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United States Agency for International Development



**Regional Office for the Caribbean
Eastern Caribbean Program**

CLOSE-OUT PLAN UPDATE

FY 1995-96

February 21, 1995

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RDO/C Staffing - Close-Out Plans

Regional Development Office for the Caribbean (RDO/C)
EASTERN CARIBBEAN PROGRAM

CLOSE-OUT PLAN UPDATE
1995-1996

I. OVERVIEW

This Close-Out Plan Update covers RDO/C's Eastern Caribbean program managed from Barbados. USAID/Guyana will submit a separate Action Plan for the program in that country.

RDO/C's Eastern Caribbean strategy, approved in September 1992, is focused on two Strategic Objectives (SOs): (1) increased and diversified trade, and (2) improved natural resource management. The mission had proposed to end its Eastern Caribbean program at the end of the 1992-97 strategy period and phase-down efforts had already begun even before the Agency's November 1993 decision to close 21 missions by FY 1996. That decision and subsequent specific Agency decisions regarding the RDO/C program have required acceleration of the schedule and substantial program adjustments. Throughout the process, RDO/C has attempted to fulfill a mandate to protect the gains already made, maintain U.S. credibility in the region, and achieve as much as possible toward the strategic objectives. Section II reports program performance for 1994.

RDO/C submitted an Action Plan/Close-Out Plan in February 1994. Since then, the Agency has made several significant decisions which impact on the plan. These include criteria for continuing activities beyond close-out that are more rigid than anticipated, transfer of the Regional Contracting Officer from Barbados, a 70% cut in the mission's FY 1995 program budget, and relocating the "seat" of RDO/C to Guyana instead of establishing a new mission there. These decisions will not delay completing the Eastern Caribbean program and closing RDO/C's office in Barbados, but they complicate the task and will reduce program results which can be achieved. They are discussed further in Section III.

The mission continues to stress rigorous adherence to planned schedules for completion of ongoing activities, but have found some project extensions unavoidable. Thus, while six projects ended in FY 1994, this was three less than planned. On the other hand, impressive progress has been made in reducing the program pipeline, and in such areas as completing required audits and clearing a backlog of close-out actions on projects which are no longer active. Overall, the phase-down of the program remains on track to be completed by the end of FY 1996. Seven of the thirteen projects still active will be completed during FY 1995 and continuing activities under another will be transferred to the Global Bureau, leaving just five projects to be completed in FY 1996.

All projects which will have activities continuing beyond the first quarter of FY 1996 have been modified to minimize the management burden on the mission during those last months, particularly with regard to financial management and audits. This, together with the curtailment of two key projects, required long and difficult negotiations with the Organization of Eastern Caribbean States (OECS), the primary implementing entity. While

those negotiations have been successfully concluded, continued budget constraints have delayed full implementation.

II. PROGRAM PERFORMANCE

A. SO-1, Increased and Diversified Trade

Last year's Action Plan/Close-Out Plan noted that, with reduced resources and a shorter time horizon, the mission planned to focus its performance management efforts at the Program Output (PO) level. However, we continue to monitor indicators at the Strategic Objective (SO) level and we are disappointed. All three SO-1 indicators--increased value of non-traditional exports (with and without tourism) and improved trade balance--show much poorer than planned performance in 1993. 1994 data is not yet available, but recent forecasts suggest further deterioration in the near term. This bleak picture emerges from data which are themselves in need of improvement. Substantial revisions have been necessary with each report and there is little reason for confidence that the latest numbers are at last accurate. (Improving the region's information base was to have been a major contribution of the Caribbean Policy Project.) Nevertheless, we believe the broad picture of disappointing performance in non-traditional export growth and balance of payments is correct.

We are also disappointed in our inability to report on a key indicator for PO-1.1. The diagnostic studies undertaken by the CDB with support from USAID and the IDB were never completed due to failure of the main consultants to deliver acceptable final reports. To salvage the overall initiative, the CDB collaborated with the OECS Economic Affairs Secretariat (EAS) and the Eastern Caribbean Central Bank to develop a list of sub-program areas for submission to the MIF donors' committee. Despite failure of the diagnostic exercise to produce implementable recommendations, other initiatives have been taken by the EAS through the Caribbean Policy Project to prepare the OECS countries for liberalized trade, including a study to analyze the economic impact of the CET reduction on various subsectors, which is currently in progress.

After delays and distractions, in part caused by the need to revise and curtail CPP activities, an agreement between OECS/EAS and UNDP/UNCTAD for the ASYCUDA Trade Information System was executed effective November 1, 1994. Implementation includes Dominica, Grenada and St. Vincent in the first phase, which is now underway.

Expansion of USAID assisted non-traditional agricultural products is a bright spot in an otherwise somber economic prospect. The Agriculture Research and Extension project was completed during FY 1994, and the mission has given top budget priority to the West Indies Tropical Produce project so that it can continue to its planned completion in March 1996. The availability of production technology and market information and facilities will provide valuable alternatives as marginal banana producers (primarily small farmers) are forced to find other sources of income.

Another encouraging development during the year was agreement by the Caribbean Development Bank (CDB) to provide financing for micro-enterprises through Eastern Caribbean Organization of Development Foundations (ECODEF), whose USAID support

under the Small Enterprise Assistance Project is ending. However, ECODEF still faces the need to raise counterpart funding.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Caribbean Regional						
STRATEGIC OBJECTIVE NO. 1 Increased and diversified trade						
Indicator 1: (A) Increased value of non-traditional exports (including tourism); (B) Annual rate of change of non-traditional exports (including tourism)						
Unit (A) US\$ Million; (B) Annual Percentage	Year	Planned	Actual	Year	Planned	Actual
Sources: ECCB Economic and Financial Review, All Volumes 1992-94; Economic Policies for Transition in the OECS States, World Bank, March 94; Caribbean Region - Current Economic Situation, Regional Issues and Capital Flows, 1992, World Bank Comments: The performance and prospects for non-traditional exports (total exports less bananas and sugar) are below earlier projections. Planned data have not been adjusted from the last report, but the actual baseline has been adjusted to be consistent with current data.	Baseline	1,171	1,023	1992	(A) (B)	(A) (B)
		1,252	1,051	1993	7.0	3
		1,352		1994	8.0	
		1,460		1995	8.0	
		1,562		1996	7.0	
	Target	1,670		1997	7.0	
Indicator 2: (A) Increased value of non-traditional exports (excluding tourism); (B) As percentage of the value of total exports						
Unit (A) US\$ Million; (B) Annual Percentage Change	Year	Planned	Actual	Year	Planned	Actual
Sources: Same as above Comments: Non-traditional exports excluding tourism are expected to dip in 1994-95, and regain a positive momentum in 1996. Planned data have not been adjusted from last years matrix, but the actual baseline has been changed to reflect the best current data.	Baseline	574	478	1992	(A) (B)	(A) (B)
		649	445	1993	14%	-7
		733		1994	14%	
		829		1995	13%	
		936		1996	12%	
	Target	1,058		1997	11%	

