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USAID/RDO/C

SEMI-ANNUAL REPORTS

OCTOBER 31, 1994 - MARCH 31, 1995



UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

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MEMORANDUM

**DATE:** May 23, 1995

**FROM:** RDO/C Acting Director, Paul A. Bisek 

**SUBJECT:** RDO/C Semi-Annual Report for the Period October 1, 1994 through March 31, 1995

**TO:** LAC/SPM/PS, Susan Hill

Attached is RDO/C's Semi-Annual Report for the period covering October 1, 1994 through March 31, 1995 for the Eastern Caribbean program. The package includes the financial tables, portfolio matrix, and my narrative on our review of the regional portfolio.

**Attachment**

**Copies:** The Ambassador  
Charge d'Affaires, U.S. Embassy Grenada  
USIS  
U.S. Peace Corps, St. Lucia  
RI G/A/SJ  
RDO/C

REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

Semi-Annual Portfolio Review

Eastern Caribbean Program

October 1, 1994 to March 31, 1995

**I. MISSION DIRECTOR'S NARRATIVE**

**A Introduction**

Following the practice started with the previous Semi-Annual Portfolio Review, the Barbados Office of the Regional Development Office/Caribbean (RDO/C) is reporting only on the Eastern Caribbean portion of the assistance program. RDO/C's Guyana Office will report separately on development activities in Guyana.

The Barbados Office is on track for a close-out of the Eastern Caribbean program by the end of FY 1996. During this review period, five projects reached their PACDs, reducing the number of active projects by one-third, to 10 from a previous total of 15. Similarly, staff numbers continued to fall. At the end of the review period, the Mission employed 39 people -- 6 USDHs, 4 USPSCs, 14 FSNDHs, 14FSNPSCs and 1 TCNPSC -- a decrease in staffing of nine from the start of the period.

Due to the phasing down of RDO/C, the Mission had to reduce its field-level financial oversight responsibilities. This was accomplished by shifting financial management duties from the Organization of Eastern Caribbean States to U.S. institutional entities. Three contracts and a cooperative agreement were renegotiated, covering four projects -- Health Care Policy Planning and Management, West Indies Tropical Produce Support (TROPRO), Caribbean Policy and Environment and Coastal Resources (ENCORE). The new financial management systems are now in place and functioning smoothly.

As a close-out Mission, RDO/C has strict project implementation schedules that it must adhere to in order to complete all project activities in a timely manner before the end of FY 1996. Meeting these deadlines was greatly facilitated when USAID/W agreed to let the Mission deobligate/reobligate in order to satisfy funding needs. Following a careful scrutiny of project accounts, RDO/C deobligated about \$1.3 million, out of a projected total funding requirement of \$2.0 million. USAID/W returned \$1.07 million for reobligation.

Money is being deobligated from three projects with large pipelines -- Regional Management Training, Caribbean Law Institute and AIDS Communication and Technical Services. Two other projects with large pipelines -- ENCORE and TROPRO -- have valid reasons to explain the level of unexpended funds. In ENCORE's case, the project was forward-funded in order to meet an environmental earmark. The Mission is now in the process of transferring the project to the Global Bureau, where it will form part of the International Coral Reef Initiative. Regarding

TROPRO, expenditures fell behind when there was a delay in working out the new financial management arrangements with the institutional contractor. The new system is now in place, and the rate of expenditures has picked up. No problems are anticipated with expending all TROPRO funds before the project's PACD.

The Mission continues to have a very active non-federal audit program, auditing all projects on a timely basis. RDO/C has no open RIG audit recommendations. A Close-out Plan Update was submitted to USAID/W in lieu of an Action Plan.

## **B. Significant Accomplishments**

Reaching their PACDs during the reporting period were four projects with A ratings -- Small Enterprise Assistance, Dominica Agricultural Sector Support, Caribbean Justice Improvement and Special Development Activities.

