTRACT	3,700	2,000	ARDN
PRODUCERS ASSOCIATION DEV. OPG	1,000	500	ARDN
ENVIRONMENTAL ASSESSMENT	300		ARDN
PD&S (ARDN)	405	370	ARDN
AGRICULTURAL EXTENSION III	875	1,000	ARDN
REGIONAL TRAINING	(150)	(450)	HRD
PRIVATE SECTOR - LED PRODUCTIVE INVESTMENT IN MANUFACTURING AND TOURISM DEVELOPMENT	20,900	18,150	
ONGOING PROGRAMS	7,070	3,000	
PRIVATE SEC. DEV. ASST. PROG (CAIC)	800	280	SDA
INVESTMENT PROMOTION/EXPORT DEV.	5,770	2,720	SDA
ACCEL. PRIVATE SECTOR DEV. (CPDF)	500		ESF
CARIBBEAN CREDIT UNION DEV. II	230		SDA
INFRASTRUCTURE/PRODUCTIVE INVEST. II		6,200	SDA
REGIONAL MANAGEMENT INSTITUTE	7,450	4,350	HRD
TOURISM DEVELOPMENT	1,400		ESF
SMALL ENTERPRISE ASSISTANCE	4,250	4,100	SDA
PD&S (SDA)	500	500	SDA
REGIONAL TRAINING	(100)	(300)	HRD
PUBLIC MANAGEMENT AND INSTITUTIONAL DEVELOPMENT	6,700	8,300	
ONGOING PROGRAMS	6,400	2,000	
PUBLIC MANAGENT & POLICY PLANNING	4,500		ESF
REGIONAL PHARMACEUTICALS MANAGEMENT	700		HEALTH
REGIONAL DEVELOPMENT TRAINING II	700	2,000	HRD
INTER-AGENCY RESIDENT MISSION	500		ESF
HEALTH RESOURCES MANAGEMENT		1,500	HEALTH
STRUCTURAL REFORM SUPPORT PROGRAM		4,600	ESF
PD&S (HRD)	100	100	HRD
PD&S (HEALTH)	200	100	HEALTH
OTHER PROGRAM COMPONENTS	2,600	11,950	
BASIC NEEDS TRUST FUND II		10,000	ESF
B'BDOS PRIVATE INITIATIVES IN HOUSING	300	200	SDA
SPECIAL DEVELOPMENT ACTIVITIES FUND	300	300	SDA
SPECIAL DEVELOPMENT ACTIVITIES FUND	300	300	ESF
FAMILY PLANNING I. E. C. OPG (IPPF)	500		POP
PD&S (POP)	200	150	POP
POPULATION & DEVELOPMENT	1,000		POP

INFRASTRUCTURE EXPANSION AND
MAINTENANCE SYSTEMS DEVELOPMENT

	ARDN	POP	HEALTH	EDUC	SDA	ESF	TOTAL
INFRASTRUCTURE EXPANSION AND MAINTENANCE SYSTEMS DEVELOPMENT						23,300	23,300
ST LUCIA GEOTHERMAL						2,000	2,000
INFRASTRUCTURE EXPANSION AND MAINTENANCE SYSTEMS DEVELOPMENT						21,000	21,000
ST. KITTS ROAD/FORT						6,750	6,750
ANTIGUA WATER II						3,800	3,800
GRENADA INFRASTRUCTURE MAINTENANCE SYSTEMS DEV DESIGN/COORDINATION CONTRACT						9,500	9,500
PD&S (ESF) REGIONAL TRAINING						950	950
						300	300
HIGH IMPACT AGRICULTURE DEVELOPMENT	7,600					5,000	12,600
ONGOING PROGRAMS	1,320					500	1,820
ST. KITTS RESOURCES MANAGEMENT						500	500
EASTERN CARIBBEAN FARM SYS. (CARDI)	1,320						1,320
HIGH IMPACT AGRICULTURE MARKETING & PRODUCTION	5,000					4,500	9,500
MARICULTURE DEVELOPMENT						750	750
CACAO REHABILITATION						1,000	1,000
BANANA REHABILITATION						2,000	2,000
TREE CROP DEVELOPMENT							
INTENSIVE AGRICULTURE						750	750
DESIGN/COORDINATION CONTRACT	3,700						3,700
PRODUCERS ASSOCIATION DEV. OPG	1,000						1,000
ENVIRONMENTAL ASSESSMENT	300						300
PD&S (ARDN) AGRICULTURAL EXTENSION III REGIONAL TRAINING	405 875						405 875
PRIVATE SECTOR - LED PRODUCTIVE INVESTMENT IN MANUFACTURING AND TOURISM DEVELOPMENT				7,450	11,550	1,900	20,900
ONGOING PROGRAMS						6,800	7,300
PRIVATE SEC. DEV. ASST. PROG (CAIC)						800	800
INVESTMENT PROMOTION/EXPORT DEV.						5,770	5,770
ACCEL. PRIVATE SECTOR DEV. (CPDF)						500	500
CREDIT UNION DEV. II						230	230
INFRASTRUCTURE/PRODUCTIVE INVEST II				7,450			7,450
REGIONAL MANAGEMENT INSTITUTE						1,400	1,400
TOURISM DEVELOPMENT						4,250	4,250
SMALL ENTERPRISE ASSISTANCE						500	500
PD&S (SDA) REGIONAL TRAINING							
PUBLIC MANAGEMENT AND INSTITUTIONAL DEVELOPMENT			900	800		5,000	6,700
ONGOING PROGRAMS			700	700		5,000	6,400
PUBLIC MANAGEMENT & POLICY PLANNING						4,500	4,500
REGIONAL PHARMACEUTICALS MANAGEMENT			700				700
REGIONAL DEVELOPMENT TRAINING II				700			700
INTER-AGENCY RESIDENT MISSION						500	500
HEALTH RESOURCES MANAGEMENT							
STRUCTURAL REFORM SUPPORT PROGRAM							
PD&S (HRD)			200	100			300
PD&S (HEALTH)							200
OTHER PROGRAM COMPONENTS	1,700				600	300	2,600
BASIC NEEDS TRUST FUND II							
B'BDO'S PRIVATE INITIATIVES IN HOUSING II						300	300
SPECIAL DEVELOPMENT ACTIVITIES FUND						300	300
SPECIAL DEVELOPMENT ACTIVITIES FUND						300	300
FAMILY PLANNING I. E. C. OPG (IPPF)	500						500
PD&S (POP)	200						200
POPULATION & DEVELOPMENT	1,000						1,000
PRIVATIZATION OF FAMILY PLANNING							

	ARDN	POP	NDA	EDUC	SDA	ESF	TOTAL
INFRASTRUCTURE EXPANSION AND MAINTENANCE SYSTEMS DEVELOPMENT					2,000	17,800	19,800
ST LUCIA GEOTHERMAL							
INFRASTRUCTURE EXPANSION AND MAINTENANCE SYSTEMS DEVELOPMENT					2,000	17,500	19,500
ST. KITTS ROAD/PORT						2,850	2,850
ANTIGUA WATER I I						3,800	3,800
GRENADA INFRASTRUCTURE MAINTENANCE SYSTEMS DEV					2,000	10,000	10,000
DESIGN/COORDINATION CONTRACT						850	850
PD&S (ESF)						300	300
REGIONAL TRAINING							
HIGH IMPACT AGRICULTURE DEVELOPMENT	6,000					9,800	15,800
ONGOING PROGRAMS	2,130						2,130
ST. KITTS RESOURCES MANAGEMENT							
EASTERN CARIBBEAN FARM SYS. (CARDI)	2,130						2,130
HIGH IMPACT AGRICULTURE MARKETING & PRODUCTION	2,500					9,800	12,300
MARICULTURE DEVELOPMENT						1,800	1,800
CACAO REHABILITATION						2,500	2,500
BANANA REHABILITATION						1,500	1,500
TREE CROP DEVELOPMENT						1,500	1,500
INTENSIVE AGRICULTURE						2,500	2,500
DESIGN/COORDINATION CONTRACT	2,000						2,000
PRODUCERS ASSOCIATION DEV. OPG	500						500
ENVIRONMENTAL ASSESSMENT							
PD&S (ARDN)	370						370
AGRICULTURAL EXTENSION III	1,000						1,000
REGIONAL TRAINING							
PRIVATE SECTOR - LED PRODUCTIVE INVESTMENT IN MANUFACTURING AND TOURISM DEVELOPMENT				4,350	13,800		18,150
ONGOING PROGRAMS					3,000		3,000
PRIVATE SEC. DEV. ASST. PROG (CAIC)					280		280
INVESTMENT PROMOTION/EXPORT DEV.					2,720		2,720
ACCEL. PRIVATE SECTOR DEV. (CPDF)							
CREDIT UNION DEV. I I							
INFRASTRUCTURE/PRODUCTIVE INVEST. I I					6,200		6,200
REGIONAL MANAGEMENT INSTITUTE				4,350			4,350
TOURISM DEVELOPMENT							
SMALL ENTERPRISE ASSISTANCE					4,100		4,100
PD&S (SDA)					500		500
REGIONAL TRAINING							
PUBLIC MANAGEMENT AND INSTITUTIONAL DEVELOPMENT			1,600	2,100		4,600	8,300
ONGOING PROGRAMS				2,000			2,000
PUBLIC MANAGENT & POLICY PLANNING							
REGIONAL PHARMACEUTICALS MANAGEMENT							
REGIONAL DEVELOPMENT TRAINING I I				2,000			2,000
INTER-AGENCY RESIDENT MISSION							
HEALTH RESOURCES MANAGEMENT			1,500				1,500
STRUCTURAL REFORM SUPPORT PROGRAM						4,600	4,600
PD&S (HRD)				100			100
PD&S (HEALTH)			100				100
OTHER PROGRAM COMPONENTS		1,150			500	10,300	11,950
BASIC NEEDS TRUST FUND I I						10,000	10,000
B'BDO'S PRIVATE INITIATIVES IN HOUSING I I					200		200
SPECIAL DEVELOPMENT ACTIVITIES FUND					300		300
SPECIAL DEVELOPMENT ACTIVITIES FUND						300	300
FAMILY PLANNING I. E. C. OPG (IPPF)							
PD&S (POP)		150					150
POPULATION & DEVELOPMENT							
PRIVATIZATION OF FAMILY PLANNING		1,000					1,000

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FY1987 ANNUAL BUDGET SUBMISSION
TABLE I- LONG RANGE PLAN BY APPROPRIATION (\$000)

538 CARIBBEAN REGIONAL

	FY 1984 ACTUAL	FY 1985 ESTIMATE	-----FY 1986----- CP ESTIMATE	FY 1987 AAPL	-----PLANNING PERIOD----- 1988 1989 1990 1991				
AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION									
TOTAL	3218	7944	6100	7600	6000	6500	6000	6000	6000
GRANTS	3218	5644	6100	7600	6000	7500	6000	6000	6000
LOANS	--	2300	--	--	--	2000	2000	2000	2000
POPULATION PLANNING									
TOTAL	1050	2015	1600	1700	1150	1000	1000	1000	1000
GRANTS	1050	2015	1600	1700	1150	1000	1000	1000	1000
LOANS (CENT PROC COMMOD)	--	--	--	--	--	--	--	--	--
HEALTH									
TOTAL	940	3450	1500	900	1600	1000	500	500	500
GRANTS	940	3450	1500	900	1600	1000	500	500	500
LOANS	--	--	--	--	--	--	--	--	--
EDUCATION									
TOTAL	2057	5010	8800	8250	6450	5500	5500	5500	5500
GRANTS	2057	5010	6300	8250	6450	5500	5500	5500	5500
LOANS	--	--	2500	--	--	--	--	--	--
SELECTED DEVELOPMENT ACTIVITIES									
TOTAL	17918	7985	22000	12150	16300	21000	17000	17000	17000
GRANTS	5918	4950	7000	12150	16300	18000	14000	14000	14000
LOANS	12000	3035	15000	--	--	3000	3000	3000	3000
SUBTOTAL FUNCTIONAL ACCOUNTS									
TOTAL	25183	26404	40000	30600	31500	35000	30000	30000	30000
GRANTS	13183	21069	22500	30600	31500	33000	27000	27000	27000
LOANS	12000	5335	17500	--	--	5000	5000	5000	5000
INTERNATIONAL DISASTER ASSISTANCE									
TOTAL	220	--	--	--	--	--	--	--	--
GRANTS	220	--	--	--	--	--	--	--	--
LOANS	--	--	--	--	--	--	--	--	--
TOTAL DA ACCOUNT									
TOTAL	25403	26404	40000	30600	31500	35000	30000	30000	30000
GRANTS	13403	21069	22500	30600	31500	33000	27000	27000	27000
LOANS	12000	5335	17500	--	--	5000	5000	5000	5000
ECONOMIC SUPPORT FUND (RDO/C)									
TOTAL	30820	20000	30000	35500	42500	20500	21000	21500	22000
GRANTS	23320	20000	30000	35500	42500	20000	20000	20000	20000
LOANS	7500	--	--	--	--	--	--	--	--
ECONOMIC SUPPORT FUND (GRENADA)									
TOTAL	46966	19024	--	--	--	--	--	--	--
GRANTS	46966	19024	--	--	--	--	--	--	--
LOANS	--	--	--	--	--	--	--	--	--
DA AND ESF TOTAL									
TOTAL	103189	65428	70000	66100	74000	55500	51000	51500	52000
GRANTS	83689	60093	52500	66100	74000	53000	47000	47000	47000
LOANS	19500	5335	17500	--	--	5000	5000	5000	5000
HOUSING GUARANTEES									
	--	10000	--	--	--	--	--	--	--

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 FY 1987 ANNUAL BUDGET SUBMISSION
 TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE			ESTIMATED U. S. DOLLAR COST (\$000)								FY87 APPL	PEACE CORPS	ITEM NUMBER
OBLIG G DATE L INIT FIN	TOTAL COST		OBLIG THRU FY84	FY 84 PIPE- LINE	FY 1985		FY 1986						
	AUTH	PLAN			OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES					
AGRICULTURE, NUTRITION, AND RURAL DEVELOPMENT													
5380000	PROGRAM DEVELOPMENT AND SUPPORT				SUBCAT: FNPA		%PVO						
G 75 C	--	--	2272	453	634	350	405	370	370		8750		
5380010	REGIONAL AGRIBUSINESS DEVELOPMENT				SUBCAT: FNPE		%PVO						
L 77 77	6500	6500	6500	482	--	158		324			14063		
5380057	AGRIBUSINESS EXPANSION				SUBCAT: FNPE		%PVO						
L 80 80	6000	6000	6000	2560	--	1500	--	111	--		14047		
5380068	CARIBBEAN AGRICULTURAL EXTENSION II				SUBCAT: FNEX		%PVO						
G 82 86	5930	5930	4260	1760	1670	1500		930			8762		
5380080	CARIBBEAN REGIONAL TRADING COMPANY				SUBCAT: FNPE		%PVO						
G 82 82	225	225	225	164	--	53	--	111			11054		
L 82 82	4000	4000	4000	3885	--	793	--	1275			11055		
5380084	CARIBBEAN FINANCIAL SERVICES CORPORATION				SUBCAT: FNPE		%PVO						
L 85 85	--	2300	--	--	2300	200		1000			11060		
5380099	EASTERN CARIBBEAN FARM SYSTEMS				SUBCAT: FNDR		%PVO						
G 83 87	7550	7550	2236	1306	1314	1250	1320	1250	2130		8763		
5380112	ANTIGUA LIVESTOCK DEVELOPMENT - OPG				SUBCAT: FNMC		%PVO 100						
G 84 85	530	530	264	161	266	100	--	175			12825		
5380132	CARIBBEAN AGRICULTURAL EXTENSION III				SUBCAT: FNEX		%PVO						
G 86 90	--	5000	--	--	--	--	875	500	1000		14064		

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FY 1987 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE			ESTIMATED U. S. DOLLAR COST (\$000)							'FY87	PEACE	ITEM
OBLIG	--TOTAL COST--		OBLIG	FY 84	----FY 1985----	----FY 1986----	EXPEND-	EXPEND-	APPL			
G DATE	AUTH	PLAN	THRU	PIPE-	OBLIG-	EXPEND-	OBLIG-	EXPEND-				
L INIT FIN			FY84	LINE	ATIONS	ITURES	ATIONS	ITURES				
-----AGRICULTURE, NUTRITION, AND RURAL DEVELOPMENT (CONTINUED)-----												
5380136	NATIONAL DEVELOPMENT FOUNDATION ASST. - OPG			SUBCAT: FNPE			%PVO	:				
G 85 85	260	260	--	--	260	180	--	80	--			
5380140	HIGH IMPACT AGR MARKETING & PRODUCTION			SUBCAT: FNAI			%PVO					
G 86 91	--	30000	--	--	--	--	5000	1500	2500			
5380147	INT. MANAGEMENT, PRODUCTION, & MARKETING OPG			SUBCAT: FNAI			%PVO 100			PC		
G 85 86	--	1500	--	--	1500	200	--	400	--			
TOTAL FOR ACCOUNTS	30995	69795	25757	10771	7944	6284	7600	8975	6000			
GRANTS	14495	50995	9257	3844	5644	3633	7600	5316	6000			
LOANS	16500	18800	16500	6927	2300	2651	0	3659	0			

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FY 1987 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE			-----ESTIMATED U. S. DOLLAR COST (\$000)-----							'FY87	PEACE	ITEM
OBLIG	--TOTAL COST--		OBLIG	FY 84	----FY 1985----		----FY 1986----		APPL			
G DATE	AUTH	PLAN	THRU	PIPE-	OBLIG-	EXPEND-	OBLIG-	EXPEND-				
L INIT FIN			FY84	LINE	ATIONS	ITURES	ATIONS	ITURES				
POPULATION PLANNING												
5380000	PROGRAM DEVELOPMENT AND SUPPORT			SUBCAT: PNFP			%PVO					
G 75 C	--	--	266	36	50	45	200	160	150	8751		
5380039	POPULATION AND DEVELOPMENT			SUBCAT: PNFP			%PVO					
G 82 86	3500	4740	1800	514	1825	500	1000	600	--	8761		
5380116	FAMILY PLANNING I. E. C. OPG			SUBCAT: PNFP			%PVO 100					
G 84 86	962	988	273	143	140	240	500	54	--	12830		
5380143	PRIVATIZATION OF FAMILY PLANNING			SUBCAT: PNFP			%PVO 100					
G 87 91	--	3000	--	--	--	--	--	--	1000			
APPROPRIATION												
TOTAL	4462	8728	2339	693	2015	785	1700	1303	1150			
GRANT	4462	8728	2339	693	2015	785	1700	1303	1150			
LOAN	--	--	--	--	--	--	--	--	--			

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FY 1987 ANNUAL BUDGET SUBMISSION
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PROJECT NUMBER AND TITLE			-----ESTIMATED U. S. DOLLAR COST (\$000)-----							'FY87 APPL	PEACE CORPS	ITEM NUMBER
OBLIG G DATE L INIT FIN	--TOTAL COST-- AUTH PLAN	OBLIG THRU FY84	FY 84 PIPE- LINE	----FY 1985---- OBLIG- ATIONS	EXPEND- ITURES	----FY 1986---- OBLIG- ATIONS	EXPEND- ITURES					
HEALTH												
5380000	PROGRAM DEVELOPMENT AND SUPPORT		SUBCAT: HEPP			%PVO						
G 75 C	--	--	564	195	250	250	200	180	100	8753		
5380027	EPIDEMIOLOGY SURVEILLANCE AND TRAINING		SUBCAT: HECS			%PVO						
G 79 95	2185	2585	2185	504	400	504	--	400	--	11037		
5380055	HEALTH MANPOWER DEVELOPMENT OPG		SUBCAT: HEDH			%PVO 100						
G 80 84	1103	103	1103	264	--	264	--	--	--	11046		
5380069	HEALTH SECTOR RESOURCES MANAGEMENT		SUBCAT: HEDH			%PVO						
G 85 87	--	2500	--	--	--	--	--	--	1500	8770		
5380111	CARIBBEAN EYE CARE - OPG		SUBCAT: HEDH			%PVO 100						
G 83 83	250	250	250	191	--	100	--	91	--	11071		
5380120	GRENADA BLINDNESS PREVENTION		SUBCAT: HEDH			%PVO 100						
G 84 84	400	400	400	385	--	140	--	140	--	12831		
5380134	REGIONAL PHARMACEUTICALS MANAGEMENT		SUBCAT: HEDH			%PVO						
G 85 86	--	3500	--	--	2800	150	700	500	--	14067		
APPROPRIATION												
TOTAL	3938	10338	4502	1539	3450	1408	900	1411	1600			
GRANT	3938	10338	4502	1539	3450	1408	900	1411	1600			
LOAN	--	--	--	--	--	--	--	--	--			

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FY 1987 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE			ESTIMATED U. S. DOLLAR COST (\$000)							PEACE CORPS	ITEM NUMBER
OBLIG G DATE L INIT FIN	TOTAL COST AUTH PLAN	OBLIG THRU FY84	FY 84 PIPE- LINE	FY 1985 OBLIG- ATIONS	EXPEND- ITURES	FY 1986 OBLIG- ATIONS	EXPEND- ITURES	FY87 APPL			
EDUCATION AND HUMAN RESOURCES											
5380000	PROGRAM DEVELOPMENT AND SUPPORT			SUBCAT: EHPP		%PVO					
G 75 C	-- --	540	80	405	400	100		100		8754	
5380014	CARIBBEAN REGIONAL DEVELOPMENT TRAINING			SUBCAT: EHMA		%PVO					
G 79 85	4000 4000	3689	397	311	311	--	--	--		11033	
5380029	CARIBBEAN EDUCATION DEVELOPMENT			SUBCAT: EHED		%PVO					
G 79 83	10000 9958	9958	1009	--	1009	--	--	--		11038	
5380073	REGIONAL NON-FORMAL SKILLS TRAINING			SUBCAT: EHVT		%PVO					
G 82 85	3872 4072	872	416	3200	1000	--	916	--		11051	
5380087	REGIONAL DEVELOPMENT TRAINING II			SUBCAT: EHMA		%PVO					
G 83 87	5000 9500	2405	2331	1094	1500	700	1330	2000		8758	
5380094	REGIONAL MANAGEMENT INSTITUTE			SUBCAT: EHMA		%PVO					
G 86 88	-- 12500	--	--	--	--	7450	1400	4350		8767	
APPROPRIATION											
TOTAL	22872	40030	17464	4233	5010	4220	8250	3646	6450		
GRANT	22872	40030	17464	4233	5010	4220	8250	3646	6450		
LOAN	--	--	--	--	--	--	--	--	--		

FY 1987 ANNUAL BUDGET SUBMISSION
 TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE			ESTIMATED U. S. DOLLAR COST (\$000)							'FY87 APPL	PEACE CORPS	ITEM NUMBER
OBLIG G DATE L INIT FIN	--TOTAL COST-- AUTH PLAN	OBLIG THRU FY84	FY 84 PIPE- LINE	---FY 1985--- OBLIG- ATIONS	EXPEND- ITURES	---FY 1986--- OBLIG- ATIONS	EXPEND- ITURES					
SELECTED DEVELOPMENT ACTIVITIES												
5380000	PROGRAM DEVELOPMENT SUPPORT			SUBCAT: SDPP			%PVO					
G 75 C	-- C	2557	461	500	285	500	370	500		8755		
5380005	SPECIAL DEVELOPMENT ACTIVITIES FUND			SUBCAT: SDSH			%PVO		50	PC		
G 75 C	-- C	1855	191	300	320	300	285	300		8771		
5380016	CARIBBEAN INSTITUTIONAL DEVELOPMENT			SUBCAT: SRDO			%PVO					
G 78 83	1840 1840	1840	565	--	565	--	--	--		11034		
5380018	EMPLOYMENT INVESTMENT PROMOTION II			SUBCAT: SDEM			%PVO					
G 79 83	1400 1400	1400	436	--	321	--	115	--		11035		
L 79 79	8400 8400	8400	2775	--	1675	--	1105	--		11036		
5380032	ALTERNATIVE ENERGY SYSTEMS			SUBCAT: SDEG			%PVO					
G 79 84	7600 6939	6939	2330	--	1864	--	466	--		11039		
5380035	CREDIT UNION DEVELOPMENT OPG			SUBCAT: SDIL			%PVO		100			
G 80 84	1486 1486	1486	186	--	186	--	--	--		11040		
5380042	PROJECT DEVELOPMENT ASSISTANCE PROGRAM			SUBCAT: SDPP			%PVO					
G 81 84	6386 6386	6386	296	--	296	--	--	--		11042		
5380043	PRIVATE SECTOR INVESTMENT ASSISTANCE PROGRAM			SUBCAT: SDPE			%PVO					
G 81 87	2000 3600	2000	262	500	500	800	500	280		11043		
5380079	NATIONAL DEVELOPMENT FOUNDATION/DOMINICA OPG			SUBCAT: SDPE			%PVO					
G 82 84	300 300	300	62	117	120	--	59	--		11053		
5380081	BARBADOS PRIVATE INITIATIVES IN HOUSING			SUBCAT: SDHU			%PVO					
G 82 83	320 820	320	195	--	195	300	150	200		11056		