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: (A) Improved trade balance; (B) Annual rate of change in trade balance		Year	Planned		Actual			
Unit: (A) US\$ Million; (B) Annual percentage change	Baseline		(A)	(B)	(A)	(B)		
<p>Sources: Same as above</p> <p>Comments: Recent trends and forecasts indicate a less robust scenario than originally forecasted by the World Bank and presented in the SO Matrix of last year. More recent ECCB projections indicate a widening trade gap through 1997, with the rate of decline slowing through the period.</p> <p>Planned figures submitted in last year's Matrix were inexplicably changed between preparation and submission; the planned figures now shown are those which should have appeared in the last submission and have not been adjusted for current forecasts. However, the baseline actual figure is adjusted to reflect current information.</p>	Baseline	1992	-193			-204	-17	
	1993		-170	11.9%				
	1994		-140	17.6%				
	1995		-116	17.1%				
	1996		-102	12.1%				
	Target		-87	14.7%				

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. I: Increased and diversified trade		PROGRAM OUTPUT NO. 1.1: Improved policy framework implemented	
Indicator 1: EAI diagnostic recommendations implemented			
Unit: Cumulative percent of indicators implemented			
	Year	Planned	Actual
Source: AID, CDB, IADB files	1992		0
Comments: Diagnostics exercise aborted. CDB in collaboration with OECS/EAS and ECCB has identified sub-program areas for financing through the MIF. These include establishment of the framework for a single market in the Eastern Caribbean states.	1993	0	0
Interim Benchmarks: BM1: Diagnostics completed (3/94) BM2: Related proposals funded under CPP (9/94)	1994	BM1, BM2, 10%	0
	1995	30%	
	1996	50%	
	1997	75%	
	Target		
Indicator 2: Implemented reductions in level of Common External Tariff			
Unit: Average ceiling rate (%) for OECS countries			
	Year	Planned	Actual
Source: CARICOM Secretariat	1992		45%
Comments: The countries of CARICOM have agreed to implement a phased reduction of the CET, which would reduce the top rate from 45% to 20% by the end of 1997.	1993	40%	40%
	1994	35%	35%
	1995	30%	
	1996	25%	
	1997	20%	
	Target		

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 1 Increased and diversified trade						
PROGRAM OUTPUT NO. 1.2 Improved regulatory framework developed and enacted						
Indicator 1: Enabling business legislation (A) developed and (B) enacted						
Unit: Cumulative no. of developments/enactments	Year	Planned		Actual		
Source: Official public documents, e.g., Gazette; Caribbean Law Institute Project file	1972	(A)	(B)	(A)	(B)	
Comments: Seven model acts have been developed, one more than planned.	1993	4	2	5	0	
Legislation is considered "developed" when a model act is available to the Attorney General Offices; it is considered "enacted" when passed into law by a country's Parliament.	1994	6	4	7	4*	
	1995	6	6			
	1996	6	6			
	1997	6	9			
* Grenada, Dominica and Antigua have enacted the Companies Act; St. Lucia has enacted the Shipping Act.	Target					
Indicator 2: Court registries operations streamlined and modernized						
Unit: Cumulative no. of countries	Year	Planned		Actual		
Source: Official court registry docs and consultants reports; CJIP	1992				0	
Comments: Belize, Dominica, Grenada, St. Kitts, St. Lucia and St. Vincent have improved court registries. Registry improvements in Antigua were limited by a severe shortage of space that was not ameliorated.	1993		2		0	
	1994		6		6	

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: Customs regime streamlined and modernized					
Unit	Cumulative no. of countries operating an ASYCUDA system	Year	Planned	Actual	
Source:	Caribbean Policy project	1992		0	
Comments: All OECS members have endorsed an automated system for customs data and management (ASYCUDA), which will facilitate import and export transactions, improve trade information for policy development and enhance revenue collection. Interim Benchmarks: BM1: Proposal for A.I.D. support submitted to CPP ('93) BM2: Six country work plans developed ('94) BM3: Six countries adopt single customs document ('94)		1993	BM1	BM1	
		1994	BM2, BM3	BM2 (50%)	
		1995	2		
		1996	4		
	Target	1997	6		

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 1 Increased and diversified trade			
PROGRAM OUTPUT NO. 1.3 Competitive products and markets developed			
Indicator 1: Increased dollar value of AID-assisted non-traditional agricultural exports			
Unit: US dollar per annum (millions)	Year	Planned	Actual
Source: TROPRO: OECS Secretariat & Governments	Baseline		5
Comments: The projection on volume assumes constant prices and linear relationship between value of sales and volume exported. Includes extra and intra-regional agricultural trade.	1992	6	8
	1993	7	10.9
	1994	8	(Est.) 11
	1995	9	
	1996	10	
	1997	11	
	Target		
Indicator 2: Increased number of products and services penetrating markets			
Unit: Cumulative number of products and services	Year	Planned	Actual
Source: TROPRO & AREP, OECS Secretariat/CARDI	Baseline		2
Comments: For products and services, current figures reflect development of at least eighteen sustainable agricultural marketing systems (defined as a single crop successfully exported to a single market).	1992		7
	1993	5	12
	1994	8	
	1995	12	
	1996	15	
	1997	18	
	Target		

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 1 Increased and diversified trade		PROGRAM OUTPUT NO. 1.4 Improved public and private sector managerial and technical base		Indicator 1: Number of trade-related private sector personnel trained in management and technical areas		Planned		Actual		
Unit: Persons trained per year	Year	Planned Males	Planned Females	Actual Males	Actual Females					
Source: Policy, RMT, SEAP, CLDT	1992	372	516	479	574					
Comments: The precipitous drop in short term training after 1994 is explained by the termination of the Small Enterprise Assistance Project which will end in that year.	ST			12	2					
	LT									
	1993	372	516	486	372					
	ST	21	14	21	7					
Indicator 2: Number of key personnel in targeted public sector institutions trained	1994	300	401	409	279					
	LT	36	24	30	22					
	1995	71	48							
	ST	36	24							
Unit: Persons trained per year	1996	30	30	30						
	LT	8	6							
	Source: Regional Management Training, Caribbean Policy, Caribbean Leadership Development Training	1992			18	6				
	Comments:	ST			16	29				
LT										
1993		44	28	17	13					
ST		13	7	22	14					
Source: Regional Management Training, Caribbean Policy, Caribbean Leadership Development Training	1994	36	23	13	10					
	LT	23	12	16	19					
	1995	30	35							
	ST	23	12							
Unit: Persons trained per year	1996	20	10							
	LT	12	8							

TABLE 2 STRATEGIC OBJECTIVE PROGRAM "TREE"

RDO/C Eastern Caribbean			
Agency Goal: Broad-based economic growth with equity			
STRATEGIC OBJECTIVE NO. 1: Increased and diversified trade			
PROGRAM OUTCOME NO. 1.1: Improved policy framework implemented	PROGRAM OUTCOME NO. 1.2: Improved regulatory framework developed and implemented	PROGRAM OUTCOME NO. 1.3: Competitive products and markets developed	PROGRAM OUTCOME NO. 1.4: Improved public and private sector managerial and technical base
Projects (Number/Title) (538-0184) Caribbean Policy Project (538-0163) West Indies Tropical Produce	Projects (Number/Title) (538-0184) Caribbean Policy Project (538-0645) Caribbean Justice Improvement Project (538-0165) Caribbean Law Institute	Projects (Number/Title) (538-0184) Caribbean Policy Project (538-0163) West Indies Tropical Produce (538-0164) Agricultural Research & Extension	Projects (Number/Title) (538-0184) Caribbean Policy Project (538-0148) Regional Management Training (538-0165) Caribbean Law Institute (538-0173) Caribbean Leadership Development Training

B. SQ-2, Improved Natural Resource Management

Protecting the environment is a critical concern in the Eastern Caribbean, as highlighted at the Conference on Sustainable Development of Small Island States held in Barbados in April 1994. RDO/C had almost no environmental and natural resources activity in its portfolio until the Environment and Coastal Resources (ENCORE) project was initiated at the end of FY 1991. While it is still early, positive results are being achieved by this Global Environmental Facility (GEF) designated project, which will be transferred to the Global Bureau (G/ENV/ENR) during FY 1995. For example:

- o With direct assistance from ENCORE, it now appears that four new nature preserves or national parks will be created (three small ones in Dominica and one larger one in St. Lucia). It is significant that local community interests were involved from the start and that their needs and desires have been incorporated in the development and management plans for the parks/preserves. Also, the management plans are for multiple uses, a first in the sub-region, incorporating both conservation and economic development.
- o In all three local sites (two in Dominica, one in St. Lucia), local support for and involvement in solid waste management activities is well advanced. This includes closing illegal dumps, community clean-up and beautification campaigns, expanded use of improved waste receptacles, and greater community involvement in decision-making on solid waste issues. To date, three beaches and several community parks and scenic areas have been cleaned up, three illegal dumps have been closed and recovered, and waste receptacle and community latrine activities are now well advanced, with over 50 new waste receptacles installed and in use.

Tropical Forests and Biodiversity

Loss of tropical forests is not the major concern that it is elsewhere, but remains a localized problem, especially in the Windward Islands, due to pressures from agriculture, tourism development, and population growth. Biodiversity is threatened in both the terrestrial and marine ecosystems due to development and population pressures, as well as natural disasters, leading to loss or degradation of critical habitats.

RDO/C has expanded its efforts in support of the conservation of tropical forests and biological diversity through the ENCORE project. In collaboration with regional institutions, local governments, NGOs and other donors, the mission is supporting the Tropical Forestry Action Plan and National Environmental Action Plan process underway in the region. The ENCORE project is supporting activities in training and environmental awareness, use of environmental assessment as a planning and management tool, introduction of multiple-use management plans for parks and protected areas, and actual conservation of critical terrestrial and marine habitats.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Caribbean Regional				
STRATEGIC OBJECTIVE NO. 2 Improved natural resource management				
Indicator 1: Public and private organizations using environmental analysis and data in decision-making				
Unit: Cumulative number of organizations		Year	Planned	Actual
Source: ENCORE: OECS Secretariat	Baseline	1992		0
Comments: Some of the organizations that have begun to incorporate environmental analysis in their development planning process include the six OECS countries (Ministries of Works, Agriculture, and Planning), banana corporations, major hotels, principal manufacturing companies and regional organizations such as the Caribbean Agricultural Research and Development Institute.		1993	2	2
		1994	7	8
		1995	16	
	Target	1996	21	
Indicator 2: Monitoring system for natural resource quality (e.g., water, forest, beaches, reefs, soils) being done at regional and national levels throughout the region				
Unit: Number of systems		Year	Planned	Actual
Source: ENCORE: CEHI	Baseline	1990/91		0
Comments: RDO/C is assisting the Caribbean Environmental Health Institute (CEHI), an agency of CARICOM, to develop a regional environmental reporting system, upgrade national environmental analysis capability, and monitor the specific local sites designated under the ENCORE project to demonstrate how local monitoring can be undertaken. Baseline and target data requirements were established and data collection was begun by CEHI in 1994.		1992	0	0
		1993	0	0
		1994	2	3
		1995	4	
		1996	7	
	Target	1997	8	

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TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: Number of national environmental coordinating committees with public and private sector representatives operating in OECS countries					
Unit	Cumulative number of committees	Baseline	1992		
Source:	ENCORE: OECS Secretariat		1993	2	2
Comments:	The objectives of the national environmental coordinating committees are to advise the national government on environmental concerns and act as coordinating bodies for environmental activities.		1994	4	6
			1995	4	
			1996	4	
		Target	1997	6	

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

Caribbean Regional		STRATEGIC OBJECTIVE NO. 2: Improved natural resource management		PROGRAM OUTPUT NO. 2.1: Natural resource policies and regulations developed and accepted		Indicator 1: Cumulative number of OECS countries with existing environmental laws translated into regulations			
Unit	Cumulative number of countries	Year	Planned	Actual	Unit	Cumulative number of countries	Year	Planned	Actual
Source: ENCORE/CLI/CPP, OECS Secretariat									
Comments: The drafting of environmental laws and regulations can take up to three years in the Eastern Caribbean, therefore significant progress is not expected until late in the project.									
		Baseline					1992		0
							1993	0	0
							1994	2	1
							1995	2	
							1996	6	6
		Target					1997		6
Indicator 2: Cumulative number of OECS countries with environmental plans									
Source: ENCORE, OECS Secretariat									
Comments: An environmental plan is a comprehensive statement that a country will follow in evaluating environmental concerns and impacts. A plan will include major environmental problems, mitigating actions required, list of environmentally-related laws, description of responsibilities (public and private), among other things. The development of the plan is an interactive process and can take up to two years.									
		Baseline					1992		0
							1993	0	0
							1994	2	4
							1995	4	
							1996	6	6
		Target					1997		6
Unit Cumulative number of countries									
Year									
Planned									
Actual									