PROJECT NUMBER AND TITLE	ESTIMATED U. S. DOLLAR COST (\$000)										
	TOTAL COST			FY 84		FY 1985		FY 1986		FY87	PEACE
OBLIG G DATE L INIT FIN	AUTH	PLAN	OBLIG THRU FY84	PIPE LINE	OBLIG ATIONS	EXPEND ITURES	OBLIG ATIONS	EXPEND ITURES	APPL	CORPS	NUMBER
SELECTED DEVELOPMENT ACTIVITIES (CONTINUED)											
5380084	CARIBBEAN FINANCIAL SERVICES CORPORATION			SUBCAT: SDPE		%PVO					
G 83 83	400	400	400	400	--	25	--	100	--		11059
L 83 85	8000	11035	8000	8000	3035	1000	--	3000	--		11060
5380088	INFRASTRUCTURE FOR PRODUCTIVE INVESTMENT			SUBCAT: SDPE		%PVO					
L 84 84	12000	12000	12000	12000	--	--	--	3000	--		11062
5380089	INTER-AGENCY RESIDENT MISSION			SUBCAT: SDPE		%PVO					
G 82 83	676	676	676	282	--	282	--	--	--		11063
5380102	CARIBBEAN MARKETING ASSISTANCE OPG			SUBCAT: SDPE		%PVO 100				PC	
G 83 85	336	336	270	177	120	237	--	60	--		11069
5380119	INVESTMENT PROMOTION AND EXPORT DEVELOPMENT			SUBCAT: SDPE		%PVO					
G 84 86	8000	14000	1324	1324	2853	2000	5770	3030	2720		14072
5380133	SMALL ENTERPRIZE ASSISTANCE			SUBCAT: SDPE		%PVO		100			
G 85 88	--	10000	--	--	--	--	4250	1000	4100		14070
5380135	CARIBBEAN CREDIT UNION DEVELOPMENT II - OPG			SUBCAT: SDIL		%OPG 100					
G 85 86	530	530	--	--	300	100	230	350	--		
5380136	NATIONAL DEVELOPMENT FOUNDATION ASST. - OPG			SUBCAT: SDPE		%PVO		100			
G 85 85	260	260	--	--	260	200	--	60	--		
5380138	INFRASTRUCTURE EXPANSION & MAINT. SYSTEMS DEV			SUBCAT: SDRT		%PVO					
G 87 87	--	2000	--	--	--	--	--	--	2000		
5380144	INFRASTRUCTURE FOR PRODUCTIVE INVESTMENT II			SUBCAT: SDPE		%PVO					
G 87 88	--	10300	--	--	--	--	--	--	6200		
APPROPRIATION											
TOTAL	59934	92708	56153	29942	7985	10171	12150	13970	16300		
GRANT	31534	61273	27753	7167	4950	7496	12150	6865	16300		
LOAN	28400	31435	28400	22775	3035	2675	0	7105	0		

PROJECT NUMBER AND TITLE			ESTIMATED U. S. DOLLAR COST (\$000)							'F'87 APPL	PEACE CORPS	ITEM NUMBER
OBLIG G DATE L INIT FIN	--TOTAL COST-- AUTH PLAN		OBLIG THRU FY84	FY 84 PIPE- LINE	---FY 1985--- OBLIG- ATIONS	EXPEND- ITURES	---FY 1986--- OBLIG- ATIONS	EXPEND- ITURES				
ECONOMIC SUPPORT FUNDS												
5380000	PROGRAM DEVELOPMENT AND SUPPORT			SUBCAT: ESZZ		PVO						
G 85 C	--	--	--	--	250	200	300	260	300		14073	
5380005	SPECIAL DEVELOPMENT ACTIVITIES FUND			SUBCAT: ESZZ		PVO				PC		
G 73 85	599	1200	599	385	450		300	400	300		8773	
5380060	ACCELERATED PRIVATE SECTOR ASSISTANCE (CPDI)			SUBCAT: ESZZ		PVO						
G 82 85	1000	1500	1000	--	500	200	500	200	--		11049	
5380076	DOMINICA ROAD REHABILITATION			SUBCAT: ESZZ		PVO						
G 82 85	14900	14900	9600	6400	5700	6900	--	4800	--		11052	
5380082	PRODUCTIVE INFRASTRUCTURE REHABILITATION			SUBCAT: ESZZ		PVO						
G 82 83	14650	14650	11650	2694	3000	2786	--	2650	--		11057	
5380083	BANANA INDUSTRY REHABILITATION			SUBCAT: ESZZ		PVO						
G 82 82	1750	1750	1750	1234	--		--		--		11058	
5380084	CARIBBEAN FINANCIAL SERVICES CORPORATION			SUBCAT: ESZZ		PVO						
L 83 83	4000	4000	4000	4000	--	500	--	1000	--		11644	
5380089	INTER-AGENCY RESIDENT MISSION			SUBCAT: ESZZ		PVO						
G 85 86	--	800	--	--	300	150	500	200	--		12837	
5380090	ST LUCIA AGRICULTURE STRUCTURAL ADJUSTMENT			SUBCAT: ESZZ		PVO						
G 83 83	9500	9500	9500	8755	--	2500	--	2500	--		11064	
5380091	CUMBERLAND HYDRO-ELECTRIC			SUBCAT: ESZZ		PVO						
G 84 84	500	500	500	500	--	300	--	200	--		11505	
L 84 84	7500	7500	7500	7500	--	500	--	2700	--		11065	
5380096	PUBLIC MANAGEMENT & POLICY PLANNING			SUBCAT: ESZZ		PVO						
G 85 86	--	8000	--	--	3500	1000	4500	2500	--		8759	

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PROJECT NUMBER AND TITLE			-----ESTIMATED U. S. DOLLAR COST (\$000)-----							'FY87 APPL	PEACE CORPS	ITEM NUMBER	
OBLIG G DATE L INIT FIN	--TOTAL COST-- AUTH PLAN	OBLIG THRU FY84	FY 84 PIPE- LINE	----FY 1985---- OBLIG- ATIONS	EXPEND- ITURES	----FY 1986---- OBLIG- ATIONS	EXPEND- ITURES						
ECONOMIC SUPPORT FUNDS (CONTINUED)													
5380140	HIGH IMPACT AGR MARKETING & PRODUCTION					SUBCAT: ESZZ	%PVO						
G 86 91	-- 20000	--	--	--	--			4500	1000	9800			
5380142	BASIC NEEDS TRUST FUND II					SUBCAT: ESZZ	%PVO						
G 87 87	-- 10000	--	--	--	--				--	10000			
5380141	STRUCTURAL REFORM SUPPORT PROGRAM					SUBCAT: ESZZ	%PVO						
G 87 87	-- 15000	--	--	--	--				--	4600			
APPROPRIATION													
TOTAL	84649	227050	71649	56503	20000	22408	35500	39424	42500				
GRANT	66524	208925	53524	38496	20000	20766	35500	30950	42500				
LOAN	18125	18125	18125	18007	0	1642	0	8474	0				
TOTAL PROGRAM (RDO/C)													
TOTAL	206850	448649	177864	103681	46404	45276	66100	68729	74000				
GRANT	143825	380289	114839	55972	41069	38308	66100	49491	74000				
LOAN	63025	68360	63025	47709	5335	6968	0	19238	0				

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PROJECT NUMBER AND TITLE			ESTIMATED U. S. DOLLAR COST (\$000)							FY87 APPL	PEACE CORPS	ITEM NUMBER
OBLIG G DATE L INIT FIN	TOTAL COST-- AUTH PLAN	OBLIG THRU FY84	FY 84 PIPE- LINE	FY 1985 OBLIG- ATIONS	EXPEND- ITURES	FY 1986 OBLIG- ATIONS	EXPEND- ITURES					
GRENADA BILATERAL												
5430000	PROGRAM DEVELOPMENT AND SUPPORT				SUBCAT: SDSH		%PVO					
G 84 85	1700	1700	793	251	906	700	--	451	--			
5430001	ECONOMIC RECOVERY				SUBCAT: ESCT		%PVO					
G 84 84	10000	20000	10000	3000	10000	8000	--	5000	--			
5430002	FREE LABOR DEVELOPMENT OPG				SUBCAT: SDVP		%PVO					
G 84 85	870	870	406	267	464	500	--	231	--			
5430003	IMMEDIATE HEALTH CARE OPG				SUBCAT: SDPV		%PVO					
G 84 85	1530	2529	1529	1070	1000	1020	--	750	--			
5430004	PROJECT DEVELOPMENT ASSISTANCE				SUBCAT: SDPE		%PVO					
G 84 84	300	300	300	75	--	75	--	--	--			
5430005	AGRICULTURE SECTOR REVITALIZATION				SUBCAT: FNPA		%PVO					
G 84 85	1964	2264	1964	1564	300	300	--	820	--			
5430006	POINT SALINES AIRPORT				SUBCAT: ESZZ		%PVO					
G 84 84	19000	19000	19000	13624	--	1050		3574	--			
5430007	EMERGENCY ROAD REPAIR				SUBCAT: FNRR		%PVO					
G 84 84	500	500	500	455	--	445	--	--	--			
5430008	INFRASTRUCTURE REVITALIZATION				SUBCAT: ESZZ		%PVO					
G 84 84	6000	6800	6000	6000	800	4500	--	2300	--			
5830009	EDUCATION AND TRAINING				SUBCAT: EHSP		%PVO					
G 84 85	500	1136	500	500	636	400	--	400				

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PROJECT NUMBER AND TITLE			-----ESTIMATED U. S. DOLLAR COST (\$000)-----									
OBLIG	---TOTAL COST---		OBLIG	FY 84	---FY 1985---		---FY 1986---		'FY87	PEACE	ITEM	
G DATE	AUTH	PLAN	THRU	PIPE-	OBLIG-	EXPEND-	OBLIG-	EXPEND-	APPL	CORPS	NUMBER	
L INIT FIN			FY84	LINE	ATIONS	ITURES	ATIONS	ITURES				

GRENADA BILATERAL (CONTINUED)												

5430010	RELIEF AND RECONSTRUCTION					SUBCAT: SDSS		%PVO				
G 84 85	5150	8441	5150	2720	3291	3011	--	2050	--			

5430013	PRIVATE SECTOR DEVELOPMENT					SUBCAT:		%PVO				
G 84 84	724	1224	724	724	500	700	--	320	--			

5430014	SPECIAL DEVELOPMENT ACTIVITIES					SUBCAT:		%PVO				
G 84 85	200	200	100	89	100	110	--	79	--			

5430015	POLICY ANALYSIS AND PLANNING					SUBCAT:		%PVO				
G 85 85	--	1027	--	--	1027		--		--			

TOTAL PROGRAM - GRENADA												
TOTAL	48438	65991	46966	30339	19024	20811	0	15975	0			
GRANT	48438	65991	46966	30339	19024	20811	0	15975	0			
LOAN	--	--	--	--	--	--	--	--	--			

B. Overview: The recently completed development of country strategy statements, attached as annexes, and consequent revision of some aspects of our RDSS, has given rise to important rethinking of how we organize and structure our program and Mission to achieve the overall objectives approved in the last RDSS. This is reflected in Sections I and II. We have developed a different way of aggregating our activities (the program cluster) both for conceptual and operational purposes. This also is reflected in Table III. A. 1, which shows our FY 86 and 87 resource requirements by program cluster, with funding accounts along the right margin. Tables 2 and 3, still aggregated by program clusters, break out program resource requirements for FY 86 and 87, respectively, by funding accounts. Tables III.A.4 and 5 are the traditional ABS Tables I and IV, to satisfy the need for information presented in a way as to be easily integrable into Bureau and Agency budget presentations.

C. Aggregate Levels: For FY 86, we have held the over-all level to that of the CP, \$66.1 million, as instructed. For FY 87, resource requirements exceed a straight-lining of FY 86 levels, by \$7.9 million, and exceeded our FY APL (FY 86 Caribbean Regional CDSS) by \$14 million. The change from APL is wholly accounted for by an increase in ESF, with the most significant changes being additional funding for the Basic Needs Trust Fund through the CDB, the addition of the Structural Reform Support Program, and increased funding for infrastructure (including Grenada). Were we required to cut back to FY 86 levels, our current thinking would be to defer or eliminate funding for Health Resources Management (\$1.5 million) and \$4-5 of the \$10 million planned for the Basic Needs Trust Fund. Further savings of \$1.4 - 2.4 million would be sought through partial deferral of funding for either IPIP II or one of the interventions of the High Impact Agricultural Marketing and Production project, depending on pipeline drawdown of IPIP in the case of the former and the rate of sub-activity development in the case of the latter.

D. DA and ESF: The general rationale for use of DA (long-term economic structural change) and ESF (development programs with political and economic stabilization objectives) presented in the FY 86 ABS still underlies the RDC/C program. As we move to more tightly integrate our program, however, as described in Section I, the distinction blurs somewhat. As we restructure the program to provide for greater interaction and mutual reinforcement among its elements, the intention is that projects aimed at important short/medium term goals should also produce structural changes crucial to longer-term development prospects, and that longer-term institutional development efforts should increasingly contribute to short/medium term objectives as indicators that the desired long term transformations are indeed taking place.

The key element of the rationale for the ESF/DA split in funding has been that U.S. political and security interests in stability and the continuing successful development of free political and economic institutions in the region require funding in excess of that which could be supported with a pure DA rationale. This continues to be so, and we anticipate will continue to apply through the AAP period and beyond. Closer more systematic examination of the situation in each country has indicated medium-term constraints somewhat less tractable and requiring more intense focus than

previously planned. In large part for this reason, while we intend to maintain a rough balance between ESF and DA, we now foresee ESF requirements rising from 54% of program resources in FY 86 to 58% in FY 87. The DA-ESF split in FY 86 proposed here is almost exactly that presented in the FY 86 CP. For reasons noted above, in FY 87 the percentage of the program funded through ESF increases by 4%.

Within the DA level for FY 86, we have adjusted among functional accounts to reflect the conclusions of our strategy exercise. ARDN and EHR increase somewhat from CP levels, with offsetting reductions in Health and Population, and SDA remaining approximately the same. Within DA for FY 87, there are modest increases in EHR, Population and Health from the APL in the Regional CDSS, related primarily to timing of obligations, and a marginal decline in SDA. ARDN declines significantly, from \$10.5 million to \$6 million, but total resources proposed for agriculture actually exceed those proposed in the APL, with the difference accounted for by an increase in ESF funding under the High Impact Marketing Agricultural and Production project.

E. Other Funding Levels: With the expected authorization of a \$10 million HIG for Barbados in FY 85, no additional use of HIG resources are anticipated during the AAP period. As in the past, RDQ/C plans no PL480 program.

PART TWO - IMPLEMENTATION PLAN

I. PROJECT NARRATIVES AND DESIGN SCHEDULE

A. New Project Priorities

The Mission's Action Plan seeks to focus proposed resources on a limited number of program interventions that are of central importance to reaching the four strategy objectives. Emphasis will be placed on the three productive sectors: agriculture, tourism and manufacturing. Infrastructure to support these sectors is a requirement common to all three. In FY 86 and 87, the Mission is proposing a cluster approach to both agriculture and infrastructure projects to speed implementation and better utilize limited staff resources. Each project identified is important to achievement of regional and country strategy; however, in conformance with Bureau guidance, new projects are listed in priority by fiscal year. First priority is given to incrementally funded projects that require resources in FY 86 and FY 87. Second priority is given to planned amendments and new projects which are listed below in order of priority.

FY 1986^{1/}

- (1) High Impact Agriculture Development
 - (a) High Impact Agriculture, Marketing and Development 9,500
- (2) Infrastructure
 - (a) Regional Infrastructure Expansion and Maintenance Systems Development 21,000
- (3) Private Sector-led Productive Investment in Manufacturing and Tourism Development
 - (a) Investment Promotion and Export Development II 5,770
 - (b) Small Enterprise Assistance 4,250
 - (c) Regional Management Institute 7,450
 - (d) Regional Tourism Support 1,400
- (4) Other
 - (a) Barbados Private Initiatives in Housing 300

^{1/} For FY 86 the overall level is held to that of the CP.

FY 1987^{1/}

(1) High Impact Agriculture Development	
(a) High Impact Agriculture, Marketing and Development	12,300
(2) Infrastructure	
(a) Regional Infrastructure Expansion and Maintenance Systems Development	19,500
(3) Private Sector-led Productive Investment in Manufacturing and Tourism Development	
(a) Infrastructure for Investment Promotion	6,200
(b) Regional Development Training II	2,000
(4) Other	
(a) Basic Needs Trust Fund II	10,000
(5) Public Management and Institutional Development	
(a) Structural Reform Support Program	4,600
(b) Privatization of Family Planning	1,000
(c) Health Sector Resource Management	1,500

B. Analysis of Program Pipeline

The pipeline status of RDO/C is reasonably good given the high level of obligations over the past several years. As of March 31, 1985, the cumulative obligation level was \$402,109,000 of which \$130,141,000 remained unliquidated. The liquidation rate (annual expenditure/current year pipeline) has declined over the past three years as expenditures have not kept pace with high obligation rates. Although high obligation rates are expected to continue over the planning period, higher rates of expenditure should occur as projects obligated in recent years begin to mature. It can be expected that the liquidation rate will begin to improve in FY 86.

^{1/} For FY 87, resource requirements exceed the FY 86 levels by \$7.9 million. If required to reduce the FY 87 program to the level of FY 86, Health Resources Management (\$1.5 million) would be eliminated or deferred; Basic Needs Trust Fund II would be reduced by \$4-5 million; and further savings of \$1.4-\$2.4 million would be wrought through partial deferral of Infrastructure for Investment II or an element of High Impact Agriculture.

RDO/C

COMPARATIVE SCHEDULE OF PROGRAM PIPELINE
(\$000)

	<u>THRU</u> <u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u> <u>(03/85)</u>
Cumulative Obligation								
RDO/C exclusive of Grenada	68,980	97,105	136,705	181,905	229,950	285,582	337,183	354,261
Grenada	-	-	-	-	-	-	46,966	47,848
RDO/C including Grenada	68,980	97,105	136,705	181,905	229,950	285,582	384,149	402,109
Cumulative Expenditure								
RDO/C exclusive of Grenada	15,977	45,400	61,954	123,348	164,289	203,629	232,732	249,360
Grenada	-	-	-	-	-	-	16,627	22,608
RDO/C including Grenada	15,977	45,400	61,954	123,348	164,289	203,629	249,359	271,968
Pipeline								
RDO/C exclusive of Grenada	53,003	51,705	74,751	58,557	65,661	81,953	104,451	104,901
Grenada	-	-	-	-	-	-	30,339	25,240
RDO/C including Grenada	53,003	51,705	74,751	58,557	65,661	81,953	134,790	130,141
Liquidation Rate (Annual Expend/Current Year Pipeline)								
RDO/C exclusive of Grenada	-	.57	.22	1.05	.62	.48	.28	2.32*
Grenada	-	-	-	-	-	-	.55	.48*
RDO/C including Grenada	-	-	-	-	-	-	.34	.34*

* Calculated on an annualized basis

C. RDO/C Documentation
and Authorization Schedule

<u>PROJECT TITLE</u>	<u>PROJECT NUMBER</u>	<u>LOP FUNDING (Millions)</u>	<u>INITIAL OBLIGATION</u>	<u>PID APPROVED</u>	<u>PP APPROVED</u>	<u>AUTHORIZATION</u>
Barbados Private Initiatives in Housing	538-0081	.8	82	6/85	9/85	9/85
Regional Development Training II ^{b/}	538-0087	9.5	83	4/86	10/86	10/86
Investment Promotion and Export Development ^{b/}	538-0119	14.0	84	10/85	3/86	3/86
Small Enterprise Assistance	538-0133	10.0	86	5/85	10/85	10/85
Regional Infrastructure Expansion and Maintenance Systems Development ^{a/}	538-0138	82.0	86	8/85	1/86	1/86
High Impact Agriculture, Marketing and Development ^{a/}	538-0140	50.0	86	10/85	3/86	3/86
Regional Management Institute	538-0094	12.5	86	10/85	4/86	4/86
Regional Tourism Support	538-0139	1.4	86	11/85	1/86	1/86
Infrastructure for Productive Investment II	538-0144	10.3	87	2/87	6/87	6/87
Structural Reform Support Program	538-0141	15.0	87	8/86	12/86	12/86
Basic Needs Trust Fund II	538-0142	10.0	87	11/86	3/87	3/87
Privatization of Family Planning	538-0143	3.0	87	9/86	12/86	12/86
Health Sector Resources Management	538-0069	2.5	87	7/86	1/87	1/87

^{a/} Will have multiple authorizations and will be amended in FY 87

^{b/} These are amendments

D. Project Narratives

PROJECT TITLE: High Impact Agriculture, Marketing and Production

PROJECT NUMBER: 538-0140

PROJECT FUNDING: FY86 \$ 9,500,000
FY87 \$12,300,000
LOP \$50,000,000

APPROPRIATION
ACCOUNTS: ESF/ARDN

PID APPROVAL: RDO/C approval authority is not requested

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

Contributions by the Agricultural Sector to Gross Domestic Product, to export earnings, and to employment have not been expanding concomitant with the potential of the sector. The CDSS statements for the countries of the Eastern Caribbean assign an important role to increased agricultural output, exports, and employment. RDO/C regional agricultural development programs have strengthened agricultural research, extension, credit, and marketing institutions have had some measure of success in improving the productivity of the sector through the provision of improved technology, services, and (to a very limited degree to date) access to markets. Agriculture expansion in general, including RDO/C programs, however, remains seriously constrained by underdeveloped marketing systems and poor access to markets.

With this Project the RDO/C will support a set of market-led, high-impact agricultural development initiatives in the Eastern Caribbean which represent an intensification and deepening of our knowledge of how to promote rapid change in agriculture. The Mission will use the foundation of work previously accomplished to push through the barriers to entry in the high-volume export markets. This will call for a concentration and focus of all RDO/C projects in agriculture, characterized by strong private sector linkages from the competitive markets to the producers.

THE SETTING

The soils and climate of the Eastern Caribbean produce a wide variety of agricultural commodities. Production is seasonal with at least one distinct dry season; irrigation is required for year-round production of many crops. Rainfall is more abundant in the Windwards than the Leewards. The farms are generally on hillsides and are usually smaller than three acres. Intercropping is widely practiced with very little area in monoculture, sugar being the principal exception. Farming is generally a part-time vocation practiced predominantly by older persons. Outside of bananas and sugar, the farmer usually produces for the local market which, due to its small size, experiences both gluts and scarcities. Prices vary some but very little processing, preserving, and storing is done to carry stocks through to the scarce season. Prices

tend to reflect the cost of importing a commodity from outside the region. The farmgate price of many commodities grown in the region tends to be higher than the retail price in the North American and European markets. The principal pattern of inter-island agricultural trade is from St. Vincent and Grenada to Trinidad and from Dominica to Guadeloupe. Efforts to increase inter-island trade have met with limited success due to high production costs, irregular and expensive transportation links, import restrictions, and the lack of wholesale agents.

PROJECT STRATEGY, ACTIVITIES AND IMPLEMENTING ORGANIZATIONS

The project strategy is to concentrate resources at the level of individual countries in the Eastern Caribbean in order to deliver high-quality commercial exports. In each instance, the initiatives will be market driven, with output related to a known buyer or established distribution and marketing channel. The crop lines tentatively selected will be evaluated during the design phase for market and production applicability. A "factory shell" concept is proposed in the category named "intensive agriculture", which allows the project to support the construction of facilities to be used by investors, who bring their own management, technology and access to markets. As these foreign investor initiatives prove successful, the technology will be extended to surrounding small farmers, who will sell into the nucleus estate's marketing channel. Banana rehabilitation, with emphasis on Dominica, is funded as a short-term necessity while longer developing exports reach fruition. The British banana market can be profitable, but the protected status and resulting high cost to consumers suggests this is not a crop line to pursue indefinitely.

After completing the design of the activities, interventions in mariculture, floriculture, winter vegetables, cacao, bananas, and private investor incentives for export production will begin in FY86. In 1987, tree crops will be added. During the remainder of the strategy planning period, new prospects for export agriculture will be included under the project, which also covers a design and coordination contractor, and OPG funding for local producer and marketing group organization and support. As each crop line or intervention requires research, extension, credit, policy changes, and/or marketing assistance, the High Impact Agricultural Marketing and Production activities will specify tasks or services to be achieved by the regional agricultural support institutions, such as CARDI, and CAEP, which benefit from specific RDO/C institution-building funding under other projects.

The activities under this project will be operationally linked with the institution-building projects supported by other AID programs. Response to private sector initiatives, where resources and capacity must be positioned to move faster than the usual project development cycle of AID will be facilitated by the flexible design of the project. By concentrating direct marketing and production support under one project, RDO/C expects to gain the economies of scale, market penetration, and management control which separate interventions will not allow. New initiatives can be tested under pilot conditions, and if successful, added to the project. Supporting services of marketing, technology

transfer, extension, research, credit, and farmer organization can be mobilized for specific crop lines or intercropped production. It will also allow shifts within the project from activities which are not successful to those which are, without major difficulties with program agreements already signed, or de-obligations and cancellation of agreements in force.

Management of the activity levels will be aided by a design and coordination contract which RDO/C intends to implement in FY86. A multi-disciplinary team is expected to provide support in daily management; administrative, accounting, and management information systems; marketing linkages; agricultural economic analysis; subproject activity design; and RDO/C program and donor coordination. Marketing and production specialists will be placed in the larger producing countries.

MARICULTURE DEVELOPMENT: \$2,750,000: The Project will develop mariculture opportunities, utilizing the findings of work that has been conducted in the region by the Smithsonian Institution and private sector firms which have been involved with developing viable mariculture activities. The Project will start initiatives in Grenada, St. Vincent and Antigua where optimal environmental and biological conditions will be identified. Three major areas will be financed to carry out mariculture and related fisheries projects.

(1) Feasibility Studies

This will focus on analyzing the technical feasibility of potential innovations and their appropriateness to a particular site.

(2) Pilot Scale Implementaion

This will test proposed innovations and determine the specific techniques which are best suited to the proposed site. Based on the information developed, a decision can be reached whether major capital should be invested.

(3) Commercial Implementation

Private sector involvement on a commercial basis will be developed at this stage, with joint venture partnership or other mechanisms to provide incentives to the private sector. Activities which will be focused on include appropriate fishery system, production, harvest, processing and marketing. Potential projects include freshwater prawns, shellfish such as clams, oysters and mussels, Caribbean king crab, sea welk and conch.

As part of increasing the production of high-value seafood, an improved marketing element will be incorporated into the subproject. There is currently a limited distribution system for marketing seafood products. Improvement will be considered to assist with storage and processing facilities, docking facilities and other market infrastructure which may be identified. These efforts will concentrate on small-scale operations in the private sector to provide new employment, develop secondary and tertiary opportunities in the fishery sector and increase the incomes of small-scale fishermen.

INTENSIVE AGRICULTURE (FARM SHELLS): \$3,250,000: The penetration of extra-regional markets for row crop fresh produce will require, inter alia, mechanization, irrigation, medium to large scale operations, experienced management, and close ties to the markets. This type of operation presently does not exist in the region, and suitable land is limited. The highest-value target markets will tend to be seasonal but with the prospect of intra-regional sales for off-peak production. There is some possibility of year-round markets for certain exotics.

The project will promote and support variations of what might be called a "farm shell" program modeled after the RDO/C factory shell program. The project will locate private investors with market access and finance appropriate nucleus agricultural estates with the necessary infrastructure including roads, water, electricity, cleared land, and basic structures required for mechanized and irrigated farming. Parcels of the estate would then be leased to firms or individuals with established marketing channels to produce for export, just as the factory shells are presently leased. The lease for the parcel, however, will require that small farmers be assisted to enter production of the same commodities and to market their produce.

CACAO REHABILITATION \$3,500,000: Several countries in the region have been historical producers of cacao including Grenada, St. Vincent and St. Lucia. The potential also exists in Dominica for the establishment of a cacao industry. Current production is extremely uneven, with widely varying farm management and cacao processing techniques being practiced. Appropriate shading, correct pruning and fertilizing, and processing of the beans is also lacking, leading to varying qualities of the final product.

The project will assist in the rehabilitation of existing acreage where cacao is now being produced. Several thousand additional acres will be established in high yielding, hybrid trees with an improved farm management package. Introduction of improved processing methods to increase quality will also be promoted under the Project. The Project will provide credit for agricultural inputs and technical assistance in production as well as improve the methods for marketing cacao in international markets. The Project will bring cacao production in the region to a reliable volume which is of high quality and can be marketed to international firms. The Project will assist existing organizations and institutions as well as the lessor to bring small farmers into the program and to meet the quality and cost of production standards established on the estate"

BANANA REHABILITATION: \$3,500,000: Bananas represent major foreign exchange earnings for the Windward Islands. However, markets are protected, costs and prices well above international standards. Fixed costs are spread across insufficient output levels, dragging down returns to the more efficient farmers. The industry on Dominica in particular has the potential for increasing export volumes, but will require an infusion of capital to accomplish more productive banana plantings.

The RDO/C will use its banana rehabilitation funds to assist the banana industry take the necessary action to become profitable, at higher levels of overall production. Incentives will be provided to replant banana stands on more frequent intervals and expand the more efficient "field boxing" method of packing export fruit. Bananas will be supported during the period when other high impact agricultural opportunities are coming on-stream.

A major constraint to increased banana production in the region is the advanced age of the banana plants now being cultivated. Bananas, being a ratoon crop, require replanting in order to maintain optimal production. Recommendations advise that bananas be replanted at the end of the third ratoon harvest to sustain economic levels of production. In practical terms this means that 20 to 25 percent of any given acreage should be replanted on a yearly basis. In many instances, the replanting rate is considerably below the recommendations, as indicated by the total regional production which has been declining over the past five years.

The replanting of banana requires the application of appropriate levels of fertilizer and other agricultural inputs to ensure that the new plants reach full production quickly. The depleted financial state of some Banana Growers Associations, such as in Dominica, make it extremely unlikely that farmers will be able to obtain inputs on a timely basis to carry out replanting activities.

The Project would make available the capital to boost banana production. This would include agricultural inputs to farmers agreeing to replant their fields in accordance with recommendations. The association would distribute the inputs through its usual distribution channels to the certified growers who have met the criteria established for the replanting activity.

ORCHARD CROP MARKETING AND REHABILITATION \$1,500,000: Most of the arable land in the islands is best suited for tree crop production due to steep slopes and fragile soils. Nutmeg and cacao have been extensively cultivated in Grenada, and coconuts are important in St. Lucia and Dominica. Significant numbers, but fewer, fruit trees have been cultivated in most of the islands. British aid has been supporting additional planting of fruit trees in Dominica and St. Lucia. Most of the fruit trees are on small holdings and tend to be widely scattered; there are few pure stand orchards. Regional trade has been limited mainly from St. Vincent and Grenada to Trinidad and from Dominica to Guadeloupe. The only significant extra-regional market for the fruit has been Britain.

The Project will work with established produce traders in the U.S. and locally to determine which commodities have the best chance for sale; to establish quality standards, methods of handling and shipping, and price and shipment schedules; and to set up a program of trial

shipments followed by increasingly larger shipments. The Project will identify the source areas in the islands which produce the best quality and best priced fruit, or which have the potential to do so and will work with estate owners and small holders through existing organizations and institutions to rehabilitate and properly husband the existing stock while planting pure orchards for future stock. Production efficiency will be stressed with the aim of substantially lowering prices while improving quality. Infant-industry-type subsidies may be provided when they can be justified and properly controlled. The Project will support increased intra-regional trade in those fruits which can replace imported fruits.

FARMER GROUP ORGANIZATION AND DEVELOPMENT: \$1,500,000 (OPG):

The RDO/C will provide funding for support to the farmers and farmer associations directly connected with the high-impact agricultural production and marketing project. Several Private Voluntary Organizations, such as CLUSA, have proposed OPG projects which would provide technical assistance at the level of farmer group development. While the Eastern Caribbean has a difficult history with formal cooperatives, there is broad scope for development of producers, users, marketers, and growers associations, with attendant support in management, agricultural husbandry, accounting and market understanding.

DESIGN, COORDINATION AND MANAGEMENT CONTRACT: \$6,000,000:

One oversight contract will be let to provide design support for new agricultural initiatives, ensure coordination among RDO/C activities and with other donors, and provide supervision and management for specific interventions which may be performed by other contractors. The cluster contractor will be required to station a headquarters unit on Barbados, with management, information system and computer, marketing linkages and agricultural economic feasibility study specialities. In addition, the contract will call for positioning long-term specialists on the major islands in the Eastern Caribbean, to coordinate and direct individual crop-line interventions. The contractor will be funded to provide pilot test demonstrations of new prospects, and to coordinate the work of other more specialized contractors working on specific interventions, such as cacao rehabilitation.

The contractor will be required to undertake procurement services, provide short-term design or evaluation assistance, and match computerized information systems and vouchers to the RDO/C management, audit and accounting systems. The contract requirements, to be further specified as the project is developed, will provide the RDO/C with an extension of its own agricultural staff, in a period of declining direct-hire positions coinciding with increased bilateral agricultural production support.

REGIONAL ENVIRONMENT ASSESSMENT: \$300,000: The RDO/C will fund a regional assessment of the environmental implications of high-impact agriculture, and the environmental costs and benefits of a diversification from traditional agriculture. As the soils are fragile and on steep slopes, the solutions must encompass significant soil conservation methods and concerns. The regional assessment will provide guidelines for the development of the remainder of the agricultural activities under the Project.

FINANCIAL PLAN (\$'000)

<u>Activity</u>	<u>FY86</u>	<u>FY87</u>	<u>ACCT.</u>
Mariculture	750	2,000	ARDN
Intensive Agriculture	750	2,500	ARDN
Cacao Rehabilitation	1,000	2,500	ESF
Banana Rehabilitation	2,000	1,500	ESF
Orchard Crop Marketing, and Rehab.	0	1,500	ARDN
OPG (Farmer Organization)	1,000	500	ARDN
Design/Coordination Contract	4,000	2,000	ARDN
Regional Environmental Assessment	<u>300</u>	<u>0</u>	ESF
TOTAL	\$9,500	\$12,300	

PROJECT TITLE: Regional Infrastructure Expansion and
Maintenance Systems Development

PROJECT NUMBER: 538-0138

PROJECT FUNDING: FY86 \$21,000,000
FY87 \$19,500,000
LOP \$82,000,000

APPROPRIATION
ACCOUNT: ESF/SDA

PID APPROVAL: RDO/C plans to submit a PID in July, 1985.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

A consistent theme in both the RDSS and the individual country strategies is the need for basic infrastructure to support the development of tourism and productive enterprise while improving market access for both the agriculture and manufacturing sectors. Unfortunately, a number of factors have contributed to the deterioration of infrastructure in most of the eastern Caribbean LDC's. In the past ten years, the decline in U.K. involvement coupled with increased energy costs, has reduced the funding available for maintenance and replacement of infrastructure. This situation has been further worsened by the widespread destruction of infrastructure by severe hurricanes in 1979 and 1980. The result has been deteriorated transportation networks; inadequate electricity generation and distribution; poor water and sewer services; and poor facilities for handling of import/export material; all of which militate against the attraction of the local and foreign investment that promote growth and create employment opportunities. In short, without substantial improvement in essential basic infrastructure, the success of the regional strategy of economic growth led by the productive sectors of tourism, agriculture and manufacturing will be compromised.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING ORGANIZATIONS

The deterioration in basic infrastructure is the result of inadequate resources to maintain and replace existing infrastructure and to meet the demand for additional capital investments. The present situation of declining service is a complex phenomenon that begins with inadequate funding for routine maintenance. The consequent deterioration tends to further increase the cost of maintenance and the need for replacement at the same time that the declining level and quality of service is reducing needed revenue by driving away commercial users who provide revenue through taxes and user fees. New investment cannot be attracted and the deterioration increases as less-and-less funding is available for operations, maintenance and replacement, let alone the addition of new facilities to bring back the commercial users. This circle can only be broken by investments to improve and augment the infrastructure inventory while concentrating on the establishment of operations and maintenance systems. The combination of adequate infrastructure, operations and maintenance will result in service levels essential to attract commercial users and the revenue they produce.

Because of the commonality of the problems and needs, this project proposes to use a sectoral approach that will enable more rapid responses to requests for infrastructure funding; speed construction; and provide consolidated resources to address the problems associated with operations and maintenance. RDO/C will contract in FY86 with a broad based A&E firm to perform feasibility studies, design facilities, and, where appropriate, supervise construction of infrastructure projects throughout the region. Technical assistance, training, and commodities for the maintenance component would be provided through a separate TA contractor which would work closely with the A&E to coordinate assistance.

A PID and PP will be prepared for the entire \$82 million project. The PP will include all necessary information for authorization and obligation of funds for the specific activities identified below, plus clear criteria and a defined documentation process for developing additional activities to be included in the project. When additional activities are developed authorization amendments and separate obligating documents will be executed. All construction of infrastructure will be funded through bilateral grants to respective countries.

At present, the maintenance activity and three bilateral activities have been identified. A synopsis of each activity is provided below, followed by a financial plan for project funding in FY86 and FY87.

ST. KITTS PENINSULA ROAD CONSTRUCTION AND NEVIS PORT

IMPROVEMENT: \$9,900,000: The South East Peninsula Road is identified in the St. Kitts/Nevis strategy as a major activity to open an area of approximately 4,500 acres that is presently inaccessible due to the absence of a road across the rugged terrain which separates it from the remainder of the island. Access to the land resources on the Peninsula is essential to the development of tourism facilities which will provide employment opportunities and foreign exchange earnings. At present, preliminary designs and cost estimates are being completed along with recommendations regarding the development of the Peninsula and the protection of areas with unique environmental characteristics.

Construction of improved port facilities in Charlestown will give Nevis the capability to transport containerized cargo which will improve its access to markets and promote a better climate for the attraction of foreign manufacturing companies. The EDF has already indicated its interest in entering a co-financing arrangement to finance construction.

ANTIGUA WATER II: \$7,800,000: AID is presently funding a major activity in Antigua to improve the supply, transmission, and distribution of scarce water resources. The proposed project would finance the construction of transmission and distribution lines necessary to ensure adequate service to users. The project also includes a major transmission line and related storage facilities required to integrate the new planned desalinization plant with the rest of the water system. In particular, it will ensure that St. John's has adequate service and that the island's numerous tourist developments do not experience water shortages during the seasonal droughts which have had adverse impact in the past.

GRENADA INFRASTRUCTURE: \$19,000,000: Grenada's physical infrastructure is in a serious state of decline and has been identified as the major constraint to development of the manufacturing, tourism and agriculture productive sectors. Major interventions are required to improve transportation (roads and bridges); public utilities, including potable water, sewerage, solid waste, and electricity supply and distribution; public tourist attractions; and health and education institutions. Major emphasis will be placed on transportation and public utilities in order to provide better access to markets and adequate utilities required to attract light manufacturing and promote tourism development.

MAINTENANCE SYSTEMS DEVELOPMENT: \$2,000,000: The inadequacy of both preventive and corrective maintenance procedures and capabilities has contributed to the current problems of inadequate public infrastructure prevalent throughout the region. At present, RDO/C is conducting a maintenance assessment that will be used to develop an activity to address the constraints identified. The focus of this activity will be the establishment of preventive maintenance systems by providing technical assistance and commodities to the public works departments in the region. Assistance will be provided to develop maintenance systems even for systems where AID is not providing capital assistance. The program will be managed by a single technical assistance consultant which will work closely with the A&E IQC to foster coordination of inputs.

FINANCIAL PLAN

	<u>FY 86</u>	<u>FY 87</u>
A&E Services	950	850
St. Kitts/Nevis Activity	6,750	3,150
Antigua Water II	3,800	4,000
Grenada Infrastructure	9,500	9,500
Maintenance Systems Development	<u>-0-</u>	<u>2,000</u>
TOTAL	21,000	19,500

PROJECT TITLE: Investment Promotion and Export
Development II

PROJECT NUMBER: 538-0119

PROJECT FUNDING: FY 84 \$ 1,252,365
FY 85 \$ 2,853,000
FY 86 \$ 5,770,000
FY 87 \$ 2,720,000
LOP \$14,000,000

APPROPRIATION
ACCOUNT: SDA

PP AMENDMENT: RDO/C requests approval authority for this
\$6.0 million PP Amendment.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

The three critical weaknesses in the Region's economies are their dependence on traditional basic commodities, their small internal markets, and rising unemployment. The obvious remedy is diversification into the production of goods and services in demand outside the Region, especially those with a high labor content.

The A.I.D. near-term strategy is to create an environment for rapid growth in private business investment which leads to increased employment and exports. The initial target is the attraction of enclave manufacturing enterprises. Enclave manufacturing will provide the short-term benefits necessary in the present circumstances. However, such enterprises can provide substantial long-term benefits to their host economy if they are anchored to regional and domestic enterprises. The long-term A.I.D. strategy will strive to link enclave manufacturing to regional and domestic producers through incentives for forward and backward subcontracting in both productive and service industries. For this the first step is to create more local enterprises serving the export manufacturer. The second step is to assist local enterprises to expand their services or products for larger domestic or regional markets. The third step is to bolster enterprises serving local markets. Since there are limits to employment in government, the private commercial sector, with traditionally low capital-labor ratios, must be the employment generator for the future.

In FY 1984, RDO/C authorized the Investment Promotion & Export Development Project (538-0119, \$8 million) to identify and promote private investment in productive, export-oriented businesses in the Eastern Caribbean LDCs, Belize, and Barbados. This ongoing Grant is financing the second stage of the PDAP investment promotion scheme under contract to Coopers and Lybrand (follow-on to the PDAP project), technical assistance for the Eastern Caribbean Central Bank in carrying out the IPIP (Factory Space) project, and contains funds for evaluations of the Coopers and Lybrand contract and of the overall RDO/C private sector program. The proposed \$6.0 million dollar project amendment will expand funding for the Coopers and Lybrand contract and the evaluation component as well as add several new complementary components to the project.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTATION
ORGANIZATIONS

The IPED amendment will contain the five components listed below, all directly linked to the near-term and long-term strategies noted above:

1. Private Investment Incentive Fund - \$3,000,000

Enterprises seeking to locate in the region face high initial costs, particularly during the first year or two of operation as they train workers, establish transportation linkage, adapt technology, and otherwise assume large cash outflows with minimum cash inflows. Frequently, investment proposals which have been guided under the Coopers and Lybrand contract and approved by the involved Industrial Development Corporation/host government either languish as the prospective investor tries to secure adequate capital for start-up costs or fail to materialize because the total financing package is not in place. The IPED amendment will establish a system for providing grant funds through IDCs to permit them to off-set selected start-up costs of new investors using direct grants or convertible debt instruments. For example, the fund could be used to finance training costs, refurbish equipment or the factory shell itself, construct appropriate loading/handling facilities at the factory, etc. RDO/C would have to concur in each use of the fund. We would expect individual transactions to be \$150,000 or less and used to provide that final piece of incentive to make the investment decision.

In addition to facilitating investment decisions for new enterprises, it will serve to support the privatization of public enterprises where only a small capital contribution from the fund is necessary to bridge the gap between the sales or lease terms acceptable to the involved OECS government and the terms acceptable to the private investor.

2. Privatization Technical Assistance - \$500,000

The process of privatization is often hampered by inadequate information as to the objective value of the property under consideration, as well as legal, procedural and public relations/political complications. In Grenada a contractor is presently providing technical assistance to the GOG to develop and implement a privatization strategy. This component will allow for the financing of similar technical assistance for the other OECS countries. As has been the case in Grenada, the PDAP contractor would be primarily responsible for investor search and promotion related to privatization.

3. Caribbean Investment Promotion Service - \$1,600,000

CIPS offers training in New York in investment promotion to representatives of several of the Eastern Caribbean islands and Belize. AID/PRE and other donors supported CIPS during its first two years of operations, and after receiving favorable reports from the participating countries and from an independent evaluator hired by PRE, RDO/C intends to finance CIPS for three years beginning in October, 1985.

The training and international exposure these officers receive in New York and their rotation back to their home countries to serve in their national investment promotion offices will be a valuable complement to the Coopers and Lybrand effort to institutionalize the investment promotion process in each of the Eastern Caribbean LDCs. This activity will be implemented by the UNIDO Investment Promotion Service.

4. Private Sector Program Evaluation & Design - \$500,000

This two-year contract will provide for: serial evaluations of all ongoing private sector projects; a continuing, cumulative evaluation of the effectiveness of the overall RDO/C private sector strategy; and analysis and design services for the private sector projects to be prepared during FY 86 and 87. This work will be carried out under contract by a private firm or consortium under the direction of RDO/C.

5. IPED Amendment- \$400,000

The new contract with Coopers and Lybrand clearly establishes job creation as its primary indicator of performance by the contractor. While this is consistent with our near-term strategy emphasizing employment and export creation, it has caused the contractor to concentrate on those sectors and investments which offer the most rapid payoff in terms of jobs and export sales. An unintended consequence of this focus has been the comparative neglect of investment promotion directed at agro-industrial opportunities, because individual agro-industrial investments generally require less labor than equivalent enclave industrial investments. The IPED amendment will finance a supplement of the contract that will allow increased focus on agro-industry, particularly the processing of high-value crops with export potential, without the need to reduce the level of effort presently devoted to manufacturing. The amendment will also address the increased level of effort required by the Grenada program, and the modest assistance now being considered for Montserrat.

FINANCIAL PLAN

Private Investment Incentive Fund	\$3,000,000
Privatization Technical Assistance	500,000
Caribbean Investment Promotion Service	1,600,000
Private Sector Program Evaluation & Design	700,000
PDAP Investment Promotion	7,800,000
ECCB Factory Shell T.A.	400,000
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LOP TOTAL	14,000,000

PROJECT TITLE: Small Enterprise Assistance

PROJECT NUMBER: 538-0133

PROJECT FUNDING: FY 86 \$ 4,250,000
FY 87 \$ 4,100,000
LOP \$10,000,000

APPROPRIATION
ACCOUNT: SDA

PID APPROVAL: PID approved FY 85. Mission was granted authority to approve PP.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

Small and medium businesses in the Caribbean can make a significant contribution to employment; they are also essential to domestic capital formation, balanced growth and diversification of the manufacturing and service industries. The growth of these enterprises, however, is constrained by small markets, readily available imports, high costs of inputs and low labor productivity. A variety of unmet needs further restrict their ability to be more productive. These vary considerably by country, by sector of the economy, and by the individual business entity, but broadly include limitations in the area of administrative capabilities, marketing access and skills, technical capabilities, infrastructure support and credit.