TABLE I: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 2 Improved natural resource management			
PROGRAM OUTPUT NO. 2.2 Environmentally sound agricultural products and practices developed			
Indicator 1: Cumulative number of environmentally sound agricultural systems/practices developed and disseminated			
Unit	Number of systems/practices	Year	Planned
	0	1992	
Source:	TROPPO/AREP, OECS/ADCU, CARDI		
Comments:	Development of environmentally sound practices includes ensuring sustainable production without damage to the resource base.		
	4	1993	5
	10	1994	10
	15	1995	
Target	20	1996	
Indicator 2: Percentage of farmers in selected areas who are using agricultural practices or adopting new crops with continued positive economic returns			
Unit	Percentage of farmers adapting	Year	Planned
	0	1992	
Source:	TROPPO/AREP, OECS/ADCU, CARDI		
Comments:			
	10	1993	10
	20	1994	20
	35	1995	
	50	1996	
Target	70	1997	

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: Monitoring system developed to ensure environmental quality is not degraded (i.e., water quality and biodiversity are maintained and soil erosion is contained at ENCORE sites)		Year	Planned	Actual
Unit: Cumulative number of systems		1992		0
Source: ENCORE: CEHI		1993	0	0
Comments: Data to be gathered by an ENCORE project sub-grant to the Caribbean Environmental Health Institute (CEHI). Actual development of baseline and target data has begun. A minimum of 3 years' data will be required to begin to identify trends and draw conclusions.	Baseline	1994	2	3
		1995	3	
		1996	3	
	Target	1997	3	

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 2 Improved natural resource management				
PROGRAM OUTPUT NO. 2.3 Increased local participation in the management and use of natural resources				
Indicator 1: Cumulative number of environmentally sound activities developed and implemented through community management				
Unit	Cumulative number of Activities	Year	Planned	Actual
Source: ENCORE; OECS Secretariat; World Wildlife Fund Comments: "Environmentally sound activities" as defined by ENCORE project parameters although at least half of the projects in the projected benchmark figures are expected to be supported by non-ENCORE means.	Baseline	1992		7
		1993	20	10
		1994	40	24
		1995	70	
		1996	100	
	Target	1997	130	
Indicator 2: Cumulative number of environmental advisory committees operating at local levels				
Unit	Cumulative number of committees	Year	Planned	Actual
Source: ENCORE; OECS Secretariat Comments: Local environmental advisory committees are composed of representatives from local government and local community as well as others of local influence and trust. Committees serve as sounding board for proposed development projects, act as first-line approval bodies, and resolve local conflicts regarding use of scarce natural resources.	Baseline			0
		1992	4	5
		1993	4	6
		1994	9	6
	Target	1995	11	

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO.2 Improved natural resource management				
PROGRAM OUTPUT NO. 2.4 Improved public and private sector capacity to manage natural resources				
Indicator 1: Cumulative number of NGOs/PVOs and quasi-private organizations actively involved in environmental activities				
Unit: Cumulative number of NGOs/PVOs	Year	Planned	Actual	
Source: ENCORE: OECS Secretariat	Baseline		0	
Comments: This indicator is intended to measure <u>management capacity</u> by measuring the total number of NGOs/PVOs and quasi-private organizations with the ability and interest to work on environmental activities. It does <u>not</u> document the origin of the NGOs/PVOs (Eastern Caribbean or international) and other organizations nor does it document the source of funding for the activity.	1992		2	
	1993		4	
	1994		6	
	1995		8	
	1996		12	
Target				
Indicator 2: Number of people in public and private formal training and workshops to increase environmental understanding and related implementation capability				
Unit: Persons trained	Year	Planned Males Females	Actual Males Females	
Source: CLDT/ENCORE/TROPRO Comments: Includes short-term and long term training	Baseline		160 50	
	1992	ST		
		LT		
	1993	ST	223 130	260 140
		LT	9 6	11 4
	1994	ST	343 140	309 235
		LT	2 2	6 4
	1995	ST	323 160	
		LT	0 0	
	1996	ST	300 160	
LT		0 0		
Target				

TABLE 2 STRATEGIC OBJECTIVE PROGRAM 'TREE'

RDO/C		
Agency Goal: Protecting the environment		
STRATEGIC OBJECTIVE NO. 1: Improved natural resource management		
PROGRAM OUTCOME NO. 1.1: Natural resource policies and regulations developed and accepted	PROGRAM OUTCOME NO. 1.2: Environmentally sound agricultural products and practices developed	PROGRAM OUTCOME NO. 1.3: Increased local participation in the management and use of natural resources
PROGRAM OUTCOME NO. 1.4: Improved public and private sector capacity to manage natural resources		
Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
(538-0171) Environment and Coastal Resources	(538-0163) West Indies Tropical Produce	(538-0171) Environment and Coastal Resources
(538-0163) West Indies Tropical Produce	(538-0171) Environment and Coastal Resources	(538-0163) West Indies Tropical Produce
(538-0184) Caribbean Policy Project	(538-0164) Agricultural Research & Extension	(538-0173) Caribbean Leadership Development Training
(538-0165) Caribbean Law Institute		

C. Other Program Activities

There remain two significant ongoing activities in RDO/C's Eastern Caribbean program which complement but do not directly support its two SO's and therefore are not covered in the preceding tables and narratives.

The Health Care Policy Planning and Management (HCPPM) has been in full implementation for just over one year and has generated solid support among OECS member states for reform of health financing mechanisms. A consensus has been reached to focus project activities on three areas during the period remaining before close-out: user fee reforms in hospitals (billing and admissions systems and costing), development and implementation of national health insurance plans; and regional training of decision makers. Under the project, user fee and billing and administration reforms have already been implemented at St. Vincent's Kingston General Hospital.

Under the AIDS Communication and Technical Services (ACTS) project, all eight priority countries have implemented and are using surveillance systems to capture important data on the prevalence of AIDS. Together with CAREC's capabilities and linkage to 19 member countries, the information available allows countries to focus more clearly on specific strategies for preventing the further spread of the disease. The first module of the CARISURV system to track HIV/AIDS/STD has been designed and programmed and is undergoing beta-testing in Jamaica. The efforts of member countries, CAREC and other participating agencies have resulted in greater awareness and basic knowledge of HIV/AIDS.

III. CLOSE-OUT PLANS

RDO/C submitted an Action Plan and Close-Out Plan for the Eastern Caribbean program in February 1994. Significant issues which were not resolved at the time of initial review by the LAC Bureau in March 1994 were addressed in follow-up meetings in June and August. The final close-out plan was submitted by the Bureau and approved by the Assistant Administrator for Management (AA/M) in October 1994.

A. Evolution of Close-out Terms and Conditions

Subsequent to the mission's original Action Plan/Close-out plan submission, Agency decisions and changing circumstances have necessitated significant changes in its close-out plans. While these changes do not affect the schedule or deadline for closing, they complicate the task and have adversely affected progress in some program activities.

1. Close-out Criteria: The Agency's November 1993 Mission Closing Guidance indicated that in some cases USAID would continue limited programs in graduating countries. With this flexibility, RDO/C proposed that three projects be allowed to continue to their planned completion dates which were beyond the close-out date established for the Mission. In accordance with criteria subsequently developed, the LAC Bureau decided that activities under two of the three projects (Caribbean Policy Project and Health Care Policy Planning and Management) should end when the mission closes. The third project (Environment and Coastal Resources) is a major component of the Coral Reef Initiative and continuing activities will be transferred to the Global Bureau.

In an Annex to its February 1994 submission, RDO/C noted continued U.S. interest in the Eastern Caribbean and the region's continued vulnerability and submitted a proposal for future U.S. assistance to the Eastern Caribbean after the close of the mission. That proposal suggested a "limited presence" strategy with two components: 1) contributions to a development fund to be managed by the Caribbean Development Bank (CDB) to finance proposals in one or two the Agency's priority areas; and 2) a regional USAID Affairs Officer to be stationed within the U.S. Embassy to concentrate on building helpful linkages between entities in the region and counterpart U.S. organizations.

As approved by AA/M, the close out plan leaves three areas of possible continued assistance open for future decision: activities under the Global Coral Reef Initiative, regional support under a planned Western Hemisphere Free Trade project, and possible continued contributions to the Basic Needs Trust Fund (BNTF) of the CDB. While the first two appear to be moving forward, budget constraints have precluded even limited extension of the BNTF. Recent events in the region, especially in St. Kitts, have again highlighted the issues of vulnerability and U.S. interests, leading to discussions in Washington on how those interests may be served without significant assistance resources.

2. Budget Cuts: Budget problems plague the program. The following is quoted from our February 1994 submission:

The drastic reductions in our FY 1994 budget have meant we are unable to buy down the Eastern Caribbean mortgages as proposed in our last Action Plan. Compared with obligations of over \$11 million in FY 1993 and \$8 million requested for FY 1994 in last year's Action Plan, we now expect just \$3.75 million for the Eastern Caribbean program this year. While pipelines in a few key projects are enough to sustain them through this year, we will need at least \$4.5 million in FY 1995 or our mortgage situation will become untenable. Ideally, we would like to pay off all mortgages as soon as possible so that we can concentrate our dwindling staff resources on implementation and close-out actions.

The mission was encouraged to expect full funding of its mortgage requirements in FY 1995, but the Agency's severe budget constraints and other priorities have resulted in an FY 1995 allocation for the Eastern Caribbean of just \$1.2 million. Even with the curtailment of two projects to FY 1996, this falls far short of our mortgage requirements. At the end of January, the mission was advised it would be allowed to deobligate and reobligate funds to help meet the shortfall. Nevertheless, lack of adequate funds in timely fashion has been an added handicap in bringing the program to an orderly close and negotiation of deobligations from ongoing projects is an added burden.

3. Transfer of Regional Contracting Officer (RCO): Plans to pull the RCO from Barbados were an issue at the March 1994 review. Although the mission's opposition to this move was supported by the LAC Bureau at the time, the RCO was transferred in December 1994. The mission has obtained a limited procurement warrant for its US PSC Executive Officer, but will have to rely on remote and TDY services of an RCO newly assigned to Haiti for most contracting actions for the remainder of the close-out period.

4. Move to Guyana: One issue delaying submission of the final close-out plan was organizational arrangements to manage the new program which RDO/C had been mandated to establish in Guyana. Guyana was identified in the November 1993 close-out announcement as a "sustainable development" country and RDO/C's close-out plans assumed that USAID/Guyana would spin off as a separate mission. Instead the decision was to move the Regional Director to Guyana while keeping the two programs under a single mission umbrella. The position and authorities of the senior USAID officer remaining in Barbados have yet to be formally established.

5. Introduction of New Automated Systems: The Agency has embarked on an ambitious plan to introduce major new automated systems by October 1, 1995, including a new financial management system. While RDO/C will attempt to install some features in Barbados to remain current and in communication with the rest of the Agency into FY 1996, we cannot justify a major investment in new systems. As a result, we are now planning to

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transfer accounting responsibility for the Eastern Caribbean program to USAID/Santo Domingo by October 1, when the new AWACS system is to be operational.

B. Status of Portfolio

Early in the close-out planning process RDO/C abandoned all planned new starts and adopted a policy of rigorous adherence to planned schedules for completion of ongoing activities. The mission has scaled back some activities and modified others to be less management intensive, but has made every effort to avoid aborting projects that are already underway and have significant impact potential just to accelerate the close-out.

Extensions have been restricted to those that do not substantially delay the phase-out process and are essential to complete "useful units," achieve sustainability, or perform mandated functions (e.g., final audits). Seven projects have required extensions since the close-out decision was announced. Four were related to audit requirements, two to enhance sustainability, and one to complete building construction. As a consequence, the mission was able to end only six projects in FY 1994, instead of nine as planned a year ago, and 13 active projects remained in the portfolio at the beginning of FY 1995. Seven projects will be completed in this fiscal year.

The mission's success in drawing down its pipeline has been more impressive. The Eastern Caribbean program (excluding Guyana) had a pipeline of nearly \$51 million at the beginning of FY 1993. This has been reduced by more than half, to \$23.9 million by the beginning of FY 1995. Expenditures in FY 1994 exceeded \$20 million.

RDO/C has curtailed three projects:

- o The Caribbean Leadership Development Project, like the regional CLASP II project to which it is linked, has a PACD of September 30, 1998. We do not plan any further CLASP training and all activities can be completed by the end of 1995. The PACD is being amended to March 31, 1996, to allow for final audit and completion reporting.
- o The Health Care Policy Planning and Management Project (HCPPM), one of the project proposed for continuation beyond RDO/C's close, has been curtailed to complete activities by June 30, 1996. Administrative arrangements have been modified to channel all funds through the U.S. contractor, thus limiting mission financial management and audit responsibility during the final months of the project.
- o The Caribbean Policy Project (CPP), another project proposed for continuation, has been curtailed to complete all activities by September 30, 1996, with only the ASYCUDA activity administered by UNDP continuing beyond June 30. Administrative arrangements have also been modified to limit mission financial management and audit responsibilities during the final months.

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In its February 1994 close-out plan, RDO/C identified the Regional Utilities Maintenance component of the Infrastructure Expansion and Maintenance project as another target for curtailment. However, in negotiation the counterpart entity provided a persuasive rationale for allowing the project to continue to its planned completion date (September 30, 1995).