The objective of AID's strategy in the Caribbean is to promote self-sustained economic growth through the development of the private, productive sectors. This growth strategy is predicated on the attraction of foreign investors who typically bring infusions of much needed capital, up-to-date technology and, most importantly, access to markets. A complementary component of this strategy involves the development of indigenous enterprises, using the increased dollars from wage labor on export earnings and tourist purchases as the market spur to local investment. To date, the larger local businesses have proven to be most responsive to programming initiatives since they are the more likely joint venture partners to foreign manufacturers, and as such are the developers and implementors of new, bankable projects. To further broaden and deepen the private, productive base in the region, assistance will be provided to medium and smaller enterprises, particularly those with growth potential.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING ORGANIZATIONS

The proposed project aims to establish the small and medium size enterprise as a significant contributor to national income and employment. To achieve this objective, the project will assist small and medium entrepreneurs in eight Eastern Caribbean countries to establish, maintain or expand their operations through: increased availability of financial, technical, and marketing assistance; strengthened capacity of

indigenous institutions to deliver quality assistance; improved coordination between different local assistance institutions; inclusion of marketing assistance in country level assistance efforts; and an improved capacity to represent their concerns to local and regional decision makers.

Small and medium manufacturers, agro-processors, and providers of services essential to the manufacturing, agriculture or tourist sector will comprise the target group of entrepreneurs. The focus will be on those firms capable of utilizing technical assistance, training, marketing assistance and/or credit, but lacking the means to obtain such assistance. Generally, the target entrepreneur will have underdeveloped skill levels for dealing efficiently with procurement, marketing, and/or general business and financial management issues, as well as cash flow problems and other capital constraints.

The project will consist of three components: technical assistance and training for small/medium businesses; credit for small/medium businesses; and grants and grant-financed assistance to the National Coordinating Entity and other local institutions as appropriate. The first two components will address the need for coordinated delivery of financial and technical assistance to the target group. The latter component is intended to improve the overall quality of small/medium business assistance efforts throughout the Caribbean.

Responsibility for project implementation will be at both the regional and national level. The project will finance the services of a Regional Coordinating Entity to channel project resources to the national level and coordinate appropriate regional assistance efforts. A National Coordinating Entity will be established and supported in each participating country in order to coordinate and facilitate the expansion of national level assistance efforts.

FINANCIAL PLAN

Technical Assistance and training	\$ 2,953,000
Credit	5,000,000
Administration	<u>2,047,000</u>
Total	\$10,000,000

PROJECT TITLE: Regional Management Institute
PROJECT NUMBER: 538-0094
PROJECT FUNDING: FY86 \$ 7,450,000
FY87 \$ 4,350,000
LOP \$12,500,000*

APPROPRIATION
ACCOUNT: EHRD

PID APPROVAL: RDO/C plans to submit a PID (in collaboration with USAID/Jamaica if appropriate) by October, 1985.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

AID's regional development strategy for the Caribbean is to promote broadly based economic growth through development of private sector growth in the productive sectors of the economy. In the past few years this has entailed attraction of overseas investment in manufacturing concerns and improvement in agricultural export capabilities. During the next five years a further push will be made to improve the Caribbean's share of the offshore manufacturing market, to focus more resources on tourist related earnings, and to expand agro-processing industries. This move toward growth in the productive sectors is based on the realization that foreign exchange earnings from traditional agriculture are dwindling and that emigration is a decreasing avenue for unemployment relief. The unfortunate reality which accompanies this shift in economic structure is that the labor force is little prepared to shift from farm and retail management to electronics, hotel, or agro-business management.

The success of development efforts in all the islands clearly depends on the existence of capable managers and a skilled work force, for enterprises cannot thrive without human resources to operate them. Presently, owners of factories, businesses, hotels, and utilities complain constantly of the lack of middle management and capable supervisors. Major enterprises are constrained from expansion because there is little entrepreneurial talent available. Public sector organizations operate at low levels of efficiency through an absence of administrative talent. RDO/C's future strategy for each of the islands contains policy objectives aimed at divestiture and reduction in public sector expenditures, investment targets based on the ability to attract new investment, and private sector growth based on achieving new levels of efficiency in production. In order to achieve these targets, a serious human resource development program must be undertaken and one component of that program is development of a management and entrepreneurial capacity.

* This figure represents RDO/C contribution only. Project possibly joint funded with USAID/Jamaica.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING ORGANIZATIONS

To address the need for a work force which must be focussed on management of the means of production, RDO/C must strengthen the management training capabilities of the region. Current management training activities are at the undergraduate or weekend seminar level and impact only isolated individuals who have little opportunity to affect the cultural peculiarities of management practices in the West Indies. There needs to be a more intensive effort to restructure concepts of senior, middle, supervisory, and entrepreneurial management by focussing time, financial, and human resources on strategic planning, marketing, finance, production, and export processing.

The proposed project will consist of three components; management skills development, entrepreneurial leadership development, and development of a private sector communication forum. The management skills development component will utilize both structured and unstructured mechanisms for conveying the formal information required to manage resources. These mechanisms will range from graduate education through on-the-job-training to informal skills training. The entrepreneurial development program will determine mechanisms for creating an investment mentality through multiple interventions such as curriculum additions at the primary and secondary school levels, youth groups such as Junior Achievers, discussion groups, seminars, etc. The communications forum will strive to bridge the gap between the public and private sector to increase the level of commitment to economic development of both groups.

The communications forum would build on organizations such as Chambers of Commerce, Manufacturers Associations, and Hotel Associations. It would: strive to develop a sensitivity to the beneficial role which the private sector plays in development and the critical services which must be provided by the public sector; develop a sense of civic responsibility within the private sector so that they realize the broader implications of their role in the economic growth of their nation; be one of the critical organizations to mobilize foreign and local financial resources for private sector development; establish a private and public sector dialogue which would increase communication and avert misinformation; and, organize private sector positions on issues which need to be presented in the public forum.

FINANCIAL PLAN

Technical Assistance	\$ 3,000,000
Training	\$ 3,000,000
Commodities	\$ 1,000,000
Other	\$ 5,500,000
TOTAL	\$12,500,000

PROJECT TITLE: Regional Tourism Support

PROJECT NUMBER: 538-0139

PROJECT FUNDING: FY86 \$1,400,000
LOP \$1,400,000

APPROPRIATION
ACCOUNT: ESF

PID APPROVAL: RDO/C approval authority is herein requested.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

One of the three areas in which the countries of the Caribbean can generate employment and foreign exchange earnings is tourism. Unlike the other productive sectors, agriculture and manufacturing, tourism is the only area in which the Caribbean has a clear competitive advantage. Proximity to the North American market and a consistently pleasant climate has resulted in tourism accounting for approximately a 20% contribution to GDP and for the employment of 20% of the labor force. While these indicators speak to the importance of tourism in the Caribbean, the fact remains that the seven countries which make up RDO/C's portfolio are also plagued by extremely high unemployment and foreign exchange deficit problems.

RDO/C's RDSS is to promote economic growth (thereby reducing unemployment and generating foreign exchange earnings) by focussing on an expansion of the productive sectors. In tourism, this will require improved international marketing and improved development of the tourism product. While Antigua has had success at marketing itself as a major tourist destination, Dominica, St. Lucia, Grenada, St. Kitts-Nevis, and St. Vincent and the Grenadines, have not successfully distinguished themselves as final destinations nor have they developed their product sufficiently to satisfy the majority of North American tourists. Our strategy is to assist these countries in attracting foreign investment in tourism, identifying and promoting their unique niche among the Caribbean islands, and developing a regional capacity for maximizing North American market penetration.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING ORGANIZATIONS

A regional tourism promotion program proposal has been prepared by the Caribbean Tourism Research Center (CTRC) and the Caribbean Tourism Association (CTA) that covers marketing Caribbean tourism in North America and improving the tourism product to respond to the demands of the market. Funding is being sought from CIDA and the IDB as well as A.I.D. The proposal includes the following elements:

- a) Marketing Intelligence - A marketing expert will assist CTA and CTRC to analyze trends in the North American market on a continual basis. This information will be provided to member states to enable them to formulate marketing strategies.

- b) Marketing Training - Marketing experts will develop, manage and deliver training courses to improve Caribbean marketing performance.
- c) Other elements of the Marketing Program - The marketing program will provide a regular flow of information to retail travel agents and other suppliers to the travel industry. Sales materials will be prepared, such as multi-destinational brochures, posters, maps and slides, and seminars, workshops and expositions will be held in the market place. The marketing experts will also participate in regularly scheduled meetings in the Caribbean involving private and public sector participants involved in development of the tourism product. These sessions will provide a forum for evaluating and updating the marketing campaign. Visitor surveys will also be conducted on an ongoing basis at the tourism destinations to assist in evaluating the marketing strategy as well as to identify aspects of the tourism product that need improvement.
- d) Product Development - Experts based with CTCR in Barbados will devise plans and advise governments in the area of national tourism sector development based on overall development priorities and absorptive capacity. Complementary training will be provided in product analysis and development, creation of attractions, product pricing, etc.

FINANCIAL PLAN

Technical Assistance	\$ 500,000
Training	150,000
Commodities, surveys, etc.	300,000
Trade Expositions	375,000
Meetings/Travel	<u>75,000</u>
TOTAL	\$1,400,000

PROJECT TITLE: Barbados Private Initiatives in Housing
PROJECT NUMBER: 538-0081
PROJECT FUNDING: FY82-85 \$320,000
FY86 \$300,000
FY87 \$200,000
LOP \$820,000
APPROPRIATION
ACCOUNT: SDA
PP AMENDMENT: RDO/C will amend the existing grant.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

In 1980, the Government of Barbados (GOB) took macroeconomic actions to: moderate inflation by shrinking mortgage lending; control housing sector use of foreign exchange; and, encourage investment in productive sectors. National Insurance Fund resources which had supported long term lending as deposits in trust companies were redirected to finance the budget. Budgetary resources available for publicly financed shelter were reduced. The critical requirement for shelter financing and home improvement loans among low income families remained. In 1982 through a \$10 million Housing Guaranty (HG) and companion grant, AID provided assistance in: (1) analyzing the housing industry; and, (2) providing HG resources for home improvement loans, tenantry purchases and home mortgages. The GOB has now adopted a shelter policy that targets resources on low income beneficiaries and encourages private sector development of low cost housing. However, the GOB needs to expand the program to provide financing to private financial institutions; better define the roles of the GOB financial intermediaries; and determine the private sector's role in carrying out GOB shelter policy. These policy changes and institutional reforms are essential to further improvement in the delivery of low cost housing. The regional strategy recognizes the demand for low cost housing and the need for strong financing and planning institutions to effect responses.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING ORGANIZATIONS

The stated goal of the Housing Guaranty (HG) and this companion grant is to institutionalize an effective system for the delivery of shelter to low income people on a sustainable basis, including appropriate roles for both public and private sectors, and to assure the availability of adequate public and private resources to support implementation of the National Housing Policy. The HG will be authorized in FY85 and this companion grant will be authorized in FY86 and obligated in FY86 and FY87. The principal objective of the grant will be to provide technical assistance to the Ministry of Housing and Lands (MOHL) to implement the National Housing Plan. A resident technical consultant, augmented by short term technical assistance will assist the MOHL in:

- 1) formulating and managing the shelter program, i.e. developing techniques for monitoring and controlling activities of the various implementing agencies;
- 2) conducting policy oriented research; and
- 3) expanding capability and resources of public financial intermediaries.

FINANCIAL PLAN

Technical Assistance

820

PROJECT TITLE: Infrastructure for Productive Investment II
PROJECT NUMBER: 538-0144
PROJECT FUNDING: FY87 \$ 6,200,000
LOP \$10,300,000
APPROPRIATION
ACCOUNT: SDA
PP AMENDMENT: RDO/C requests approval authority for this
\$6.2 million PP Amendment.

DEVELOPMENT PROBLEM AND CONSISTENCY WITH RDO/C STRATEGY

RDO/C's portfolio for addressing the constraints to private sector growth has expanded during the last three years to incorporate the construction of factory shells, the provision of investor promotion services, management training, and credit assistance. Special constraints to growth in the manufacturing, tourism and agricultural sectors were resolved when AID financed infrastructure improvements such as road rehabilitation, construction of hydroelectric facilities, and upgrading of water systems. RDO/C has made inroads into removing these constraints but has found that additional infrastructure deficiencies must now be addressed.

As the region becomes more developed and moves beyond the very basic problems which must be dealt with by the public sector on behalf of the population as a whole, they move into areas in which deficiencies in basic infrastructure can be resolved by the combined efforts of private investors. Infrastructure improvements conducive to this approach are: communications, transport, and shipping facilities. This type of support for increased private production and productivity, with resulting increases in employment and export earnings, is at the center of the RDO/C strategy. By FY 87, when this activity is anticipated for obligation, the mission will have experience with private sector investment in infrastructure under IPIP I and the subject project can be expected to build upon the lessons learned under that project.

PROJECT COMPONENTS, ACTIVITIES AND IMPLEMENTING ORGANIZATIONS

The project will be an amendment to IPIP I and will include the planning, design, and construction of private industrial infrastructure. Project activities will include the promotion of the project throughout the Eastern Caribbean, project preparation by private investors, lending by private banks, and construction by private firms. RDO/C expects at least one sub-project in each of the Eastern Caribbean islands, selected to respond to the immediate needs of businesses operating or considering beginning operations in this region. A typical sub-project might be the installation of private cargo handling facilities capable of loading and unloading large containers; or the financing of an industrial maintenance company to service industrial estates and individual businesses which would prefer to contract for such services. The primary Project Administrator is yet to be determined; implementing organizations at different subproject levels will be private banks, businesses, and A/E and construction firms.

FINANCIAL PLAN

Technical Assistance	\$ 300,000
Training	\$ 200,000
Construction	<u>\$ 9,800,000</u>
AID TOTAL	\$10,300,000
Other Investor Equity	<u>\$ 5,000,000</u>
PROJECT TOTAL	\$15,300,000

PROJECT TITLE: Regional Development Training II

PROJECT NUMBER: 538-0087

PROJECT FUNDING: FY83-85 \$3,498,000
FY86 \$ 700,000
FY87 \$2,000,000
LOP \$9,500,000

APPROPRIATION
ACCOUNT: HRD

PP AMENDMENT: RDO/C has the authority to amend the project authorization from \$5.0 million to \$9.5 million

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

The shortage of trained technical and managerial personnel is a formidable constraint to development throughout the Caribbean. Evidence of this shortcoming is found in both the public and private sectors of the region. In the public sector, the lack of trained professionals in economic planning and financial management positions contributes to poor fiscal performance, and the weak administrative capacity of line agencies responsible for implementing major parts of public sector investment programs is a serious impediment to rapid and efficient project implementation. In the private sector, the dearth of effective supervisors and mid-level managers capable of directing production, marketing, finance and customer relations activities inhibits efforts to improve the efficiency of existing operations and to establish new productive enterprises.

AID's strategy in the Caribbean promotes the development of the productive sectors through largely private sector-oriented interventions. The attraction of foreign investment in manufacturing operations, the diversification into non-traditional agricultural exports, the expansion of tourism activities, and the development of local entrepreneurial talent are important elements of this growth strategy. The success of these initiatives will depend to a large extent on the availability of skilled and professional workers. In order to realize AID's strategic objectives in the region, a human resource development program designed to address the spectrum of training needs will be undertaken.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING AGENCIES

The Regional Development Training II project presently has two components. The first is designed to provide integrated management and operational training to private firms. The training is in-country and implemented by the Barbados Institute of Management and Productivity (BIMAP). The original planned amount for this component, \$2,150,000 will not be increased in the expectation that the BIMAP-type training may be financed in the future through the Regional Management Institute project.

The second component provides training opportunities in the United States in order to improve the pool of manpower resources available to both the private and public sector. In addition to being supportive of AID's regional strategy in the Caribbean, this approach conforms with the Administrator's recent call for an increase in participant training. Both long and short term training grants to upgrade technical and managerial skills are offered to qualified individuals in the following fields: agriculture, education, health, population, nutrition, energy, environment, engineering, public and business administration, government services, economic development, information systems, science and technology, and journalism and media. At present this component is implemented by the Institute for International Training (IIE) under contract to RDO/C. Under the amendment, the amount of funding will be increased for both project and non-project related participant training. The allocations by country and target area will be determined by the Country Training Plans (CTPs) being prepared in late FY 85. The CTPs will also help determine whether or not a contract, such as the one with IIE will be used for the remainder of the project.

The third component of the amended RDT II project will focus on training of public sector personnel in key planning and financial management positions. The component will be implemented by the Training Division of the OECS/Economic Affairs Secretariat. This unit has been responsible for the basic public sector training in management, supervision and related skills under RDT I. The new focus of the OECS training unit will complement the technical assistance provided under the FY 85 Public Management and Policy Planning (PMPP) project, which is to be implemented in collaboration with the EAS.

FINANCIAL PLAN

BIMAP Component	\$2,150,000
General Participant Training Component	\$6,500,000
OECS Component	<u>\$ 850,000</u>
TOTAL	\$9,500,000

PROJECT TITLE: Basic Needs Trust Fund II
PROJECT NUMBER: 538-0142
PROJECT FUNDING: FY87 \$10,000,000
LOP \$10,000,000
APPROPRIATION
ACCOUNT: ESF
PID APPROVAL: RDO/C approval authority is herein
requested.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

The high rate of unemployment among the countries of the Eastern Caribbean and Belize is considered one of the most explosive problems facing the region today. Estimates of unemployment range from 19 percent in St. Kitts-Nevis to 30 percent in Grenada. Despite a concerted effort on the part of AID, other donors and individual governments to expand employment by stimulating the growth of productive enterprises, the full impact of many of these efforts is not expected before the late 1980's. In the interim, many Caribbean countries will continue to face severe financial problems which constrain their ability to deal effectively with their serious under and unemployment problems.

Added to the problem of unemployment is the inability of the Eastern Caribbean LDCs to finance the basic social and economic infrastructure required to support the development of the productive sectors. The small size of these countries renders the cost of infrastructural development relatively burdensome on a per capita basis. Yet, investment in the present to maintain and expand the existing capital stock is critical if the countries of the Eastern Caribbean expect to achieve higher levels of growth.

The objective of RDO/C's strategy in the Eastern Caribbean is to promote economic growth through a private sector-led expansion of the productive sectors of the economy. The Basic Needs Trust Fund II Project will contribute to this objective by developing and maintaining a stock of economic and social infrastructure which will support the development of the agriculture, manufacturing, and tourism sectors. Furthermore, the employment generated under this labor-intensive project will provide short-term relief to the high levels of unemployment in the region. Over time, AID's regional strategy should enable the participating countries to achieve a level of growth which will reduce unemployment and generate sufficient revenue to carry out activities of the type financed under this project.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING AGENCIES

The original Basic Human Needs (BHN) Project was developed in the late 1970's to address under and unemployment and the critical need for social and economic infrastructure. Under the BHN project, 110 high priority sub-projects including community water systems, health clinics, roads, drainage systems, soil conservation and reforestation were

undertaken in seven Eastern Caribbean countries and Belize. In addition, 110,000 work weeks of direct employment were provided, generating nearly \$4 million in direct additional earnings. The successor project, the Basic Needs Trust Fund (BNTF) Project, is expected to surpass its projected target of 100 sub-projects and to make substantial inroads in developing the maintenance capability of the participating countries.

The proposed project, Basic Needs Trust Fund II, will maintain the objectives established under the BHN and BNTF projects - to expand and conserve essential infrastructure and to reduce short-term unemployment. BNTF II will complement the proposed Regional Infrastructure and Maintenance Systems Project by meeting the smaller infrastructural needs (e.g. US\$500,000 per sub-project) of the participating countries and by reinforcing the development of preventive maintenance systems at the community level. The findings of the maintenance evaluation currently being conducted under BNTF will be used to improve maintenance practices specifically related to BHN and BNTF sub-projects and to establish the framework for the Regional Maintenance Systems Development activity.

There will be three components to the project: a physical infrastructure fund which will finance both construction and rehabilitation of existing infrastructure; a maintenance systems development program which will reinforce institutional developments effected under BNTF and expand community participation in maintenance activities; and, a project management and implementation team of CDB staff, Country Project Supervisors, and consultancy services for construction design and supervision as well as for project evaluation.

The project will continue to be implemented through the Caribbean Development Bank (CDB). This choice is based on the CDB's effective implementation of the BHN and BNTF projects, its role as a regional development institution and the cost savings effected through a regional rather than a bilateral approach. In addition, use of the CDB will demonstrate RDO/C's ongoing support for this important regional institution.

FINANCIAL PLAN

Physical Infrastructure	\$ 7,700,000
Maintenance Systems Development	\$ 400,000
Project Management and Implementation	\$ <u>1,900,000</u>
Total	\$10,000,000 =====

PROJECT TITLE: Structural Reform Support Program
PROJECT NUMBER: 538-0141
PROJECT FUNDING: FY87 4,600,000
LOP 15,000,000
APPROPRIATION
ACCOUNT: ESF
PID APPROVAL: RDO/C approval authority is herein
requested.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

This FY87 project is intended to provide direct assistance to nations in the Eastern Caribbean which desire to undertake basic policy changes, but do not have the short-term resources to see them over the transition period. The Strategy statement for the Annual Action Plan provides ample specification of the policy dialogue and policy changes being pursued by the RDO/C. Many of these changes represent structural adjustment in basic economic relationships, shifts and revision in tax and fiscal policy, budgetary spending restrictions for highly-visible and desired domestic programs.

The Structural Reform Support Program will key on the recommendations and actions being undertaken under the Public Management and Policy Planning (PMPP) project, and the high-level dialogues to be held regularly in each country by the RDO/C. This fund will provide support to the most important of policy change priorities, and help ensure that goodwill and intention is not lost due to limited resources to assist in the transition period.

PROJECT COMPONENTS, ACTIVITIES AND IMPLEMENTING ORGANIZATIONS

This project may provide program assistance when a government requires budgetary support during a period, for example, of declining tax revenues, prior to bringing new revenue sources online. Funding will flow directly to individual countries through bilateral agreements which may be used in conjunction with an ongoing project, such as PMPP, to leverage more rational economic, investment, fiscal and monetary policies. With the PMPP underway 18 months prior to the design of the Structural Reform Support Program, sufficient time will have elapsed to develop guidelines for the optimal use of program assistance in support of our policy agenda.

PROJECT TITLE: Privatization of Family Planning
PROJECT NUMBER: 538-0143
PROJECT FUNDING: FY87 \$1,000,000
LOP \$3,000,000
APPROPRIATION
ACCOUNT: POP
PID APPROVAL: RDO/C approval authority is herein
requested.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

After a number of years of donor supported family planning activities through government and/or private family planning associations in the Caribbean, recent surveys suggest that knowledge of at least one contraceptive method is nearly universal. These surveys also report however that a majority of women in the samples were "not trying to get pregnant" or "wanted no more children" at the time of their last pregnancy but that only one-third of the adult population is practicing family planning.

The problems of unplanned pregnancy for young women are personally devastating and impede national economic development. In some Caribbean countries school-aged mothers are prevented from continuing their public education, thereby stifling real economic opportunities for these women. The lack of day care facilities to support young working families has also been identified as an impediment to the continued and increased participation of women in the workforce.

RDO/C will continue to provide resources through population intermediaries to ensure that young women have access to family planning methods to enable them to delay childbearing and develop skills leading to productive employment. We will also examine the potential for private sector financed health, day care and family planning services delivery modules to enhance the welfare and productivity of workers.