Table 3: RDO/C EASTERN CARIBBEAN PORTFOLIO -- PROJECT TIMELINE

PROJECT NUMBER/TITLE	FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
(538-0119) Investment Promotion and Export Development (IPED)	-	-	-	-	->	->	T													
(538-0133) Small Enterprise Assistance (SEAP)	-	-	-	-	-	-	-	->	->	T										
(538-0138) Infrastructure Expansion & Maintenance	-	-	-	-	-	-	-	-	-	-	-	T								
(538-0140) Agriculture Venture Trust (AVT)	-	-	T																	
(538-0148) Regional Management Training	-	-	-	-	-	-	-	-	-	-	-	-	T							
(538-0163) West Indies Tropical Produce (TROPRO)	-	-	-	-	-	-	-	-	-	-	-	-	-	T						
(538-0164) Agriculture Research and Extension (AREP)	-	-	-	-	-	-	->	->	->	T										
(538-0165) Caribbean Law Institute	-	-	-	-	-	-	-	-	-	-	T									
(538-0173) Caribbean Leadership Development Training	-	-	-	-	-	-	-	-	-	-	-	-	-	T	<	<	<	<	<	<
(538-0176) Dominica Agriculture Sector Support	-	-	-	-	-	-	-	->	->	T										
(538-0184) Caribbean Policy Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T	<	<	<	<	<
(538-0195) Grenada Technical Assistance	-	-	-	-	-	T														
(538-0645) Caribbean Justice Improvement	-	-	-	-	-	-	-	->	->	->	->	T								
(538-0171) Environment and Coastal Resources	-	-	-	-	-	-	-	-	-	-	to G ^a	-	-	-	-	-				
(538-0039) Population and Development	-	-	-	-	-	-	-	T												
(538-0103) Basic Needs Trust Fund (BNTF)	-	-	-	-	-	-	-	T												
(538-0161) AIDS Communication and Technical Services	-	-	-	-	-	-	-	-	-	-	-	T								
(538-0181) Health Care Policy Planning & Management	-	-	-	-	-	-	-	-	-	-	-	-	-	T	<	<	<	<	<	<
(538-0190) Drug Abuse Prevention & Education	-	-	-	-	-	-	-	T												
(538-0640) Presidential Training Initiative	-	-	-	-	-	-	-	T												
TOTAL PROJECTS (number) (end of FY 4th quarter)				19				13				5				0				0

- <- Shows projects being terminated earlier than planned due to Mission closeout.
- > Shows project extensions since close-out decision announced in November 1993.
- * ENCORE project activities to continue under Global Bureau's Coral Reef Initiative.

One project, Environment and Coastal Resources (ENCORE), meets the criteria for continuation in "non-presence" countries and will be subsumed within the Global Bureau's package of activities supporting the Coral Reef Initiative. All continuing ENCORE activities have been integrated into a cooperative agreement with World Wildlife Fund. The mission plans to transfer responsibility for the cooperative agreement to the Global Bureau during FY 1995.

Table III shows the current project timeline and indicates curtailments and extensions (Only five extensions are shown since two did not go beyond the planned quarter.)

C. Evaluation of Program Accomplishments

Section II provides an update of program accomplishments against strategic objectives in accordance with the program performance monitoring and evaluation plan. Given the early termination of the program, not all targets will be accomplished by the time the Mission closes, nor has the mission attempted to further adjust targets and indicators.

RDO/C has committed to conducting a broad retrospective evaluation of USAID assistance to the Eastern Caribbean over the last 16 years. The cable reporting on the March 1994 close-out plan review (STATE 127829) noted the LAC Bureau's commitment to work with PPC/CDIE on the scope and design and to find funding for this evaluation. While that support has not materialized, RDO/C assembled funds from several projects and prepared a statement of work and request for proposals with advice from CDIE. Unfortunately, the transfer of the RCO, followed by a procurement alert affecting one of the proposing firms has further delayed the start of work. We expect a contract to be signed by the end of February. The evaluation is planned to be done in two phases; the first phase, relying heavily on documents already available, should be completed by July 1995, and will guide subsequent field investigations.

D. Operational Plan

1. Personnel: RDO/C's close-out planning has given careful attention to linking staff reductions to portfolio reductions. In this, the mission has been constrained by FTE ceilings set before the close-out plan was prepared. While our portfolio was reduced by 31% in FY 1994, our FTE level for FY 1995 is less than half that of the previous year. Six USDH positions were abolished in FY 1994. Of the remaining eight positions, three will have been vacated by the end of March 1995 (including the Regional Director's transfer to Guyana) and one more by the end of September.

The decision not to permit continuation of two projects (HCPPM and CPP) beyond FY 1996 added substantially to the mission's workload in FY 1994/95. Curtailment of both projects was the subject of difficult and protracted negotiations. Subsequent budget constraints which threaten RDO/C's ability to fund even the curtailed activities into FY 1996 continue to plague both our relationships with counterparts and project progress.

Audit resolution also has imposed a heavy burden on mission staff. The need to extend several projects to complete required audits has already been noted. In addition, it has been

necessary to accelerate resolution of audit findings as the mission prepares to close, in an atmosphere already charged by the close of the program and curtailment of planned activities.

Contract close-out is yet another area which required accelerated action. All old contracts (some 150 files) were closed out before the RCO left Barbados in December 1994, leaving only a few recently completed contracts on which action remains pending. RDO/C will rely on USAID/Haiti's RCO for continued support in this area as well as in other contracting actions.

Despite these difficulties, RDO/C remains on track to close out operations by the end of FY 1996. Annex 1 lists the positions vacated in FY 1994 and planned staff reductions by quarter through FY 1996. The reductions are not evenly spaced due to operational requirements. For example, because of the schedule for introduction of the AWACS financial management system, the mission is accelerating the transfer of accounting responsibility. This will delay departure of some FSN Controller staff until after September 30, 1995, but permits the departure of the bulk of that staff early in FY 1996.

To date, RDO/C has experienced only minimal problems retaining staff. Most of its FSN employees have been with USAID for ten years or more and local unemployment is high.

The mission has also made every effort to manage the close-out in a way that is transparent and fully supportive of its employees. Over the last two years, FSN employees were encouraged to enroll in one- or two-year diploma/degree courses funded by RDO/C. RDO/C spent over \$30,000 in FY 1993 and \$20,000 in FY 1994 for local training of FSN employees. The Personnel Section has assisted employees with preparation of resumes and job applications and the mission sent letters to grantee, contractors, and other international organizations in Barbados advising them of the imminent closure and asking them to give our staff preference in their hiring. So far, most of the employees who have been separated have found jobs.

A local severance pay plan is in effect and employees are being paid in accordance with that plan.

2. Space: RDO/C began the process of space consolidation a year ago, when Controller staff were moved to the second floor and the first floor office space was returned to the landlord. The lease on the remaining office space expires March 15, 1995 and the mission is negotiating an extension through July 15, 1996. By that date, only a core staff of about six employees will remain. They will operate from the warehouse, since most of the remaining work at that time will be related to disposition of property, files, etc.

The warehouse lease expires May 14, 1995. An extension will be negotiated through September 1996, but a section of the warehouse will be released after the next auction sale in June 1995.

The only other real property RDO/C holds under U.S. Government lease is the Director's residence. Notice has been given to the landlord and that property will be returned on

March 2, 1995.

3. Non-Expendable Property and ADP Equipment: The Executive Office is on track with disposal of USAID-funded NXP and IG/SEC-funded equipment. RDO/C Barbados provided USAID/Guyana with most of the NXP and ADP equipment required for the office and residences there, at significant saving for the operating expense budget for Guyana.

A list of new NXP property still in boxes is being prepared and will be sent to FA/OMS for redistribution. Four auction sales were conducted in FY 1994 and additional sales will be conducted as excess office and household property becomes available. Also, a number of government offices in Barbados have requested donations of used office and household items. Whenever justified, the mission has and will continue to transfer such property as a grant-in-aid in accordance with Handbook 22.

RDO/C is still awaiting /D/Washington approval to transfer its VS computer system to the US Embassy in Barbados.

4. Vehicles: At present, RDO/C in Barbados has one truck, one sedan, one open back pick-up and two buses. The two buses will be sold by July 1995. The sedan will be sold in July 1996 when the remaining USDH employees depart post. The truck and pick-up will be retained until September 1996, when all property disposal is to be completed.

5. Official Files: The mission has begun disposition of official records by either retiring project and subject files to the National Archives or by destruction and will continue to dispose of all files at post in accordance with Handbook 21. All active files related to the Guyana program have been transferred to USAID/Guyana or to USAID/Santo Domingo, the official accounting station for that program. Controller files on the Eastern Caribbean program will be sent to USAID/Santo Domingo at the end of FY 1995 when the accounting function is transferred. By September 1996, all remaining files will either be destroyed or retired.

RDO/C Eastern Caribbean

STAFF PHASE DOWN PLAN

FY 1994 Reductions

USDH	Exec. Off. (vacant position abolished)	10/93
	Legal Adv. (vacant position abolished)	10/93
	Deputy Director	4/94
	Sup. Trade Dev. Off.	5/94
	Trade Dev. Off.	7/94
	Sup. Fin. Mgt. Off.	8/94
US PSC	Dem. Init. Coordinator	5/94
	Classified C&R Clerk	6/94
	Population Advisor	7/94
FSN	Maint. Man/Chauffer	10/93
	Maint. Man/Chauffer	10/93
	Partic. Trng. Asst. (vacant position)	10/93
	Secretary	2/94
	Financial Analyst	3/94
	Secretary	4/94
	Secretary	4/94
	Secretary	4/94
	Development Clerk	4/94
	Clerk Steno/Prop. Clerk	4/94
	Maintenance Foreman	4/94
	Voucher Examiner	4/94
	Records and Corres. Clerk	5/94
	Engineer	7/94
	Secretary	9/94
	Project Accountant	9/94

First Quarter FY 1995

USDH	Regional Contracts Officer	12/94
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Second Quarter FY 1995

USDH	Regional Director	2/95
	Program Economist	3/95
TCN PSC	Program Spec. (Legal)	1/95
FSN	Chauffer/Messenger	1/95
	Program Spec. (General)	2/95
	Voucher Examiner	2/95

Third Quarter FY 1995

FSN	Secretary	4/95
	Engineer	6/95

Fourth Quarter FY 1995

USDH	Project Dev. Off.	9/95
FSN	Purchasing Agent	8/95
	Education Officer	9/95
	Secretary	9/95
	Secretary	9/95
	Special Assistant	9/95

First Quarter FY 1996

USDH	Controller	12/95
US PSC	Health Adv. (dependent spouse)	12/95
FSN	Chief Accountant	10/95
	Senior Accountant	10/95
	Financial Analyst	10/95
	Budget Analyst	10/95
	Sup. Voucher Examiner	10/95
	Project Accountant	10/95
	Cashier	10/95
	Accounting Technician	10/95
	Voucher Examiner	10/95
	Secretary	12/95

Second Quarter FY 1996

US PSC	Partic. Training Off.	3/96
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Third Quarter FY 1996

USDH	Natural Res. Off.	6/96
TCN PSC	Program Spec. (Agric.)	4/95
FSN	Chief Financial Analyst	6/96
	Computer Oper. Manager	6/96
	Program Spec. (Econ.)	6/96
	Secretary	6/96
	Secretary	6/96
	Program Spec. (Priv. Sect.)	6/96
	Receptionist/Sw. Oper.	6/96
	Corres. & Mgt. Sup.	6/96

Fourth Quarter FY 1996

USDH	Sup. Program Off.	7/96
	Sup. General Dev. Off.	7/96
US PSC	Personnel Off.	7/96
	Exec. Off.	8/96
FSN	Mail Clerk	7/96
	Contracting Asst./Secret.	8/96
	Truck Driver/Messenger	8/96
	Warehouseman	8/96



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

OCT 24 1994

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR MANAGEMENT

FROM: AA/LAC, Mark L. Schneider *MLSchneider*

SUBJECT: RDO/C Close-out: Combined Program and Operational Plan

ACTION: Your approval is requested for the attached FY 1996 close-out plan for RDO/C, as summarized below.

BACKGROUND: The USAID/RDO/C Action Plan and Close-out Plan for the Eastern Caribbean Program was reviewed and approved by the LAC Bureau on March 29, 1994, and in subsequent follow-up issues meetings on June 24, 1994, and August 29, 1994.

There were 19 active projects in FY 1993. This close-out plan anticipates completing eight projects in FY 1994, four in FY 1995 and seven by the end of FY 1996. The Basic Needs Trust Fund will be extended from its present PACD to September 30, 1996, as discussed in Section (A)1a below. All bilateral projects will terminate by September 30, 1996; no new bilateral project starts will be authorized.

The Bureau believes USAID will continue to have interests in the sub-region. Accordingly, the Bureau may seek your approval in the future to extend BNTF beyond close-out and/or to develop new regional/Global Bureau projects which could include one or more Eastern Caribbean nations.

With respect to close-out operations, staffing plans to manage RDO/C close-out from USAID/Guyana have been approved by M and the Bureau, systems have been developed to monitor project progress toward close-out, and plans are being implemented to dispense with real and non-expendable property.

The attached documentation (Action Plan and the DAEC reporting cable, State 127829) summarizes these program and operational plans.

It is my understanding that this Memorandum raises no controversial issues of a policy nature which warrant a separate meeting.

DESCRIPTION:

A. Program Close-Out1. Schedule of Portfolio Close-out and Continuing Activities.

Except for a possible future extension of BNTF beyond close-out, and two possible new regional activities continuing after close-out that might include the Eastern Caribbean (discussed below), all bilateral, regional and global activities will terminate by September 30, 1996. Furthermore, with the exception of a requested two-year PACD extension of BNTF, no new bilateral projects will be authorized.