This new project activity will not only encourage the expansion of programming to meet the needs of young working women in particular and families in general. A major focus of the activity is financial strengthening of service - providing institutions which operationalize the AID population strategy for improving organizational effectiveness, empowering these organizations to become less assistance-dependent, and fostering greater liaison by these organizations with the private sector.

PROJECT COMPONENTS, ACTIVITIES AND IMPLEMENTING ORGANIZATIONS

In recent years RDO/C has spent considerable effort in institution building and strengthening of family planning services. While not all of the private family planning associations are on comparable footing in relation to their ability to reach

self-sufficiency, several common observations are emerging: (1) that these private agencies are able to provide some family planning and related health services more effectively and with less cost than counterpart government organizations, and (2) that in order to survive on decreasing outside assistance, Family Planning Associations (FPAs) must take a more "private sector" attitude towards providing their special services to the community. These observations call for a more "marketing" approach for these non-profit organizations, i.e., studying the marketplace of consumers for the services which the associations now provide well to identify unserved consumers and develop strategies for attracting them to the association. It also requires identifying services which the FPA can provide more efficiently than public sector offices with a view to assuming more responsibility for provision of those activities. Finally, the private sector approach requires clearly articulated strategies for assessing the costs and benefits of current and proposed services as well as careful attention to long-term financial management and strategic planning.

This project is primarily designed to introduce the "marketing for non-profit organizations" management approach to FPAs in the region to better prepare them for greater financial independence. In FY 87 it is anticipated that a model program will be developed under the auspices of the Barbados Family Planning Association. Target audiences such as working women and teenage mothers will be addressed in developing specific program packages to meet their needs. Prepayment schemes will be developed particularly focused towards that segment of the FPA audience, e.g., factory employees, who may not now be receiving proper and regular family planning and related health care services. Programs for working women will include the traditional services of FPAs offered at times and places more suitable to this population. They will also include such activities as cooperative education programs jointly produced by employers funded through employer/employee contributions dealing with issues from industrial health, improved home management for working mothers, nutritional planning for children and infants, work attitudes, etc.

Other innovative program schemes will also be examined and tested in the first year of this three year project, e.g. FPA/private employer joint sponsorship of day care services with minimal fees for urban workers; FPA/government cooperative referral programs for teenage mothers and neonatals.

At the same time policy dialogue will be initiated regarding other "privatization" efforts, e.g. including provision for family planning and related health services in private health insurance programs.

FINANCIAL PLAN

Technical Assistance	1,300,000
Training	1,400,000
Commodities	200,000
Other	<u>100,000</u>
TOTAL	3,000,000

PROJECT TITLE: Health Sector Resources Management
PROJECT NUMBER: 538-0069
PROJECT FUNDING: FY87 \$1,500,000
LOP \$2,500,000
APPROPRIATION
ACCOUNT: HEALTH
PID APPROVAL: RDO/C approval authority is herein
requested.

DEVELOPMENT PROBLEM AND STRATEGY LINKAGES

The countries of the Eastern Caribbean have made significant strides in many health status indicators over the past several years. These achievements have been accompanied by a level of public and private expenditures on health care which, as a percentage of GNP, rival many developed countries. Still, the Ministries of Health of these countries face many common problems related to the provision of health care services in their respective countries. Perhaps the greatest problem they face is the realization that they cannot continue to finance the same level of health services for their increasing populations even in the near future. With budgets of 12-14 percent of public spending allocated to health services, these Ministers know they cannot look to even marginally increased budgets to expand the level of services provided.

As groundwork already laid by the Mission in FY 84 and 85 has clearly demonstrated, improvements and expansions of health care services currently being provided in the region must arise from more efficient use of available health sector resources. The need to maximize productivity and efficiency in the provision of health services is consonant with AID's health policy objectives of "helping developing countries become self-sufficient in providing broad access to cost-effective preventive and curative health services." This project is also designed to be consistent with the approved Mission strategy which calls for reducing the burden on the public sector while increasing cost effectiveness of health resources management.

PROJECT COMPONENTS, ACTIVITIES, AND IMPLEMENTING AGENCIES

This project will apply a comprehensive approach to improving the design, management and implementation of health services by both public and private resources. The principal components of the project include medium and long term technical assistance focused on personnel and supply management systems, financial analysis and planning, and health education. Academic and short term training opportunities will be available to upgrade the planning and management skills of senior

officials and in-country training at other administrative levels will be conducted in support of improved service delivery practices. Enhancement of the cost effectiveness of health programs will be stressed through introduction of systems to achieve cost containment of costly health services. Additionally, cost recovery for certain identified services will be introduced through prudent implementation of alternative financing systems.

FINANCIAL PLAN

Technical Assistance	\$1,100,000
Training	900,000
Commodities	350,000
Other	<u>150,000</u>
TOTAL	\$2,500,000

II. EVALUATION PLAN

RDO/C's FY 86-87 evaluation strategy combines a four-fold focus. Firstly, it is aimed at assessing the progress towards achievement of the overall Mission strategy objectives. Secondly it is designed to address individual project implementation issues and concerns to enable sound management of the Mission's portfolio. Thirdly, it is expected to assist the Mission in designing and programming future assistance. And finally, it will focus on progress of the Mission's program in meeting AID's major objectives of private sector growth, policy dialogue strengthening, institution building and technology transfer. Accordingly, the evaluation plan reflects an emphasis of evaluative work in the Mission's private sector, agriculture sector, infrastructure and public management programs.

A. Private Sector Program

Central to the Mission's overall strategy is its private sector program. The development goal is to stimulate market led economic growth in the private sector through increased investment, productivity and export promotion and to maximize generation of new employment opportunities. The program strategy emphasizes the establishment of conditions necessary to the achievement of this goal such as improved capital resources, improved managerial and entrepreneurial capabilities, improved infrastructural support, more conducive public policies and procedures, and more facilitative public services.

The private sector program evaluation will be conducted in two phases over 24 months. It will encompass those projects specifically designed to directly impact on the private sector as well as those which have only indirect impacts. At the program level, this evaluation will be expected to determine if the goals delineated in the strategy are being achieved and if the assumptions are valid. It will be expected to highlight strategy adjustments which may be required and to provide recommendations for refinement of direction. At the project level, the evaluation will determine the impact of individual projects upon private sector development, employment, and export growth. RDO/C will utilize information obtained from the program and project evaluations to assist in designing follow-on projects.

The private sector program evaluation will be conducted in FY 86 with the contracting process initiated in July, 1985. It will begin with a collation of macro and micro economic baseline data for the measurement of individual project and program indicators. Simultaneously, final evaluations of the Employment Investment Promotion II, Dominica Small Enterprise (NDFD), Caribbean Marketing Services and Credit Union Development projects will focus on the impact of these projects on employment, private enterprise development, and institutional development of private sector support institutions. During FY 86, the Regional Development Training II Project will be assessed to determine progress toward improved management training for private sector participants. During the second phase in FY 87, the Caribbean Financial Services Corporation, Infrastructure for Productive Investment and Investment Promotion Export Development projects will be evaluated to determine progress with regard to the provision of improved capital

resources to the private sector and impact on exports, investment and job creation. This second phase will incorporate findings from the first phase as well as private sector elements of those projects from other sectors which support the conditions necessary to the achievement of the private sector program goal.

B. Agriculture

In the agriculture sector, the Mission's strategy will focus on export based agricultural production through increased productivity, crop diversification, the promotion of public policies conducive to agricultural production, and improved marketing.

During FY 86, four activities in this sector will be evaluated. Evaluations of the Caribbean Agricultural Extension and Farming Systems Research projects will determine the extent to which these two initiatives are combining to transfer new technologies for crop diversification and increased production. Emphasis will also be placed on institutional development at the regional and national levels. The St. Lucia Agricultural Structure Adjustment project will be evaluated to determine its impact on investment in the agriculture sector and the progress made in implementing a marketing strategy. The Grenada Agriculture Sector Revitalization, the St. Vincent Agriculture, the St. Kitts-Nevis Natural Resource Conservation and the Antigua Livestock Improvement projects have been selected for evaluation during FY 87. These bilateral projects will be assessed to determine, inter alia, the extent to which changes conducive to the production and marketing of agricultural produce have been implemented. The lessons learned from these evaluations are expected to assist the Mission in designing and implementing further bilateral initiatives in this sector in FY 87 and FY 88.

C. Infrastructure and Energy

RDO/C's infrastructure program is designed to support growth in the productive sectors through: rehabilitation of roads to facilitate movement of produce to market, construction of hydroelectric plants to increase electricity available for industrial purposes, and rehabilitation of water systems to serve the tourism and manufacturing sectors. While the productive impacts of these projects will be analyzed under the previously discussed private sector program evaluation, individual project performance will be measured in separate final evaluations. In FY 86 the Dominica Road Rehabilitation project and in FY 87, the Grenada Infrastructure Revitalization and Productive Infrastructure Rehabilitation projects are scheduled for final evaluations.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL COMPLETED (MO./YEAR)	FY 1986 START (QTR)	TO AID/W (QTR)	FY 1987 START (QTR)	TO AID/W (QTR)	REASONS/ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
ARDN									
538-0099 Small Farm Multiple Cropping Systems Research II	10/82	3rd	4th			PACD 07/30/88 This evaluation will assess (a) the cost effectiveness of the performance approach to institution strengthening and determine its appropriateness for replication in the Caribbean; (b) the effectiveness of the project Management System; and (c) the appropriateness of the farming systems Research and Development methodology to effect, in conjunction with extension, farm level improvements in order to increase production.	FY 86 Project 30,000	15	
538-0068 Caribbean Agricultural Extension II	10/84	2nd	3rd			PACD 07/31/86 The evaluation will examine (a) the extent to which self-supporting, effective national and regional extension systems have been institutionalized; (b) the establishment of appropriate and functional linkages with both private and public sector agencies and the extent to which extension is effectively cooperating with research to transfer new technologies to impact on small farmer production.	FY 86 Project 25,000	10	
538-T-0021 538-0080 Caribbean Agricultural Trading Co. (CATCO)		3rd	3rd			PACD - 09/30/87 This project aims to improve regional self sufficiency through the removal of key constraints to marketing agricultural produce and through the promotion of new marketable products by LDC farmers. In particular, the evaluation will examine the overall performance of CATCO including progress made towards strengthening the institution and its financial viability, and its impact on regional trading patterns, production and private sector investment in regional agricultural trading.	FY 86 Project 30,000	10	10

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL. COMPLETED (MO./YEAR)	FY 1986		FY 1987		REASONS/ ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
		START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)				
538-0083 Dominica Banana Rehabilitation	3/85	4th	4th			PACD -06/30/86 This evaluation will assess the project's impact on the cost effectiveness and financial viability of the banana industry in Dominica. Specifically it will focus on the financial viability of the Dominica Banana Company and Dominica Producers Association, as well as the extent of private sector involvement in support of services for the industry.	FY 86 PD&S 20,000	10	AID/W TDY 10 person days
538-0090 St. Lucia Agriculture Structural Adjustment		1st	1st			PACD - 12/31/87 The purpose of this evaluation will be to identify the strengths and weaknesses in the implementation methodologies for all elements of the project and to recommend actions to either reinforce or correct them during the remainder of the project's life. In particular the evaluation will examine (a) the validity of the critical assumption that the Land Registry and Adjudication System will result in a measurable increase in agricultural investment and therefore productivity (b) the efficiency of the financial mechanism used to capitalize the Tenure Individualization Fund and (c) the extent to which private sector marketing initiatives are being stimulated.	Project 50,000	10	
538-0112 Antigua Livestock Improvement	4/85			2nd	2nd	PACD 06/30/87 A major objective of this project relates to economic policy reform. The evaluation will therefore examine the progress made towards (a) modification of public policies concerning land tenure and price controls and their effect on investment in livestock enterprises and (b) improvement in livestock production and management techniques.	Project 10,000	10	

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL COMPLETED (MO./YEAR)	FY 1986		FY 1987		REASONS/ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
		START (QTR)	TO AID/W (QTR)	START (QTR)	TO AID/W (QTR)				
538-0101 St. Vincent Agricultural Development				1st	1st	PACD - 11/30/86 This evaluation will assess the extent to (a) which changes in public policies relating to marketing have been implemented, (b) the institutional capability of the Ministry of Agriculture has been strengthened to provide marketing information and (c) the combined effects of both these elements on improved marketing efficiency and on agricultural production.	Project 20,000	10	
538-0108 St. Kitts-Nevis Resource Management		3rd	4th	4th	4th	PACD - 09/30/87 Institution building is the major component of this project - FY 86 evaluation will examine the progress being made towards the establishment of appropriate soil and water management practices. It is also expected to provide recommendations for facilitating project implementation. The final evaluation in FY 87 will focus on the extent to which the government's institutional capacity has been strengthened to maintain and extend these management practices.	FY 86 Project 20,000 FY 87 Project 20,000	10 10	

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL COMPLETED (MO./YEAR)	FY 1986 START (QTR)	TO AID/W (QTR)	FY 1987 START (QTR)	TO AID/W (QTR)	REASONS/ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
<u>POPULATION</u>									
538-0039 Population and Development		1st	1st			PACD -12/31/86 (IPPF) 12/31/85 (CARICOM) This project attempts to address two critical interrelated population issues confronting the LDCs viz lack of population policies and inadequate services delivery. Accordingly the evaluation will assess the progress made towards designing and implementing population and appropriate medical policies at both the regional and national levels. It will also examine the extent of improvements in the delivery systems at the national levels.	Project 20,000	10	
<u>EHRD</u>									
538-0087 Regional Development Training II		2nd	2nd			PACD - 09/30/87 Evaluation of the private sector elements will involve a careful review of the progress made in improving the performance of enter- prises. With respect to the participant training component the selection process and the utilization of training will be examined to determine the degree to which cooperating countries support the provision of training to assist development activities.	Project 30,000	10	136
<u>SDA</u>									
538-0076 Dominica Road		4th	4th			PACD - 06/30/86 The evaluation will assess (a) the effectiveness of the road maintenance, road planning and implementation capabilities of the Government of Dominica and (b) the impact of rehabilitated roads on key economic sectors in the country in terms of increased production and employment.	Project 35,000	7	AID/W TDY
538-0082 Productive Infra- structure Rehabilitation				4th	4th	PACD - 09/30/87 This evaluation will include an assessment of (a) the effectiveness of the road maintenance transportation planning and implementation capabilities of the governments of St. Lucia and St. Vincent; and (b) the impact of the rehabilitated roads on agricultural production and marketing and employment.	Project 25,000	7	

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL COMPLETED (MO./YEAR)	FY 1986 START (QTR)	TO AID/W (QTR)	FY 1987 START (QTR)	TO AID/W (QTR)	REASONS/ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
534-HG-001,538-0081 Barbados Private Initiatives in Housing				3rd	3rd	PACD - N/A This evaluation will assess the progress being made towards (a) alleviating housing shortages (b) shifting the initiative for production of housing for families below medium income to the private sector; (c) strengthening the mortgage servicing capabilities of the participating credit unions and the Barbados Mortgage Finance Co. Ltd.; and (d) the development of a National Housing Plan.	PRE/H 40,000	5	
538-0091 Cumberland Hydro- Electric Project		4th	4th			PACD - 06/30/88 This multi-donor funded project is designed to assist the Government of St. Vincent to meet current and future energy demand of the key sectors on a self-sustaining basis. This evaluation will focus on the progress being made with (a) the institutional development of the St. Vincent Electricity Services (VINLEC); (b) modification of financial policies for VINLEC's viability; and (c) the implementation of the watershed management program.	Project 25,000	15	
538-0098 Antigua Water Supply		1st	2nd	1st	1st	PACD - 12/31/86 A major component of this project seeks to address the institutional capabilities of the Antigua Public Utilities Authority (APUA) and the laws, regulations and policies governing its operations. The FY 86 evaluation will therefore not only examine the work progress but will also assess the effectiveness of the technical assistance for institutional and policy reforms necessary to enable APUA to operate as a self-sustaining entity. The FY 87 evaluation will assess APUA's institutional capabilities and the appropriateness of policies governing its operations. It will also determine the project's impact on the supply of potable water and will provide recommendations regarding the future development of the water sector.	FY 86 Project 40,000	20	
							FY 87 Project 40,000	20	

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL COMPLETED (MO./YEAR)	FY 1986 START (QTR)	TO AID/W (QTR)	FY 1987 START (QTR)	TO AID/W (QTR)	REASONS/ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
PRIVATE SECTOR PROGRAM		1st	4th		4th				
538-W-012, 538-0018 Employment Investment Promotion II		1st				This indepth evaluation will assess the extent to which the program goals are being achieved and whether program results are justified in terms of costs. It is also expected to inform the Mission about the validity and effectiveness of the program strategy and recommend desirable adjustments in program content and strategy direction. Accordingly, at the project level the evaluation will focus on the contributions which individual initiatives have made towards the achievement of the overall program goals. More specifically, it will measure individual project impact on employment generation, investment, private enterprise development, and growth in exports. Additionally, the evaluation will appropriately examine the extent to which project assistance has strengthened the capabilities of key participating institutions to effectively support private sector development. The evaluation will be conducted in two phases. During FY 86, preliminary baseline data will be collected and the earlier private sector initiatives will be evaluated for Phase I assessment of the program. During FY 87 the remaining projects will be evaluated and a final overall program assessment completed.	Project \$863,000	60	
538-0043 Private Sector Investment Assistance Program		2nd							
538-0102 Caribbean Marketing Assistance		3rd							
538-0135 Credit Union Development		3rd							
538-0084 Caribbean Financial Services Corporation				1st					
538-0087 Regional Development Training II				2nd					
538-0088 Infrastructure for Productive Investment									
538-0119, 538-0042 Investment Promotion and Export Development				2nd					

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 87 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: CARIBBEAN REGIONAL

PROJECT LIST (NUMBER/TITLE)	LAST EVAL COMPLETED (MO./YEAR)	FY 1986 START (QTR)	TO AID/W (QTR)	FY 1987 START (QTR)	TO AID/W (QTR)	REASONS/ISSUES	FUNDING SOURCE	USAID PERSON DAYS	COLLATERAL AID ASSISTANCE
GRENADA PROGRAM									
543-0005 Ag. Sector Revitalization		2nd	3rd			PACD - 01/30/87 This evaluation will primarily be an assessment of the extent to which agricultural policy changes have been effected in order to stimulate private enterprise development in this sector. In particular, divestiture of state owned enterprises will be examined.	PD&S 20,000	10	AID/W TDY 10 Person Days
543-0086 Point Salines Airport		3rd	4th			PACD - 8/31/85 This project will be evaluated to determine the impact on private sector expansion including tourism development, as well as the implications for management and maintenance of the facility and recommended further development.	PD&S 100,000	15	AID/W TDY 30 Person Days
543-0008 Infrastructure Revitalization				1st	1st	PACD -09/30/86 The extent to which this project has contributed to employment generation will be assessed. In addition, this evaluation will examine the project's role in facilitating private sector development.	PD&S 50,000	10	AID/W TDY 10 Person Days
543-0013 Private Sector Development		4th	4th			PACD - 9/30/85 The impact of this program on small enterprise development and employment generation will be examined.	PD&S 5,000	10	
543-0003 Immediate Health Care		1st	2nd	3rd	3rd	PACD - 9/30/85 The effectiveness of the project's response to the country's needs and the appropriateness of the training program will be evaluated.	FY 86 PD&S 5,000 FY 87 PD&S 10,000	10	

RDO/C: PROGRAM OFFICE: 06/10/85

III. APPLICATION OF THE GRAY AMENDMENT PROVISIONS

- A. Under the Gray Amendment mandate, not less than 10% of DA funding is to be made available to (i) economically and socially disadvantaged enterprises (8a firms), (ii) historically black colleges and universities (HBCUS), and (iii) minority PVOs. The following procedures will be formally instituted by RDO/C in compliance with this mandate.
- B. RDO/C currently addresses compliance with the Gray Amendment mandate in project design at the PID and PP development stages. Every effort is made to identify contracting opportunities for eligible 8a firms, HBCU's and minority PVO's. It is the responsibility of the Contracting Office to ensure at both PID and PP reviews that adequate attention has been given to compliance with the mandate.
- C. Subsequent to the development phase, each procurement will be reviewed initially with the Contracting Officer, irrespective of recommendations made at the PP review, to examine the opportunity for compliance with the Gray Amendment.
- D. A Gray Amendment Monitoring System will be maintained by the Contracting Officer. This System will include the following information:
- (1) PID: A statement indicating whether opportunities for either 8(a), HBCU, or minority PVO's have been identified. If so, information regarding utilization of the Early Alert System through liaison with the OSDBU/MRC will be recorded;
 - (2) PP: A statement as in (a) above with a record of utilization of the Early Alert System;
 - (3) Procurement: Prior to any project procurement actions the Contracting Officer will be consulted on the opportunity of securing the services of an 8a firm, HCBU or minority PVO and a record of consultation maintained. If an opportunity does exist, the Contracting Officer will maintain a record of correspondence with the Bureau Liaison to the OSDBU/MRC;
 - (4) Non-Project Procurement: Prior to procurement of services utilizing PD&S funds for feasibility studies and project development and support, the Contracting Officer will be consulted on opportunities for utilization of an 8a firm, HCBU or minority PVO. A record of this consultation will be maintained. If opportunities do exist, the Contracting Officer will maintain a record of correspondence with the Bureau Liaison to the OSDBU/MRC; and

(5) Gray Amendment Contracts: The Contracting Officer will maintain a record of all contracts with 8a firms, HCBU's and minority PVO's to include:

- (i) Firm and classification
- (ii) Contract amount and date signed
- (iii) Services to be provided

E. The information contained at D(5) will be provided to Development Resources for inclusion in Semi-annual Reports and to the Controller for Quarterly Pipeline Reports.

IV. MISSION MANAGEMENT AND OPERATING EXPENSE

A. Table VIII Narrative

An "Adjusted Table VIII" for FY 1985 is submitted herewith. This budget exceeds our approved budget level by \$114.1, the amount required to procure the necessary equipment for installation of the MACS system.

1. Management Improvements

Section B Outlines the implementation of the cluster program management system which will consolidate and focus the great majority of new projects and continuing projects into four program clusters. By focussing the portfolio into four program clusters, it will be possible to significantly enhance project or activity management and to create stronger, positive interaction among project activities within the program clusters and within each recipient country. The overall intent is to provide a project-funded extension of the diminishing USDH staff and a deepening of our involvement in projects and within countries.

Operating expense constraints have limited the upgrading and replacing of vital components of the WANG OIS Word Processing System during FY 1985. Later during FY 1985, subject to the availability of funds, certain software components will be added to realize greater efficiency of the equipment thereby reducing access time of the operators to meet the ever increasing competing demands of RDO/C.

The RDO/C office in Grenada will be more fully integrated into RDO/C in FY 86. As of June, 1985 the controller functions were transferred to Bridgetown and the staff composition in St. George's modified. By FY 87, the St. George's office will be reduced to four USDH.

2. Justification for Funding Changes

FY 1985 Operating Expense budgets are submitted separately for RDO/C and the RDO/C office in Grenada. For FY 1986 and FY 1987 these budgets have been consolidated. Funding changes of ten percent or more are basically attributable to slight reductions in RDO/C's USDH staffing and the effects of wage and price increases. These changes are addressed below:

Regional Development Office - Barbados

FNDH: FY 86 - 87 - Basic pay for the 32 FNDH will increase 11.8% in FY 87 because of normal step increases, promotion and an anticipated 5% pay increase.

Contract Personnel: FY 85 - 86 - With the installation of the MACS system a U.S. Computer Programmer will be required for approximately eight months in FY 1986. Salary, benefits and per diem is projected to cost \$56,000. In addition, an administrative assistant will be added at a per annum cost of \$23,000.

Housing: FY 85 - 86 - Quarters Allowance will decrease in FY 86 by \$77,600 as a result of fewer USDH staff.

Office Operations: FY 85 - 86 - The increase in FY 86 is attributable to budgeting for; a) one replacement vehicle at \$12,000, b) computer related equipment, and, c) increased communication costs. In addition supplies and material budget costs have been increased by \$60,000 in FY 86 to allow RDO/C to replenish its stocks which were drawn down in FY 85 because of funding constraints.