(a) Possible Extension of the Basic Needs Trust Fund (538-0103) BNTF, beyond close-out.

In a special meeting convened on August 31, 1994, the LAC Bureau reviewed a Mission proposal to extend the Basic Needs Trust Fund (BNTF) project under Caribbean Development Bank (CDB) management at least to September 30, 1996. The project has a PACD of August 1994.¹

¹ In its Action Plan, the Mission proposed continued limited assistance to the subregion even after USAID physical presence ends, and identified the CDB as a prospective intermediary. In subsequent exchanges between the Bureau and Mission, it was agreed that no extension beyond the RDO/C close-out date would be sought at this time, but that the Bureau would continue to monitor the need for further renewal of the project. There is both economic and political justification for its continuation.

The small island states of the Eastern Caribbean remain highly vulnerable to external forces, including changes in both trade regimes and natural disasters. These close neighbors to the U.S. have proven that their political importance is far beyond their size, most recently in response to the crisis in Haiti. Continued funding for the BNTF provides a means of demonstrating U.S. support for the region and of assisting the countries to alleviate some of the negative impact of trade adjustments and natural calamities even as we disengage.

The Mission proposal was supported by a rapid assessment of BNTF project impact documenting case after case how these public works projects (e.g., construction of schools, health facilities, day-care centers, water systems, roads and footpaths) are improving the quality of every day life in target communities. In addition to their political popularity, the sub-projects have also tended to be well selected in terms of meeting basic human needs, and there is evidence that the program has led to

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At the meeting it was agreed that the project should be extended to close-out, and depending on future availability of funds, up to \$1 million/year could be provided in FY 1995 and FY 1996 for this activity. The Bureau believes that a PACD extension of the project to the September 30, 1996 close-out date raises no policy issues. The Bureau will assess the foreign policy value of further extending and providing additional funding for BNTF, and would seek your approval for any continuation of this activity after close-out.

(b) Possible New Regional Initiatives

The Bureau rejected the Mission's proposal (Action Plan pp 25-26) to extend three projects beyond close-out, i.e., the Caribbean Policy Project, CPP (538-0184), Environment and Coastal Resources Project, ENCORE (538-0171), and Health Care Policy Planning and Management (538-0181). However, as per State 127829, the Bureau, in acknowledging the importance of supporting regional free trade and coral reef protection, is collaborating with the Global Bureau in the design of two new regional projects, the Western Hemisphere Free Trade Initiative (WHFT) and the Global Bureau's proposed Coral Reef Management (CRM) project, that will incorporate components of CPP and ENCORE.

The CPP project is an integral part of the Bureau's strategic interest in helping the Eastern Caribbean move towards hemispheric free trade while addressing trade-related issues including environmental protection, labor and intellectual property rights. Similarly, the ENCORE project could be the centerpiece of the Global Bureau's environmental strategic objective, focussing in particular on environmental laws and awareness linked to the protection of the region's unique and extensive coral reefs.

The possible incorporation of specific elements of CPP under the WHFT project, and elements of ENCORE under CRM are issues which need not be reviewed at this early stage in project development. We propose to adhere to the same procedures you approved in the Belize close-out Memo of June 13, 1994, namely that the Bureau will invite your participation in the reviews of any proposed new

increased community participation and public spending to manage and maintain these facilities. There is a strong commitment by the CDB with potential to leverage additional donor funds, and cost-sharing by the Caribbean countries themselves. It is a regional program which includes Jamaica and Guyana, both of which are on-going sustainable development countries. Were the Bureau to recommend its continuation beyond September 1996, it would likely be managed by USAID/Guyana.

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regional project which envisions significant activities in close-out/non-presence countries.

2. Program Funding

RDO/C requested an FY 95 program level of \$4.5 million and a final FY 96 program level of \$4.345 million in order to address a mortgage of \$9 million for four projects (West Indies Tropical Produce, Caribbean Policy Project, Caribbean Leadership Development Training, and Health Care Policy Planning). At the Action Plan review, the Bureau approved levels of \$4.095 million for FY 95, with no additional funding approved in FY 96.

However, the Bureau is now faced with deeper than anticipated cuts in its overall FY 95 levels, which will diminish funding available for sustainable development activities not otherwise protected by a directive or earmark. The Bureau and RDO/C are now in the process of assessing what impact, if any these cuts will have on close-out plans.

3. Evaluations

RDO/C will continue to use the monitoring and evaluation system established for reporting on strategic objectives, particularly at the program outcome level, and will carry out project-level final evaluations as planned. In addition, the Mission intends to carry out a retrospective evaluation of USAID assistance to the eastern Caribbean over the last 16 years.

4. Local Currency Counterpart

There are no USAID-managed local currency activities in the RDO/C portfolio.

5. Participant Training

Long-term training has been provided under the Caribbean Leadership Development Project/CLASP II project, the Regional Management Training Project and CASS training through Georgetown University. All participants are slated to complete their training prior to Mission close-out.

B. Operational Close-Out

1. Personnel

During FY 93 seven USDH positions were eliminated along with 13 FSN positions. In FY 94 five additional USDH positions will be eliminated and 19 FSN/TCN and USPSC employees will be separated. In FY 95 two USDH and 16 other employees will leave, and the RDO/C Director will be physically transferred from Barbados to Guyana where she will continue to manage RDO/C close-out and head

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the "Sustainable Development Country" Mission being established there. The remaining four USDH and 19 non-USDH employees will depart Barbados by the end of FY 96 when the RDO/C program ceases operations in its entirety. Apart from controller functions discussed below, any residual RDO/C activities remaining after close-out would be managed by USAID/Guyana. Operating expenses (OE) will decline from \$1.9 million in FY 94 to \$1.7 million in FY 95 and \$.908 million in FY 96.

2. Real and Non-Expendable Property

Standard procedures for disposing NXP, including ADP and security equipment will be adhered to, and the Mission will ensure that IRM and IG/SEC are advised and concur in mission's plans for disposing ADP and security equipment, respectively. RDO/C will advise AS/OMS/OPM of any NXP which is new in cartons. Only this will be advertised for distribution to other missions. Otherwise, all NXP will be disposed of in accordance with HB 23, Chapter 4, Section 227.3. Excess furniture and equipment not suitable for redistribution will be sold at auction.

3. Financial/Records Management

The Mission will retain its USDH Controller through June 1996, and may request short-term TDY assistance. To the extent that any residual financial management responsibilities continue after close-out, they could be assumed by the USAID/W Controller or by USAID/Dominican Republic or another mission in the region. In this event, the Bureau would discuss alternatives with FM and field posts before reaching a decision.

RECOMMENDATION: That you approve the close-out plan for the RDO/C Mission as discussed in this Memorandum.

Approved: _____

Disapproved: _____

Date: _____

10-28-94

Attachments:

- (1) DAEC Reporting Cable, State 127829