Regional Development Office - Grenada

USDH: FY 85 - 86 - 87 - Basic pay and benefits are reduced in direct proportion to the reduced workyears. COLA was discontinued in FY 85. Post assignment travel and freight costs of \$58.3 in FY 85 results from five movements in this fiscal year. In FY 86 and FY 87 the USDH staff will be in place.

FNDH: FY 85 - 86 - One senior management assistant will transfer from USAID/Guyana in late FY 85 required approximately \$35.0 additional in FY 86 and 87.

Housing: FY 85 - 86 - Increased costs of approximately \$60.0 are directly attributable to the number of lease year housing units.

Office Operations: FY 85 - 86 - Non-reoccurring cost of \$70.0 is budgeted in FY 85 for building renovation which is for office security enhancement.

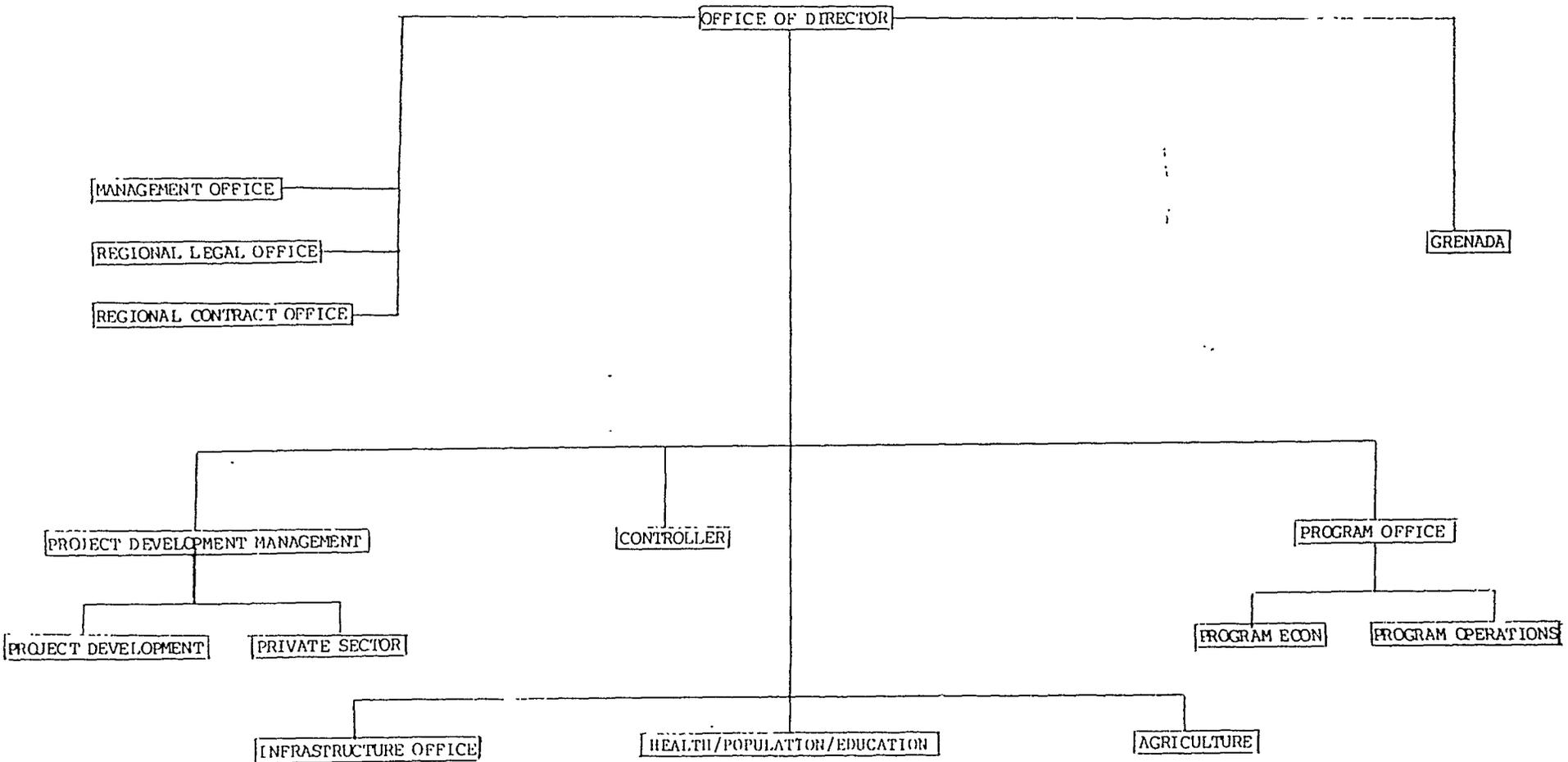
3. Trust Funds

The very modest level of RDO/C assistance to Barbados will not give rise to local currency generation (Barbados Dollars). In the other OECS states, only Grenada, is projected to generate local currency during FY 1986. Our programs on the other island states are based on project assistance. If and when non-project assistance is considered, trust funds will be considered; however, RDO/C requirements for local currency on the small island states other than Barbados and Grenada are small.

A trust fund of \$300,000 will be established for Grenada in FY 86 which will provide for a large portion of local currency needs in that fiscal year. A follow-on cash transfer to Grenada in FY 87 is not contemplated with all of FY 87 operating expense requirements to be met from appropriated funds.

RDC/C ORGANIZATION CHART •

FY 86



B. Staffing Pattern
1. FY 86 Organization Chart and Direct Hire Positions

a. USDH STAFFING REQUIREMENTS - FY 86
POSITIONS BY OFFICE

OFFICE OF THE DIRECTOR

Mission Director
Deputy Director
Management Officer
Classified C&R Clerk (Part-time)
Classified C&R Clerk (Part-time)
Contracting Officer
Regional Legal Advisor

PROGRAM OFFICE

Program Officer

Economics Division

Program Economist
Asst. Program Economist

Program Operations
Division

Asst. Program Officer

CONTROLLER

Controller
Deputy Controller
Budget/Accounting Officer

PROJECT DEVELOPMENT & MANAGEMENT

Project Development Officer

Project Development Division

Deputy Project Development Officer
Asst. Project Development Officer
Asst. Project Development Officer
Asst. Project Development Officer

Private Sector
Division

Assistant Project Development Officer
Assistant Project Development Officer
Assist. Proj. Development Officer (IDI)

OFFICE OF INFRASTRUCTURE

Civil Engineering Advisor
General Engineering Advisor
General Engineering Advisor

AGRICULTURE AND RURAL DEVELOPMENT

Agricultural Development Officer
Deputy Agricultural Development Officer
Assist. Agricultural Development Officer
Agricultural Economist

HEALTH/POPULATION/EDUCATION

Health/Population Development Officer

GRENADA OFFICE

Associate Director/AID Representative
Project Development Officer
Program Economist
General Development Officer
Agricultural Development Officer

TOTAL USDH 32

Of Which:

Bridgetown	27
Grenada	5
IDI	(1)
Part-time	(2)

b. FSNDH STAFFING REQUIREMENTS - FY 86
POSITIONS BY OFFICE

OFFICE OF THE DIRECTOR

	Secretary
	Secretary
Management Office	Comm/Records Clerk
	Comm/Records Clerk
	Wang Machine Operator
Contracting Office	Secretary
Regional Legal Office	Secretary

PROGRAM OFFICE

Economics Division	Secretary
Program Operations Division	Secretary
	Clerk/Stenographer
	Program Specialist
	Program Specialist
	Program Specialist

CONTROLLER

Chief Accountant
Financial Assistant
Financial Assistant
Voucher Examiner
Voucher Examiner
Voucher Examiner
Accounting Technician
Secretary

PROJECT DEVELOPMENT & MANAGEMENT

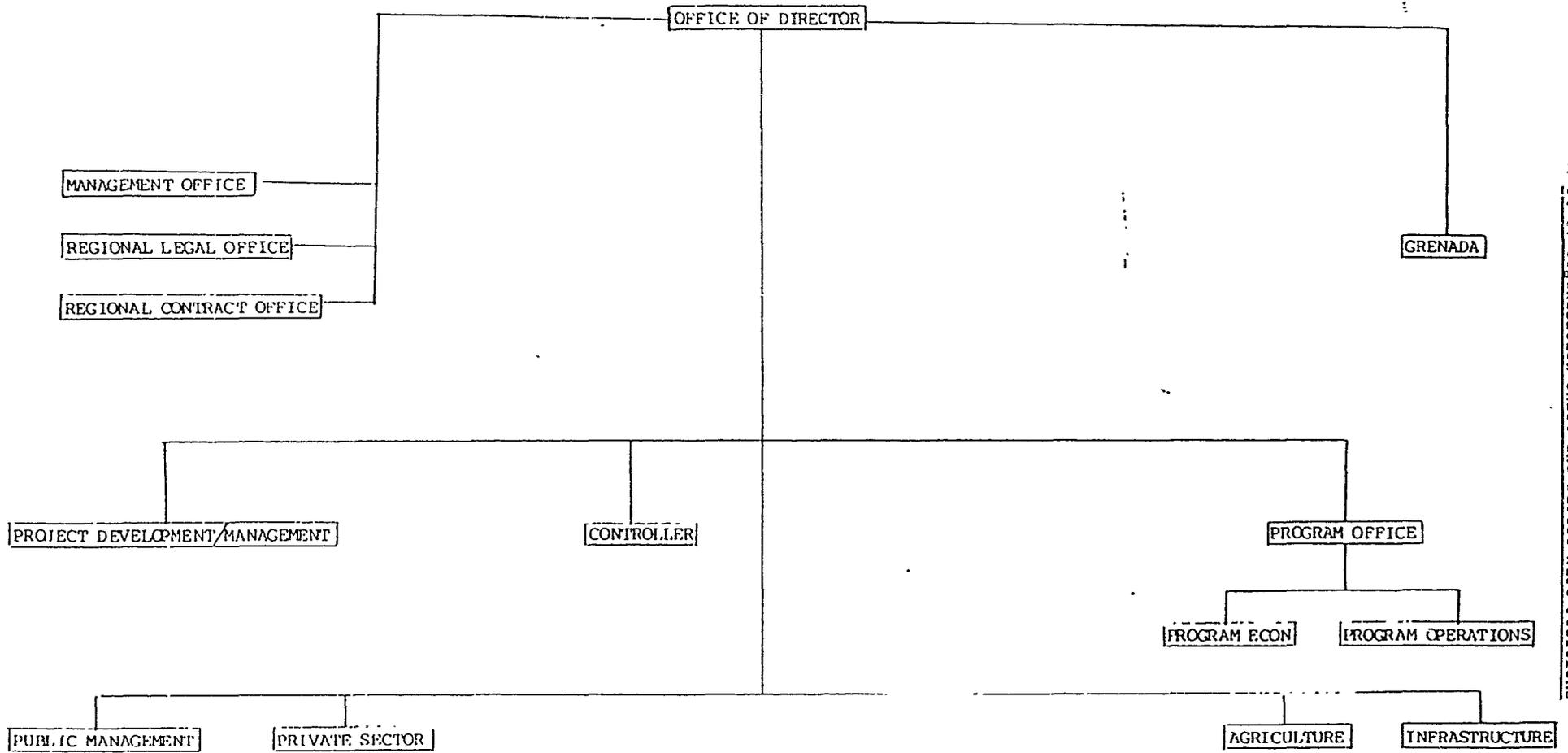
Project Development Division	Program Specialist
	Clerk/Stenographer
Private Sector Division	Secretary
	Clerk/Stenographer

OFFICE OF INFRASTRUCTURE

Engineer
Engineer
Secretary

RDC/C ORGANIZATION CHART

FY 87



2. FY 87 Organization Chart and Direct Hire Positions

a. USDH STAFFING REQUIREMENTS - FY 87
POSITIONS BY OFFICE

OFFICE OF THE DIRECTOR

Mission Director
Deputy Director
Management Officer
Classified C&R Clerk (Part-time)
Classified C&R Clerk (Part-time)
Contracting Officer
Regional Legal Advisor

PROGRAM OFFICE

Program Officer

Economics Division

Program Economist
Assistant Program Economist

Program Operations Division

Assistant Program Officer

CONTROLLER

Controller
Deputy Controller
B & A Officer

PROJECT DEVELOPMENT & MANAGEMENT

Project Development Officer
Deputy Project Development Officer
Assistant Project Development Officer
Assistant Project Development Officer

PUBLIC MANAGEMENT

Cluster Division Chief
Assistant Project Development Officer

PRIVATE SECTOR

Project Development Officer
Assistant Project Development Officer

INFRASTRUCTURE

Civil Engineering Advisor
General Engineering Advisor
General Engineering Advisor

AGRICULTURE & RURAL DEVELOPMENT

Agricultural Development Officer
Deputy Agricultural Development Officer
Agricultural Economist

GRENADA OFFICE

Associate Director/AID Representative
Project Development Officer
Program Economist
Agricultural Development Officer

TOTAL 30
Of Which:
Bridgetown 26
Grenada 4
IDI 0
Part-time (2)

b. FSNDH STAFFING REQUIREMENTS - FY 87
POSITIONS BY OFFICE

OFFICE OF THE DIRECTOR

	Secretary
	Secretary
Management Office	Comm/Records Clerk Comm/Records Clerk Wang Machine Operator
Contracting Office	Secretary
Regional Legal Office	Secretary

PROGRAM OFFICE

Economics Division	Secretary
Program Operations	Secretary Clerk/Stenographer Program Specialist Program Specialist Program Specialist

CONTROLLER

Chief Accountant
Financial Assistant
Financial Assistant
Voucher Examiner
Voucher Examiner
Voucher Examiner
Accounting Technician
Secretary

PROJECT DEVELOPMENT & MANAGEMENT

Program Specialist
Clerk/Stenographer

PRIVATE SECTOR

Secretary
Clerk/Stenographer

OFFICE OF INFRASTRUCTURE

Engineer
Engineer
Secretary

AGRICULTURE & RURAL DEVELOPMENT

Secretary

PUBLIC MANAGEMENT

Health/Population

Secretary

Education

Participant Training Specialist
Secretary

GRENADA

Administrative Management

Administrative Specialist

Controller

Accountant

TOTAL FSNDH

34

Of Which:

Bridgetown

32

Grenada

2

3. U.S. PSC REQUIREMENTS FY 86-87

a. U.S.

<u>POSITION TITLE/DUTIES</u>	<u>CLASSIFICATION</u>	<u>FUNDING</u>	<u>FY</u>
<u>MANAGEMENT OFFICE</u>			
<u>Receptionist</u> (Part-time) Performs receptionist duties at the security entrance, main lobby of the RDO/C office building. <u>1/</u>	US	OE	86-87
<u>Receptionist</u> (Part-time) Performs receptionist duties at the security entrance, main lobby of the RDO/C office building. <u>1/</u>	US	OE	86-87
<u>Programmer/Analyst</u> Performs programmer/analyst functions within the Management Office which has primary responsibility for the Wang OIS 140 and Wang PC network.	US	OE	86-87
<u>PROGRAM OFFICE</u>			
<u>Social Scientist</u> Assists in information gathering, analysis, and drafting of regional and individual country CDSSs including analysis of regional institutions and development of social and institutional profiles.	US	PD&S	86-87
<u>INFRASTRUCTURE OFFICE</u>			
<u>Civil Engineer</u> Assists the Chief of Engineering and Technical Assistance in the development of new projects and the implementation of existing projects. Duties include establishment of the scope of engineering programs and assessment of technical and economic feasibility.	US	PD&S	86-87
<u>Project Manager</u> (Dominica) Provides project management assistance to Dominica Electricity Services Ltd. (DOMLEC) for the planning and implementation of activities under the Dominica Rural Electrification project.	US	PD&S	86-87

1/ US PSC required by AID's Office of Security (IG/SEC)

AGRICULTURE OFFICE

<u>Watershed Mgt. Services (St. Vincent)</u> Assists the Government of St. Vincent with the implementation of a Watershed Management program in the Cumberland Valley. Duties include provision of managerial and technical advice to the Ministry of Trade, Industry and Agriculture.	US	PD&S	86-87
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HEALTH/POPULATION/EDUCATION OFFICE

<u>Administrative Assistant</u> Provides administrative support to the Regional Health and Population Development Office of RDO/C.	US	PD&S	86-87
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<u>Health & Population Advisor</u> Assists the Chief of Regional Health and Population Development Office of RDO/C with project development focusing on population and environment; coordination with PAHO, UNFPA, IWI, and CARICOM, and various other population and family planning activity.	US	PD&S	86-87
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<u>Assistant Training Officer</u> Assists the Training Officer of RDO/C's office of Human Resource Development with regional participant training projects.	US	PD&S	86-87
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PROJECT DEVELOPMENT & MANAGEMENT OFFICE

<u>Private Sector Development Services</u> Assists the RDO/C Private Sector Office (PSO) with development and management of project activity relative to facilitating private investment in the region.	US	PD&S	86-87
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GRENADA

DIRECTOR'S OFFICE

Secretary

Performs secretarial services for
the Aid Representative Office

U.S. OE 86

ENGINEER

Engineer
Handle project management and evaluation

U.S. PROGRAM 86-87

b. FOREIGN NATIONAL/THIRD-COUNTRY NATIONAL

Management Office

Maintenance/Driver FSN OE 86-87
Assists the Management Officer with building maintenance, repair, security, delivery of equipment, supplies.

Janitor/Maintenance FSN OE 86-87
Performs building cleaning, general maintenance.

Janitor/Maintenance FSN OE 86-87
Performs building cleaning, general maintenance.

Guard/Maintenance FSN OE 86-87
Performs RDO/C parking lot guard services; general maintenance.

Cleaning Service FSN OE 86-87
Performs cleaning services primarily in ladies rest rooms and general building cleaning.

C&R & Clerical FSN OE 86-87
Performs unclassified C&R duties primarily on central project files.

Secretary FSN OE 86-87
Performs senior secretarial services primarily for the Management Officer.

Driver FSN OE 86-87
Provides chauffeur services for the Mission Director.

Program Office

Secretary FSN OE 86-87
Performs general secretarial, clerical duties for the Program Office staff.

Infrastructure Office

<u>Secretary</u> Performs general secretarial, clerical duties for the Engineering Office staff.	FSN	OE	86-87
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Controller's Office

<u>Secretary</u> Performs general secretarial, clerical duties for the Controller's Office staff.	FSN	OE	86-87
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<u>Financial Analyst</u> Is responsible for conducting financial analysis reviews and assessments of a varying nature under the foreign assistance program. Duties include review and comprehension of complex loan/grant contract and other project documentation.	TCN	OE	86-87
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<u>Voucher Examiner</u> Prepares, evaluates, and reviews travel vouchers of all RDO/C travelers.	FSN	OE	86-87
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Agriculture Office

<u>Secretary</u> Performs general secretarial, clerical duties for the Agriculture Office staff.	FSN	OE	86-87
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Health/Population/Education Office

<u>Population Advisor</u> Provides policy, program and project development advice to the cooperating governments and the Mission staff in evaluating population conditions as these affect the economic political and social development of the specific country or region.	TCN	OE	86-87
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GRENADA

DIRECTOR'S OFFICE

<u>Secretary</u> Performs secretarial services for the Aid Representative Office	FSN	OE	87
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<u>Secretary</u> Performs secretarial services for the Aid Representative Office	FSN	OE	86-87
<u>Receptionist/Typist</u> Performs receptionist duties	FSN	OE	86-87
<u>CONTROLLER'S OFFICE</u>			
<u>Budget/Acct. Officer</u> Maintains Project Accounts	FSN	OE	86-87
<u>Account Maint/Clerk</u> Processes vouchers/petty cash payments	FSN	OE	86-87
<u>Accountant</u> Handles project management and fiscal reports	FSN	PROGRAM	86-87
<u>GENERAL DEVELOPMENT</u>			
<u>Training Officer</u> Performs project management and evaluation	FSN	PROGRAM	86-87
<u>CAPITAL DEVELOPMENT OFFICE</u>			
<u>Program Assistant</u> Performs project design, management and evaluation	FSN	OE	86-87
<u>ADMINISTRATIVE MANAGEMENT</u>			
<u>Security Guard</u> Performs security guard services	FSN	OE	86-87
<u>Administrative Assistant</u> Handles NXP records, local procurement and arrival accounting	FSN	OE	86-87
<u>Messenger</u> Performs mail delivery, reproduction, office maintenance	FSN	OE	86-87
<u>General Services Specialist</u> Handles Housing/office maintenance, customs clearance, local procurement	FSN	OE	86-87
<u>General Services Assistant</u> Assists General Services Specialist	FSN	OE	86-87
<u>Communications & Records Specialist</u> Handles incoming/outgoing correspondence and official files	FSN	OE	86-87

<u>Driver</u> Provides in-country transportation	FSN	OE	86-87
<u>Driver</u> Provides in-country transportation	FSN	OE	86-87
<u>ENGINEERING</u>			
<u>Assistant Engineer</u> Assists in project management and evaluation	FSN	PROGRAM	86-87
<u>Secretary</u> Provides secretarial services	FSN	PROGRAM	86-87

100
 C. OPERATING EXPENSE BUDGET
 ORGANIZATION - REGIONAL DEVELOPMENT OFFICE - CARIBBEAN - 159 -
 FY 1987 ANNUAL BUDGET SUBMISSION
 TABLE VIII - FY. 1985

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,165.1			
U.S. CITIZENS BASIC PAY	U101	110	1,523.6			29.3
PT/TEMP U.S. BASIC PAY	U102	112	11.2			2.0
DIFFERENTIAL PAY	U103	116	-			XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	10.0			XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119	-			XXXXXXXX
EDUCATION ALLOWANCES	U106	126	97.7			19.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	106.7			XXXXXXXX
LIVING ALLOWANCES	U108	128	109.1			XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	45.5			XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	38.9			XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	12.7			7.0
POST ASSIGNMENT - FREIGHT	U112	22	103.4			7.0
HOME LEAVE - TRAVEL	U113	212	28.2			11.0
HOME LEAVE - FREIGHT	U114	22	27.0			11.0
EDUCATION TRAVEL	U115	215	2.1			1.0
R AND R TRAVEL	U116	215	37.0			17.0
OTHER CODE 215 TRAVEL	U117	215	12.0			10.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		622.5			
BASIC PAY	U201	114	564.1			32.0
OVERTIME, HOLIDAY PAY	U202	115	9.0			.3
ALL OTHER CODE 11 - FN	U203	119	1.5			XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	47.9			XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13	-			XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		216.8			
PASA TECHNICIANS	U301	258	-			-
U.S. PSC - SALARY/BENEFITS	U302	113	17.7			1.5
ALL OTHER U.S. PSC COSTS	U303	255	-			XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	195.0			16.0
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXXXXX
MANPOWER CONTRACTS	U306	259	4.1			.5
JCC COSTS PAID BY AID/W	U307	113	-			-
<u>HOUSING</u>	U400		580.6			
RESIDENTIAL RENT	U401	235	27.3			1.4
RESIDENTIAL UTILITIES	U402	235	7.6			XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	14.0			XXXXXXXX
QUARTERS ALLOWANCES	U404	127	357.0			30.0
RESIDENTIAL FURNITURE/EQUIP.	U405	311	115.5			XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	46.5			XXXXXXXX
SECURITY GUARD SERVICES	U407	254	7.7			XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	3.0			XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	2.0			XXXXXXXX

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1985

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNG. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		1,112.0			
OFFICE RENT	U501	234	137.9			XXXXXXXX
OFFICE UTILITIES	U502	234	11.4			XXXXXXXX
BUILDING MAINT./RENOVATION	U503	259	5.0			XXXXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	51.0			XXXXXXXX
VEHICLES	U505	312	-			XXXXXXXX
OTHER EQUIPMENT	U506	319	-			XXXXXXXX
TRANSPORTATION/FREIGHT	U507	22	12.0			XXXXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	5.0			XXXXXXXX
COMMUNICATIONS	U509	230	115.9			XXXXXXXX
SECURITY GUARD SERVICES	U510	254	10.6			XXXXXXXX
PRINTING	U511	24	1.5			XXXXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210	-			-
SITE VISITS-MISSION PERSONNEL	U513	210	129.9			251.0
SITE VISITS-AID/W PERSONNEL	U514	210	26.9			13.0
INFORMATION MEETINGS	U515	210	5.4			6.0
TRAINING ATTENDANCE	U516	210	12.5			10.0
CONFERENCE ATTENDANCE	U517	210	21.3			16.0
OTHER OPERATIONAL TRAVEL	U518	210	4.0			4.0
SUPPLIES AND MATERIALS	U519	26	64.9			XXXXXXXX
FAAS	U520	257	275.0			XXXXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259	-			XXXXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259	-			XXXXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259	-			XXXXXXXX
ALL OTHER CODE 25	U524	259	221.8			XXXXXXXX
TOTAL O.E. BUDGET			4,697.0			XXXXXXXX
RECONCILIATION			1,972.0			XXXXXXXX
OPERATING BUDGET REQUIREMENTS			2,725.0			XXXXXXXX
636C REQUIREMENTS	U600	32	-			XXXXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		2,725.0			XXXXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1985)

1,357.7
US\$1.00 = BDS\$2.0144

ORGANIZATION - REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

ADJUSTED TABLE VIII

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1985

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,165.1			
U.S. CITIZENS BASIC PAY	U101	110	1,523.6			29.3
PT/TEMP U.S. BASIC PAY	U102	112	11.2			2.0
DIFFERENTIAL PAY	U103	116				XXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	10.0			XXXXXX
OTHER MISSION FUNDED CODE 11	U105	119				XXXXXX
EDUCATION ALLOWANCES	U106	117	97.7			19.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	106.7			XXXXXX
LIVING ALLOWANCES	U108	128	109.1			XXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	45.5			XXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	38.9			XXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	12.7			7.0
POST ASSIGNMENT - FREIGHT	U112	22	103.4			7.0
HOME LEAVE - TRAVEL	U113	212	28.2			11.0
HOME LEAVE - FREIGHT	U114	22	27.0			11.0
EDUCATION TRAVEL	U115	215	2.1			1.0
R AND R TRAVEL	U116	215	37.0			17.0
OTHER CODE 215 TRAVEL	U117	215	12.0			10.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		622.5			
BASIC PAY	U201	114	564.1			32.0
OVERTIME, HOLIDAY PAY	U202	115	9.0			.3
ALL OTHER CODE 11 - FN	U203	119	1.5			XXXXXX
ALL OTHER CODE 12 - FN	U204	129	47.9			XXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13				XXXXXX
<u>CONTRACT PERSONNEL</u>	U300		216.8			
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	17.7			1.5
ALL OTHER U.S. PSC COSTS	U303	255				XXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	195.0			16.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXXX
MANPOWER CONTRACTS	U306	259	4.1			.5
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		580.6			
RESIDENTIAL RENT	U401	235	27.3			1.4
RESIDENTIAL UTILITIES	U402	235	7.6			XXXXXX
MAINTENANCE AND RENOVATION	U403	259	14.0			XXXXXX
QUARTERS ALLOWANCES	U404	127	357.0			30.0
RESIDENTIAL FURNITURE/EQUIP.	U405	311	115.5			XXXXXX
TRANS./FREIGHT - CODE 311	U406	22	46.5			XXXXXX
SECURITY GUARD SERVICES	U407	254	7.7			XXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	3.0			XXXXXX
REPRESENTATION ALLOWANCES	U409	252	2.0			XXXXXX

ORGANIZATION - REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

ADJUSTED TABLE VIII

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1985

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		1,226.1			
OFFICE RENT	U501	234	137.9			XXXXXX
OFFICE UTILITIES	U502	234	11.4			XXXXXX
BUILDING MAINT./RENOVATION	U503	259	5.0			XXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	51.0			XXXXXX
VEHICLES	U505	312				XXXXXX
OTHER EQUIPMENT	U506	319	110.0			XXXXXX
TRANSPORTATION/FREIGHT	U507	22	16.1			XXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	5.0			XXXXXX
COMMUNICATIONS	U509	230	115.9			XXXXXX
SECURITY GUARD SERVICES	U510	254	10.6			XXXXXX
PRINTING	U511	24	1.5			XXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U513	210	129.9			251.0
SITE VISITS-AID/W PERSONNEL	U514	210	26.9			13.0
INFORMATION MEETINGS	U515	210	5.4			6.0
TRAINING ATTENDANCE	U516	210	12.5			10.0
CONFERENCE ATTENDANCE	U517	210	21.3			16.0
OTHER OPERATIONAL TRAVEL	U518	210	4.0			4.0
SUPPLIES AND MATERIALS	U519	26	64.9			XXXXXX
FAAS	U520	257	275.0			XXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259				XXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259				XXXXXX
ALL OTHER CODE 25	U524	259	221.8			XXXXXX
TOTAL O.E. BUDGET			4,811.1			XXXXXX
RECONCILIATION			1,972.0			XXXXXX
OPERATING BUDGET REQUIREMENTS			2,839.1			XXXXXX
636C REQUIREMENTS	U600	32				XXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		2,839.1			XXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1985)

\$1,357.7

US\$1.00 = BD\$2.0144

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FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1986

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,467.0	11.0	2,478.0	
U.S. CITIZENS BASIC PAY	U101	110	1,718.6		1,718.6	30.8
PT/TEMP U.S. BASIC PAY	U102	112	10.8		10.8	2.0
DIFFERENTIAL PAY	U103	116	58.8		58.8	XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	5.0		5.0	XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119				XXXXXXXX
EDUCATION ALLOWANCES	U106	126	95.7		95.7	19.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	120.4		120.4	XXXXXXXX
LIVING ALLOWANCES	U108	128	97.0	7.8	104.8	XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	52.6		52.6	XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	77.2		77.2	XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	13.2		13.2	7.0
POST ASSIGNMENT - FREIGHT	U112	22	87.5		87.5	7.0
HOME LEAVE - TRAVEL	U113	212	37.6		37.6	34.0
HOME LEAVE - FREIGHT	U114	22	22.8		22.8	34.0
EDUCATION TRAVEL	U115	215	2.3	1.2	3.5	8.0
R AND R TRAVEL	U116	215	53.2		53.2	30.0
OTHER CODE 215 TRAVEL	U117	215	14.3	2.0	16.3	14.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		712.1		712.1	
BASIC PAY	U201	114	648.5		648.5	34.0
OVERTIME, HOLIDAY PAY	U202	115	7.7		7.7	.4
ALL OTHER CODE 11 - FN	U203	119	14.9		14.9	XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	41.0		41.0	XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13				XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		287.7	86.5	374.2	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	67.1		67.1	2.7
ALL OTHER U.S. PSC COSTS	U303	255	32.5		32.5	XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	184.1	81.1	265.2	28.0
ALL OTHER F.N. PSC COSTS	U305	255		5.4	5.4	XXXXXXXX
MANPOWER CONTRACTS	U306	259	4.0		4.0	1.0
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		635.4	74.3	709.7	
RESIDENTIAL RENT	U401	235	191.4	7.8	199.2	10.0
RESIDENTIAL UTILITIES	U402	235	4.2	33.6	37.8	XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	7.4	5.4	12.8	XXXXXXXX
QUARTERS ALLOWANCES	U404	127	279.4		279.4	24.8
RESIDENTIAL FURNITURE/EQUIP.	U405	311	93.1		93.1	XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	42.3		42.3	XXXXXXXX
SECURITY GUARD SERVICES	U407	25X9	12.6		12.6	XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	3.0	26.7	29.7	XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	2.0	.8	2.8	XXXXXXXX

ORGANIZATION - REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

(INCLUDING RDO/C OFFICE IN GRENADA)

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1986

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNIT</u>
OFFICE OPERATIONS	U500		1,352.8	128.2	1,481.0	
OFFICE RENT	U501	234	137.6	34.4	172.0	XXXXX
OFFICE UTILITIES	U502	234	15.5	11.8	27.3	XXXXX
BUILDING MAINT./RENOVATION	U503	259	8.5	3.5	12.0	XXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	29.8		29.8	XXXXX
VEHICLES	U505	312	27.0		27.0	XXXXX
OTHER EQUIPMENT	U506	319	86.5		86.5	XXXXX
TRANSPORTATION/FREIGHT	U507	22	9.3		9.3	XXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	14.8		14.8	XXXXX
COMMUNICATIONS	U509	230	102.8	13.2	116.0	XXXXX
SECURITY GUARD SERVICES	U510	254	10.7		10.7	XXXXX
PRINTING	U511	24	2.5		2.5	XXXXX
RIG/II OPERATIONAL TRAVEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U513	210	189.6		189.6	350.0
SITE VISITS-AID/W PERSONNEL	U514	210	23.6		23.6	13.0
INFORMATION MEETINGS	U515	210	21.1		21.1	16.0
TRAINING ATTENDANCE	U516	210	13.0		13.0	13.0
CONFERENCE ATTENDANCE	U517	210	27.5		27.5	19.0
OTHER OPERATIONAL TRAVEL	U518	210	4.0		4.0	4.0
SUPPLIES AND MATERIALS	U519	26	131.0	19.9	150.9	XXXXX?
FAAS	U520	257	275.0		275.0	XXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259				XXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259				XXXXXX?
ALL OTHER CODE 25	U524	259	223.0	45.4	268.4	XXXXXX?
TOTAL O.E. BUDGET			5,455.0	300.0	5,755.0	XXXXXX
RECONCILIATION			2,241.2		2,241.2	XXXXXX
OPERATING BUDGET REQUIREMENTS			3,213.8	300.0	3,513.8	XXXXXX
636C REQUIREMENTS	U600	32				XXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		3,213.8	300.0	3,513.8	XXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1985)

1,802.3

BDS\$2,0144 OR EC\$2.6882 = US\$1.00

Estimated Wage Increase - FY 1985 to FY 1986
Estimated Price Increase - FY 1985 to FY 1986

8.0%

9.0%

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1987

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,311.4			
U.S. CITIZENS BASIC PAY	U101	110	1,601.4			29.0
FT/TEMP U.S. BASIC PAY	U102	112	10.8			2.0
DIFFERENTIAL PAY	U103	116	52.6			XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	5.0			XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119				XXXXXXXX
EDUCATION ALLOWANCES	U106	12	113.6			29.0
RETIREMENT - U.S. DIRECT HIRE	U107	12	112.2			XXXXXXXX
LIVING ALLOWANCES	U108	128	107.5			XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	52.5			XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	68.8			XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	15.0			5.0
POST ASSIGNMENT - FREIGHT	U112	22	65.0			5.0
HOME LEAVE - TRAVEL	U113	212	33.4			31.0
HOME LEAVE - FREIGHT	U114	22	22.9			31.0
EDUCATION TRAVEL	U115	215	2.8			6.0
R AND R TRAVEL	U116	215	31.6			12.0
OTHER CODE 215 TRAVEL	U117	215	16.3			14.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		797.0			
BASIC PAY	U201	114	722.1			34.0
OVERTIME, HOLIDAY PAY	U202	115	8.5			.4
ALL OTHER CODE 11 - FN	U203	119	15.2			XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	51.2			XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13				XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		347.6			
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	42.9			2.0
ALL OTHER U.S. PSC COSTS	U303	255				XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	294.9			28.0
ALL OTHER F.N. PSC COSTS	U305	255	5.8			XXXXXXXX
MANPOWER CONTRACTS	U306	259	4.0			1.0
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		655.9			
RESIDENTIAL RENT	U401	235	177.0			9.0
RESIDENTIAL UTILITIES	U402	235	37.3			XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	17.0			XXXXXXXX
QUARTERS ALLOWANCES	U404	127	293.4			24.0
RESIDENTIAL FURNITURE/EQUIP.	U405	311	60.8			XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	27.5			XXXXXXXX
SECURITY GUARD SERVICES	U407	254	37.1			XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	3.0			XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	2.8			XXXXXXXX

(INCLUDING RDO/C OFFICE IN GRENADA)

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1987

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,459.5			
OFFICE RENT	U501	234	176.1			XXXXXX
OFFICE UTILITIES	U502	234	29.7			XXXXXX
BUILDING MAINT./RENOVATION	U503	259	7.7			XXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	22.7			XXXXXX
VEHICLES	U505	312	13.0			XXXXXX
OTHER EQUIPMENT	U506	319				XXXXXX
TRANSPORTATION/FREIGHT	U507	22	11.5			XXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	16.1			XXXXXX
COMMUNICATIONS	U509	230	125.0			XXXXXX
SECURITY GUARD SERVICES	U510	254	12.0			XXXXXX
PRINTING	U511	24	2.5			XXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U513	210	229.5			400.0
SITE VISITS-AID/W PERSONNEL	U514	210	28.2			14.0
INFORMATION MEETINGS	U515	210	23.2			18.0
TRAINING ATTENDANCE	U516	210	14.3			13.0
CONFERENCE ATTENDANCE	U517	210	30.2			19.0
OTHER OPERATIONAL TRAVEL	U518	210	4.4			4.0
SUPPLIES AND MATERIALS	U519	26	152.2			XXXXXX
FAAS	U520	257	275.0			XXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259				XXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259				XXXXXX
ALL OTHER CODE 25	U524	259	286.2			XXXXXX
TOTAL O.E. BUDGET			5,571.4			XXXXXX
RECONCILIATION			2,108.0..			XXXXXX
OPERATING BUDGET REQUIREMENTS			3,463.4			XXXXXX
636C REQUIREMENTS	U600	32				XXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		3,463.4			XXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1985)

\$1,999.3

BDS\$2.0144 OR EC\$2.6882 = US\$1.00

Estimated Wage Increase - FY 1986 to FY 1987
Estimated Price Increase - FY 1986 to FY 1987

10.9%

9.0%

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 ORGANIZATION - REGIONAL DEVELOPMENT OFFICE - CARIBBEAN

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1986

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,094.2			
U.S. CITIZENS BASIC PAY	U101	110	1,443.5			25.8
PT/TEMP U.S. BASIC PAY	U102	112	10.8			2.0
DIFFERENTIAL PAY	U103	116	-			XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	5.0			XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119	-			XXXXXXXX
EDUCATION ALLOWANCES	U106	126	94.5			18.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	101.1			XXXXXXXX
LIVING ALLOWANCES	U108	128	97.0			XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	45.5			XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	75.5			XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	13.2			7.0
POST ASSIGNMENT - FREIGHT	U112	22	87.5			7.0
HOME LEAVE - TRAVEL	U113	212	37.6			34.0
HOME LEAVE - FREIGHT	U114	22	22.8			34.0
EDUCATION TRAVEL	U115	215	2.3			6.0
R AND R TRAVEL	U116	215	46.6			18.0
OTHER CODE 215 TRAVEL	U117	215	11.3			10.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		640.0			
BASIC PAY	U201	114	598.5			32.0
OVERTIME, HOLIDAY PAY	U202	115	6.5			3
ALL OTHER CODE 11 - FN	U203	119	2.0			XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	33.0			XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13	-			XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		287.7			
PASA TECHNICIANS	U301	258	-			-
U.S. PSC - SALARY/BENEFITS	U302	113	67.1			2.7
ALL OTHER U.S. PSC COSTS	U303	255	32.5			XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	184.1			16.0
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXXXXX
MANPOWER CONTRACTS	U306	259	4.0			1.0
JCC COSTS PAID BY AID/W	U307	113	-			-
<u>HOUSING</u>	U400		468.0			
RESIDENTIAL RENT	U401	235	24.0			1.0
RESIDENTIAL UTILITIES	U402	235	4.2			XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	7.4			XXXXXXXX
QUARTERS ALLOWANCES	U404	127	279.4			24.8
RESIDENTIAL FURNITURE/EQUIP.	U405	311	93.1			XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	42.3			XXXXXXXX
SECURITY GUARD SERVICES	U407	254	12.6			XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	3.0			XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	2.0			XXXXXXXX

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ORGANIZATION - REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

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FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1986

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		1,241.0			
OFFICE RENT	U501	234	137.6			XXXXXXXX
OFFICE UTILITIES	U502	234	15.5			XXXXXXXX
BUILDING MAINT./RENOVATION	U503	259	8.5			XXXXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	17.6			XXXXXXXX
VEHICLES	U505	312	12.0			XXXXXXXX
OTHER EQUIPMENT	U506	319	86.5			XXXXXXXX
TRANSPORTATION/FREIGHT	U507	22	9.3			XXXXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	7.6			XXXXXXXX
COMMUNICATIONS	U509	230	102.8			XXXXXXXX
SECURITY GUARD SERVICES	U510	259 259	10.7			XXXXXXXX
PRINTING	U511	24	1.5			XXXXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210	-			-
SITE VISITS-MISSION PERSONNEL	U513	210	139.0			250.0
SITE VISITS-AID/W PERSONNEL	U514	210	18.0			9.0
INFORMATION MEETINGS	U515	210	16.0			8.0
TRAINING ATTENDANCE	U516	210	10.0			10.0
CONFERENCE ATTENDANCE	U517	210	22.0			15.0
OTHER OPERATIONAL TRAVEL	U518	210	4.0			4.0
SUPPLIES AND MATERIALS	U519	26	124.4			XXXXXXXX
FAAS	U520	257	275.0			XXXXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259	-			XXXXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259	-			XXXXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259	-			XXXXXXXX
ALL OTHER CODE 25	U524	259	223.0			XXXXXXXX
TOTAL O.E. BUDGET			4,730.9			XXXXXXXX
RECONCILIATION			1,880.9			XXXXXXXX
OPERATING BUDGET REQUIREMENTS			2,850.0			XXXXXXXX
636C REQUIREMENTS	U600	32	-			XXXXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		2,850.0			XXXXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1985)

1,390.9
US\$1.00 = BDS\$2.0144

Estimated Wage Increase - FY 1985 to FY 1986
Estimated Price Increase - FY 1985 to FY 1986

6.0%
8.0%

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1987

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		1,995.6			
U.S. CITIZENS BASIC PAY	U101	110	1,388.0			25.0
PT/TEMP U.S. BASIC PAY	U102	112	10.8			2.0
DIFFERENTIAL PAY	U103	116	-			XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	5.0			XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119	-			XXXXXXXX
EDUCATION ALLOWANCES	U106	126	112.2			28.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	97.2			XXXXXXXX
LIVING ALLOWANCES	U108	128	101.2			XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	45.5			XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	68.8			XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	15.0			5.0
POST ASSIGNMENT - FREIGHT	U112	22	65.0			5.0
HOME LEAVE - TRAVEL	U113	212	25.8			16.0
HOME LEAVE - FREIGHT	U114	22	16.6			16.0
EDUCATION TRAVEL	U115	215	1.6			4.0
R AND R TRAVEL	U116	215	31.6			12.0
OTHER CODE 215 TRAVEL	U117	215	11.3			10.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		715.3			
BASIC PAY	U201	114	669.1			32.0
OVERTIME, HOLIDAY PAY	U202	115	7.3			.3
ALL OTHER CODE 11 - FN	U203	119	2.0			XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	36.9			XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13	-			XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		252.6			
PASA TECHNICIANS	U301	258	-			-
U.S. PSC - SALARY/BENEFITS	U302	113	42.9			2.0
ALL OTHER U.S. PSC COSTS	U303	255	-			XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	205.7			16.0
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXXXXX
MANPOWER CONTRACTS	U306	259	4.0			1.0
JCC COSTS PAID BY AID/W	U307	113	-			-
<u>HOUSING</u>	U400		432.5			
RESIDENTIAL RENT	U401	235	24.0			1.0
RESIDENTIAL UTILITIES	U402	235	4.5			XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	11.6			XXXXXXXX
QUARTERS ALLOWANCES	U404	127	293.4			24.0
RESIDENTIAL FURNITURE/EQUIP.	U405	311	58.8			XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	27.5			XXXXXXXX
SECURITY GUARD SERVICES	U407	254	7.7			XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	3.0			XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	2.0			XXXXXXXX

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1987

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		1,226.9			
OFFICE RENT	U501	234	137.6			XXXXXXXX
OFFICE UTILITIES	U502	234	16.7			XXXXXXXX
BUILDING MAINT./RENOVATION	U503	259	4.2			XXXXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	17.7			XXXXXXXX
VEHICLES	U505	312	13.0			XXXXXXXX
OTHER EQUIPMENT	U506	319	-			XXXXXXXX
TRANSPORTATION/FREIGHT	U507	22	10.5			XXXXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	8.2			XXXXXXXX
COMMUNICATIONS	U509	230	110.5			XXXXXXXX
SECURITY GUARD SERVICES	U510	259 259	12.0			XXXXXXXX
PRINTING	U511	24	1.5			XXXXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210	-			-
SITE VISITS-MISSION PERSONNEL	U513	210	173.8			300.0
SITE VISITS-AID/W PERSONNEL	U514	210	22.5			11.0
INFORMATION MEETINGS	U515	210	17.6			8.0
TRAINING ATTENDANCE	U516	210	11.0			10.0
CONFERENCE ATTENDANCE	U517	210	24.2			15.0
OTHER OPERATIONAL TRAVEL	U518	210	4.4			4.0
SUPPLIES AND MATERIALS	U519	26	125.7			XXXXXXXX
FAAS	U520	257	275.0			XXXXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259	-			XXXXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259	-			XXXXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259	-			XXXXXXXX
ALL OTHER CODE 25	U524	259	240.8			XXXXXXXX
TOTAL O.E. BUDGET			4,622.9			XXXXXXXX
RECONCILIATION			1,821.5			XXXXXXXX
OPERATING BUDGET REQUIREMENTS			2,801.4			XXXXXXXX
636C REQUIREMENTS	U600	32	-			XXXXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		2,801.4			XXXXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1985)

1,540.6
US\$1.00 = BDS\$2.0144

Estimated Wage Increase - FY 1986 to FY 1987
 Estimated Price Increase - FY 1986 to FY 1987

11.8%
8.0%

ORGANIZATION - RDO/C OFFICE IN GRENADA

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1985

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		534.2			
U.S. CITIZENS BASIC PAY	U101	110	317.1			5.4
PT/TEMP U.S. BASIC PAY	U102	112	-			
DIFFERENTIAL PAY	U103	116	53.5			XXXXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119	16.4			XXXXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119				XXXXXXXXXX
EDUCATION ALLOWANCES	U106	124	12.5			2
RETIREMENT - U.S. DIRECT HIRE	U107	128	22.2			XXXXXXXXXX
LIVING ALLOWANCES	U108	128	4.7			XXXXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	6.5			XXXXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	26.9			XXXXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	6.5			5
POST ASSIGNMENT - FREIGHT	U112	22	51.8			5
HOME LEAVE - TRAVEL	U113	212	3.0			4
HOME LEAVE - FREIGHT	U114	22	2.0			4
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215	7.1			10
OTHER CODE 215 TRAVEL	U117	215	4.0			4
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		36.0			
BASIC PAY	U201	114	25.1			1.3
OVERTIME, HOLIDAY PAY	U202	115	1.2			.1
ALL OTHER CODE 11 - FN	U203	119	6.4			XXXXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	3.3			XXXXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13				XXXXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		75.1			
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	73.4			12.1
ALL OTHER F.N. PSC COSTS	U305	255	1.7			XXXXXXXXXX
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		182.6			
RESIDENTIAL RENT	U401	235	119.0			6.75
RESIDENTIAL UTILITIES	U402	235	21.0			XXXXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	13.0			XXXXXXXXXX
QUARTERS ALLOWANCES	U404	127	-0-			-0-
RESIDENTIAL FURNITURE/EQUIP.	U405	311	2.4			XXXXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	-0-			XXXXXXXXXX
SECURITY GUARD SERVICES	U407	254	26.7			XXXXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	-0-			XXXXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	.5			XXXXXXXXXX

FY 1987 ANNUAL BUDGET SUBMISSION

TABLE VIII - FY 1985

(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		336.8			
OFFICE RENT	U501	234	27.1			XXXXXX
OFFICE UTILITIES	U502	234	10.7			XXXXXX
BUILDING MAINT./RENOVATION	U503	259	73.4			XXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	4.1			XXXXXX
VEHICLES	U505	312	-0-			XXXXXX
OTHER EQUIPMENT	U506	319	15.7			XXXXXX
TRANSPORTATION/FREIGHT	U507	22	11.6			XXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	6.7			XXXXXX
COMMUNICATIONS	U509	230	12.0			XXXXXX
SECURITY GUARD SERVICES	U510	254	-0-			XXXXXX
PRINTING	U511	24	1.0			XXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210	-0-			
SITE VISITS-MISSION PERSONNEL	U513	210	60.6			138
SITE VISITS-AID/W PERSONNEL	U514	210	9.4			6
INFORMATION MEETINGS	U515	210	5.7			8
TRAINING ATTENDANCE	U516	210	2.0			2
CONFERENCE ATTENDANCE	U517	210	5.2			4
OTHER OPERATIONAL TRAVEL	U518	210	-0-			
SUPPLIES AND MATERIALS	U519	26	39.7			XXXXXX
FAAS	U520	257				XXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259				XXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259				XXXXXX
ALL OTHER CODE 25	U524	259	51.9			XXXXXX
TOTAL O.E. BUDGET			1,164.7			XXXXXX
RECONCILIATION			(415.7)			XXXXXX
OPERATING BUDGET REQUIREMENTS			749.0			XXXXXX
636C REQUIREMENTS	U600	32	-0-			XXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		749.0			XXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1985)

\$483.9
ECS2.6882 = US\$1.00

FY 1987 ANNUAL BUDGET SUBMISSION
 TABLE VIII - FY 1986

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		372.8	11.0	383.8	
U.S. CITIZENS BASIC PAY	U101	110	275.1		275.1	5.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	58.8		58.8	XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119				XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119				XXXXXXXX
EDUCATION ALLOWANCES	U106	126	1.2		1.2	1.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	19.3		19.3	XXXXXXXX
LIVING ALLOWANCES	U108	128		7.8	7.8	XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	7.1		7.1	XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129	1.7		1.7	XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212				
POST ASSIGNMENT - FREIGHT	U112	22				
HOME LEAVE - TRAVEL	U113	212				
HOME LEAVE - FREIGHT	U114	22				
EDUCATION TRAVEL	U115	215		1.2	1.2	2.0
R AND R TRAVEL	U116	215	6.6		6.6	12.0
OTHER CODE 215 TRAVEL	U117	215	3.0	2.0	5.0	4.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		72.1		72.1	
BASIC PAY	U201	114	50.0		50.0	2.0
OVERTIME, HOLIDAY PAY	U202	115	1.2		1.2	1
ALL OTHER CODE 11 - FN	U203	119	12.9		12.9	XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	8.0		8.0	XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13				XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300			86.5	86.5	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		81.1	81.1	12.0
ALL OTHER F.N. PSC COSTS	U305	255		5.4	5.4	XXXXXXXX
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		167.4	74.3	241.7	
RESIDENTIAL RENT	U401	235	167.4	7.8	175.2	9.0
RESIDENTIAL UTILITIES	U402	235		33.6	33.6	XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259		5.4	5.4	XXXXXXXX
QUARTERS ALLOWANCES	U404	127				
RESIDENTIAL FURNITURE/EQUIP.	U405	311				XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXXXXX
SECURITY GUARD SERVICES	U407	254		26.7	26.7	XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254				XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252		.8	.8	XXXXXXXX

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1986
(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNIT</u>
OFFICE OPERATIONS	U500		111.8	128.2	240.0	
OFFICE RENT	U501	234		34.4	34.4	XXXXXX
OFFICE UTILITIES	U502	234		11.8	11.8	XXXXXX
BUILDING MAINT./RENOVATION	U503	259		3.5	3.5	XXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	12.2		12.2	XXXXXX
VEHICLES	U505	312	15.0		15.0	XXXXXX
OTHER EQUIPMENT	U506	319	-0-			XXXXXX
TRANSPORTATION/FREIGHT	U507	22	-0-			XXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	7.2		7.2	XXXXXX
COMMUNICATIONS	U509	230		13.2	13.2	XXXXXX
SECURITY GUARD SERVICES	U510	254				XXXXXX
PRINTING	U511	24	1.0		1.0	XXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U513	210	50.6		50.6	100.0
SITE VISITS-AID/W PERSONNEL	U514	210	5.6		5.6	4.0
INFORMATION MEETINGS	U515	210	5.1		5.1	8.0
TRAINING ATTENDANCE	U516	210	3.0		3.0	3.0
CONFERENCE ATTENDANCE	U517	210	5.5		5.5	4.0
OTHER OPERATIONAL TRAVEL	U518	210				
SUPPLIES AND MATERIALS	U519	26	6.6	19.9	26.5	XXXXXX
FAAS	U520	257				XXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259				XXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259				XXXXXX
ALL OTHER CODE 25	U524	259		45.4	45.4	XXXXXX
TOTAL O.E. BUDGET			724.1	300.0	1,024.1	XXXXXX
RECONCILIATION			(360.3)	-0-	(360.3)	XXXXXX
OPERATING BUDGET REQUIREMENTS			363.8	300.0	663.8	XXXXXX
636C REQUIREMENTS	U600	32	-0-	-0-	-0-	XXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U000		363.8	300.0	663.8	XXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31, 1985)

\$411.4
EC\$2.6882 = US\$1.00

Estimated Wage Increase - FY 1985 to FY 1986
Estimated Price Increase - FY 1985 to FY 1986

10%
10% on selected categories

175

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII - FY 1987

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		315.8			
U.S. CITIZENS BASIC PAY	U101	110	213.4			4.0
PT/TEMP U.S. BASIC PAY	U102	112	-0-			
DIFFERENTIAL PAY	U103	116	52.6			XXXXXXXX
OTHER AID/W FUNDED CODE 11	U104	119				XXXXXXXX
OTHER MISSION FUNDED CODE 11	U105	119				XXXXXXXX
EDUCATION ALLOWANCES	U106	120	1.4			1.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	15.0			XXXXXXXX
LIVING ALLOWANCES	U108	128	6.3			XXXXXXXX
OTHER AID/W FUNDED CODE 12	U109	129	7.0			XXXXXXXX
OTHER MISSION FUNDED CODE 12	U110	129				XXXXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	-0-			
POST ASSIGNMENT - FREIGHT	U112	22	-0-			
HOME LEAVE - TRAVEL	U113	212	7.6			15.0
HOME LEAVE - FREIGHT	U114	22	6.3			15.0
EDUCATION TRAVEL	U115	215	1.2			2.0
R AND R TRAVEL	U116	215				
OTHER CODE 215 TRAVEL	U117	215	5.0			4.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		81.7			
BASIC PAY	U201	114	53.0			2.0
OVERTIME, HOLIDAY PAY	U202	115	1.2			.1
ALL OTHER CODE 11 - FN	U203	119	13.2			XXXXXXXX
ALL OTHER CODE 12 - FN	U204	129	14.3			XXXXXXXX
BENEFITS FORMER FN PERSONNEL	U205	13				XXXXXXXX
<u>CONTRACT PERSONNEL</u>	U300		95.0			
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	89.2			12.0
ALL OTHER F.N. PSC COSTS	U305	255	5.8			XXXXXXXX
MANPOWER CONTRACTS	U306	259				
JCC COSTS PAID BY AID/W	U307	113				
<u>HOUSING</u>	U400		223.4			
RESIDENTIAL RENT	U401	235	153.0			8.0
RESIDENTIAL UTILITIES	U402	235	32.8			XXXXXXXX
MAINTENANCE AND RENOVATION	U403	259	5.4			XXXXXXXX
QUARTERS ALLOWANCES	U404	127	-0-			
RESIDENTIAL FURNITURE/EQUIP.	U405	311	2.0			XXXXXXXX
TRANS./FREIGHT - CODE 311	U406	22	-0-			XXXXXXXX
SECURITY GUARD SERVICES	U407	254	29.4			XXXXXXXX
OFFICIAL RESIDENCE ALLOWANCES	U408	254	-0-			XXXXXXXX
REPRESENTATION ALLOWANCES	U409	252	.8			XXXXXXXX

FY 1987 ANNUAL BUDGET SUBMISSION
 TABLE VIII - FY 1987
 (continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
OFFICE OPERATIONS	U500		232.6			
OFFICE RENT	U501	234	38.5			XXXXXX
OFFICE UTILITIES	U502	234	13.0			XXXXXX
BUILDING MAINT./RENOVATION	U503	259	3.5			XXXXXX
OFFICE FURNITURE/EQUIPMENT	U504	310	5.0			XXXXXX
VEHICLES	U505	312				XXXXXX
OTHER EQUIPMENT	U506	319				XXXXXX
TRANSPORTATION/FREIGHT	U507	22	1.0			XXXXXX
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	7.9			XXXXXX
COMMUNICATIONS	U509	230	14.5			XXXXXX
SECURITY GUARD SERVICES	U510	254				XXXXXX
PRINTING	U511	24	1.0			XXXXXX
RIG/II OPERATIONAL TRAVEL	U512	210				
SITE VISITS-MISSION PERSONNEL	U513	210	55.7			100.0
SITE VISITS-AID/W PERSONNEL	U514	210	5.7			3.0
INFORMATION MEETINGS	U515	210	5.6			10.0
TRAINING ATTENDANCE	U516	210	3.3			3.0
CONFERENCE ATTENDANCE	U517	210	6.0			4.0
OTHER OPERATIONAL TRAVEL	U518	210				
SUPPLIES AND MATERIALS	U519	26	26.5			XXXXXX
FAAS	U520	257				XXXXXX
CONSULTING SVCS. - CONTRACTS	U521	259				XXXXXX
MGT./PROF. SVCS. - CONTRACTS	U522	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U523	259				XXXXXX
ALL OTHER CODE 25	U524	259	45.4			XXXXXX
TOTAL O.E. BUDGET			948.5			XXXXXX
RECONCILIATION			286.5			XXXXXX
OPERATING BUDGET REQUIREMENTS			662.0			XXXXXX
636C REQUIREMENTS	U600	32	-0-			XXXXXX
TOTAL ALLOWANCE REQUIREMENTS	U700		662.0			XXXXXX

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
 EXCHANGE RATE USED (MARCH 31, 1985)

\$458.7
 EC\$2.6882 = US\$1.00

Estimated Wage Increase - FY 1986 to FY 1987
 Estimated Price Increase - FY 1986 to FY 1987

10%
 10%

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII(a) - Information on U.S. PSC Costs

<u>RDO/C, Barbados</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>
<u>Job Title/Position Description</u>			
Part Time Receptionist	\$ 4.5 (4/85-9/85)	\$ 9.1 (10/85-9/86)	\$ 9.6 (10/86-9/87)
Part Time Receptionist	\$ 4.5 (10/85-9/85)	\$ 9.1 (10/85-9/86)	\$ 9.6 (10/86-9/87)
Part Time Secretary	\$ 8.7 (4/85-9/85)	-	-
Administrative Assistant	\$ - -	\$ 22.7 (10/85-9/86)	\$ 23.7 (10/86-9/87)
Computer Programmer Specialist	\$ - -	\$ 58.7 (10/85-5/86)	- -
<u>Grenada</u>			
None			

FY 1987 ANNUAL BUDGET SUBMISSION
TABLE VIII(b) - All Other Code 25 Detail

<u>BDO/C, Barbados</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>
<u>Description of Service</u>			
Charter Air Services	\$ 166.4	\$ 196.4	\$ 212.0
Participation in Embassy Charter Aircraft	(10/84-1/85) (07/85-9/85)	(10/85-9/86)	(10/86-9/87)
All Other	\$ 55.4 (10/84-9/85)	\$ 26.6 (10/85-9/86)	\$ 28.8 (10/86-9/87)
 <u>Grenada</u>			
All Other	\$ 51.9 (10.84-9/85)	\$ 45.4 (10/85-9/86)	\$ 45.4 (10/86-9/87)

D. ABS TABLE VIII (c) - ANNEX J - OBLIGATIONS FOR ACQUISITION, OPERATION, AND USE OF INFORMATION TECHNOLOGY SYSTEM

Section A:

RDO/C installed 3 WANG Personal Computers (PCs) in early FY85. These were the first in a trend toward more versatile workstations which will support increased professional as well as clerical productivity. Priority use of this equipment as of May 1985 is as follows:

- 1) WF - OIS
- 2) Spread sheet applications for Budgetary and Financial Modeling Analysis - See Project Development and Implementation.
- 3) Project Tracking
- 4) Administrative Systems
- 5) Contractor Support
- 6) Visual Aids (Graphics)

Section B

Priority: Mission Automated Accounting Control System (MAACS). With the acquisition of MAACS the Mission's highest priority becomes Mission/Project accounting. This will result in a dramatic change in Mission Information Systems Policy.

Responsibility: The Management Office retains overall coordinating responsibility. A systems analyst will be hired to provide direct supervision and technical/support. The Office of the Controller will provide appropriate staff (as called for in the MAACS implementation outline) to operate the system.

Training: To be done in house by a systems analyst through consultations, on-the-job training and appropriate classes sponsored by vendors.

Link to Development Assistance Strategy: At the present time, no physical or logical links are envisioned. However, the system will be used to generate financial management and project accounting reports in support of project officer activities as well as Mission management information needs.

Effectiveness Criteria: The value of MAACS will be measured by:

- (1) The ability of the Office of the Controller to absorb the increased workload resulting from the absorption of Grenada and Guyana accounting systems into RDO/C without a significant increase in staff;
- (2) The ability to generate reports in real time, i.e., weekly expenditures tracking;

(Note: PCs need be purchased with the network feature to increase the number of PCs from 3 to 6. Present equipment can be maximized without additional procurement of machines.)

- (3) An improved ability to answer ad hoc queries;
- (4) Achieving total conformity with Chapter 13 of the Controller's Handbook

Section C

In late 1985 RDO/C will obtain an Uninterruptable Power System (UPS) and the Mission Automated Accounting System (MAACS) on a VS 15 with 4 user workstations and 1 medium-speed band printer. The MAACS will enable RDO/C to handle the increased financial management workload (resulting from the consolidation of Grenada and Guyana accounting activities as well as continued growth of the RDO/C portfolio, and in particular, bilateral activities) without an appreciable increase in staff size in the Regional Controller's Office. The MAACS installation will require some additional building modifications and wiring/cabling, terminals, printers and supplies. Also, in 1985 RDO/C has planned procurement of two additional letter quality printers to augment and replace the existing worn and technologically obsolete printers. The UPS is necessary because of the frequency of power outages peculiar to Bridgetown.

Finally, in 1985: 1) 3 high speed Matrix printers; 2) 2 memory expansion cards; and, 3) a network system allowing for use of 3 existing 4250 workstations as PCs will be procured.

At present there are 16 employees who have been trained to efficiently use the Data Base and/or Lotus features inherent in the PCs. Other employees use a variety of programs for project scheduling and various analysis. Present users are:

- | | |
|------------------|------------------|
| 1. K. Finan | 9. A. Blades |
| 2. E. Warfield | 10. C. Teaford |
| 3. D. Harrington | 11. B. Selliah |
| 4. I. Bennett | 12. O. St. Hill |
| 5. D. Soules | 13. J. Valentine |
| 6. R. Phillips | 14. S. Bain |
| 7. O. Frost | 15. G. Cavanagh |
| 8. C. Tempro | 16. M. DeMetre |

By the end of FY85 additional employees will be trained. The exact number will be a function of: 1) the timing of the installation of the PC network, and 2) the timing of the installation of the MAACS System. The ratio of users to workstations will be 6.7 to 1 at year-end.

FY86: With the MAACS VS system in operation it will be necessary to add one additional terminal as the staff in the Controller's Office develops the full range of MAACS applications. We will also add five 4250 workstations to other Mission offices. These will be linked to both the OIS and to the PC network to provide the maximum flexibility. Ratio: 3.5 users to 1 workstation.

Mission information system priorities are expected to gradually change over the fiscal year to the following;

- 1) Mission Accounting (MAACS)
- 2) Project Accounting (MAACS)
- 3) Professional Productivity enhancements such as Spreadsheets, Budgeting, Financial Modeling, Analysis, List Keeping
- 4) Visual Aids - Graphics
- 5) Administrative Systems
- 6) Word Processing

FY 87: Will be a year of replacement of outdated equipment (2 old letter quality printers will be replaced by 2 new letter quality printers with sheet feeders) and the purchase of 6 additional workstations to be placed within divisions to permit professional staff more convenient access to information and to provide software support for project activities. These multi-purpose 4250 workstations will be used for document composition by the professional staff while linked to the OIS and to support spread sheet and data base software when used as PCs. Ratio: 2.8 users to 1 workstation.

FY 88: RDO/C will purchase a combination of seven (7) workstations. Ratio: 2.2 users to 1 workstation.

FY 89: This period is viewed as a period of refinement with the possible addition of a telecommunications system linked to the United States as well as other islands within the Eastern Caribbean. No doubt a good deal of the VS and PC equipment will have to be modified or replaced during this three year period. The much larger OIS workstations, being bulky in design are not compatible with the trend towards smaller working space. Those workstations will have to be replaced with the smaller 4250 workstations, and faster printers will have to be obtained. We are now finding that the rapid development in software will permit us to do more work in less time. Although RDO/C is now purchasing new software packages and will continue to do so, it would appear that by FY 89 and beyond software purchases, equipment modification and improved links within and outside of the Mission will be the main thrust of the RDO/C ADP program. Ratios: FY 89, 1.9 users to 1 workstation; FY 90, 1.6 users to 1 workstation; FY 91, 1.5 users to 1 workstation.

Attached is a complete procurement plan and a chart showing the changes in configuration of our ADP system for FY 85-91.

ADP PROCUREMENT PLAN FY85 TO FY91
 (NOTE: NUMBERS ARE CUMULATIVE)

	DEDICATED WRKST.	4250 WRKST.	4250/PC WRKST.	BACKUP TAPE	LETTER PRINTERS	HIGH SPD. PRINTERS	MATRIX
PRINTERS							
FY85 PRESENT							
OIS	6	3	0	1	2	1	0
VS							
PC	2	0	1	0	0	0	3

FY85 YEAR-END							
OIS	6	0	4	1	4	1	4
(SHIFT OF OIS WK ST TO PC/OIS STATIONS)							
VS	2	0	2	1	0	1	2
(MACS PROCUREMENT LINE)							
PC	2	0	1	0	0	0	3

FY86							
OIS	6	0	9	1	4	1	9
VS	2	0	3	1	1	1	3
PC	2	0	1	0	0	0	3

FY87							
OIS	6	0	15	1	4	1	15
VS	2	0	3	1	1	1	3
PC	2	0	1	0	0	0	3

FY88							
OIS	6	0	21	1	4	1	21
VS	2	0	4	1	1	1	4
PC	2	0	1	0	0	0	3

FY89-1991							
OIS	6	0	39	1	4	1	39
VS	2	0	5	1	1	1	5
PC	2	0	1	0	0	0	3

ABS TABLE VIII (c) - ANNEX J
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS

<u>Item and Explanation</u>	<u>FISCAL YEARS</u>		<u>(\$000)</u>
	<u>1985</u>	<u>1986</u>	<u>1987</u>
<u>1. Capital Investment</u>			
<u>A. Purchase of Hardware (MAACS)</u>			
Purchase of automation equipment by the Mission; such as WANG VS mini-computer, WANG OIS System, WANG WP equipment and micro-computers (including portables) and their associated workstations/terminals, printers, and telecommunication modems and multiplexers.	78,294	47,000	52,000
<u>B. Purchase of Software or Other Equipment</u>			
Purchase of software by the Mission to operate on existing or new automation equipment (hardware)--CP/M, Multiplan, DBASE II and III, Microstat, LOTUS 1-2-3, etc. Other equipment includes special purpose furniture.	12,611	8,000	8,000
<u>C. Site and Facility</u>			
Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning, power line conditioners, and uninterruptible power supplies.	25,000		
(Including shipping/handling 15 percent)	13,636	8,250	9,000
SUB-TOTAL	<u>129,541</u>	<u>63,250</u>	<u>69,000</u>

<u>Item and Explanation</u>	FISCAL YEARS (\$000)		
	<u>1985</u>	<u>1986</u>	<u>1987</u>
<u>2. Personnel</u>			
Mission will provide requirements below for the number of personnel involved in supporting the information technology functions according to the following categories:			
Number of Personnel engaged in:			
Systems Management:	.5	.5	.5
Systems Operations:	.5	.5	.5
Programming and Systems Development:		1.0	1.0
Clerical Support: (Personnel that use system will not be included)		1.0	2.0
<u>A. Total Compensation, Benefits and Travel</u>			
	11,500	84,753	40,000
<u>B. Total Work-years</u>			
	(1.0)	(3.0)	(3.0)

3. Equipment Rental, Space and Other Operating Costs

A. Lease of Equipment

Obligations for lease and maintenance of non- government owned equipment (rented equipment) and software furnished as a part of the rental contract.

Not Applicable.

B. Space

Obligations for lease of space or government furnished space to house automation equipment as well as office space for personnel (direct-hire and contractor) involved in the information technology function (see 2A & 2B) including basic utilities and house keeping services.

Included in RDO/C office lease. No additional costs.

<u>Item and Explanation</u>	<u>FISCAL YEARS (\$000)</u>		
	<u>1985</u>	<u>1986</u>	<u>1987</u>
C. <u>Supplies and Other</u> Obligations for supplies and software rental (not included in a rental contract for equipment)			Not applicable.
D. <u>Non-Commercial Training</u> Obligations for planning and conducting government operated training to prepare users to make resources.	5,000	10,000	15,000
SUBTOTAL	<u>5,000</u>	<u>10,000</u>	<u>15,000</u>

4. <u>Commercial Services</u> This includes obligation for services where payments are made to private industry.			Not applicable.
A. <u>Computer Time</u> Obligations to fund contract with a private firm to provide computer time to the Mission.			Not applicable.
B. <u>Leased Telecommunications Services</u> Obligations for leased telephone lines and other telecommunication services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines, modems, and other equipment to reach the American Embassy's Office of Communications for the purpose of the transmission of data to and from AID/W.			Not Applicable

<u>Item and Explanation</u>	<u>FISCAL YEARS (\$000)</u>		
	<u>1985</u>	<u>1986</u>	<u>1987</u>
<u>4. C. Operations and Maintenance</u>			
<u>(1) Operations</u>			
Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (system administrator and staff, not workstation operators).	N/A	30,000	33,000
<u>(2) Maintenance</u>			
Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	9,363	20,000	22,000
<u>D. Systems Analysis and Programming</u>			
Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing application systems.	9,000	10,000	11,000
E. Systems Design and Engineering (Do not complete - OMB requirement not applicable to AID)	XXXXXX	XXXXXX	XXXXXX
<u>F. Studies and Other</u>			
Obligations for management and feasibility studies, requirement definitions, and commercial training.	1,500	3,000	5,000
SUB-TOTAL	19,863	63,000	71,000
<hr/>			
5. TOTALS	165,904	211,003	195,000
Total Obligations			
Work-years (From item 2A)	(1.0)	(3.0)	(3.0)

<u>Item and Explanation</u>	FISCAL YEARS (\$000)		
	<u>1985</u>	<u>1986</u>	<u>1987</u>
6. <u>Special Breakout</u>			
A. Amounts included in Mission allowances for <u>existing systems</u> . (Includes 2A, 3, and 4) (Services for equipment in place only.)	11,500	84,753	40,000
B. Amounts included in Mission allowances for <u>new or expanded systems</u> . (Includes 1, 2A, 3 and 4.) (Equipment and services for new efforts beginning during the fiscal year.)	129,541	63,250	69,000