Over a nine-year life of project, the \$20.7 million Small Enterprise Assistance Project, which helped micro-, small- and medium-sized enterprises improve their efficiency and expand production, created or sustained 11,660 jobs, with women comprising 37 percent of the beneficiaries. The project's managing entity, the East Caribbean Organization of Development Foundations (ECODEF), secured continued funding for the individual national development foundations (NDFs) after the end of the project. ECODEF, with RDO/C assistance, worked with the Caribbean Development Bank (CDB) in developing a proposal to provide the NDFs with \$2 million in loan funds and \$1.3 million in technical assistance. ECODEF has initiated efforts to satisfy the CDB's preconditions for accessing the funds.

The Dominica Agricultural Sector Support Project, a four-year, \$2 million undertaking, assisted Dominica in increasing its capacity to broaden the export base of the economy through a private-sector-led program of expanded and diversified agricultural production. More diversified production was promoted to encourage the export of cocoa, mangoes, avocados, root crops, spices and cut flowers. The project opened up government-owned packing and processing facilities to the private sector and secured private sector participation in the planning and implementation of the national agricultural diversification strategy. Much of the new packaging and processing equipment being used by the export-oriented private sector was imported from the United States.

The University of the West Indies component of the Caribbean Justice Improvement Project sought to strengthen legal systems in the English-speaking countries of the region by providing services to foster the maintenance and improved performance of national justice systems. This nine-year, \$8.8 million activity grew out of the recommendations of the Bipartisan Commission on U.S. policy towards Central America and the Caribbean headed by Henry Kissinger that looked at ways of encouraging democratic institutions and free market economies. The beneficiary countries responded positively to the project, with government officials being particularly grateful for the equipment and physical facilities that were provided. Among the project's significant accomplishments were an increase in the speed of trials and appeals; better-trained judges, magistrates, prosecutors and paralegals; law revisions; and improved legal aid and public defender systems.

Since RDO/C's inception, the Mission has annually allocated a small portion of its OYB under the Special Development Activities Fund to help community groups and organizations carry out small-scale projects. Priority was given to activities that generated employment, increased income, improved technologies, provided youths with usable skills, broadened educational opportunities for the poor, encouraged energy conservation and improved health standards. Over a period of almost 20 years, the project provided \$6.2 million in aid to more than 800 small community self-help activities in nine Eastern Caribbean countries. The project provided an effective means for assisting Dominica, St. Lucia and Montserrat after hurricanes, and Grenada, following the intervention in 1983. More activities, 230, were funded in Grenada than in any other country.

Two ongoing projects deserve mention: Regional Utilities Maintenance, for its progress in achieving sustainability, and AIDS Communication and Technical Services, for its much improved implementation. The Regional Utilities Maintenance Project created an association, the Caribbean Electric Utility Services Corporation (CARILEC), to help local electric utilities improve their reliability and overall efficiency. Now grouping 21 members across the Caribbean from Belize to Trinidad and Tobago, CARILEC, in anticipation of project support ending in September 1995, is rewriting its articles of association and by-laws to make itself into an independent, self-financing organization. CARILEC's new business plan has revised the fee schedule for training and services to ensure that each activity pays for itself. With money already set aside to provide financial support during the transition period, CARILEC's goal is to become self-sustaining within two years.

Implementation of the AIDS Communication and Technical Services Project improved greatly during the reporting period. Faced with the Mission's intention to cut off funding unless there was a marked acceleration of activities, the implementing agency, the Caribbean Epidemiology Center (CAREC), took action to focus and accelerate project operations. Changes in key personnel and a reorganization of the project management structure clarified responsibilities, helping to significantly improve written and verbal communications to RDO/C about project activities. As a result of CAREC's much improved performance, the Mission has agreed to continue funding the project until PACD in September 1995.

### C. Problem Areas

Two projects -- Regional Management Training and the St. Kitts Courthouse -- made progress in overcoming implementation problems but continued to receive C ratings. For the Regional Management Training Project, the appointment of a new Director for the Center for Management Development was a critical step in ensuring the continued viability of the Center, but a number of difficult issues remain unresolved. To become sustainable, the Center has to undertake money-making activities such as seminars, consultancies and executive development programs, and needs to restructure the Executive Masters in Business Administration (EMBA) Program to make it revenue generating. The Department of Management Studies, another component of the project, has lost the opportunity to fully develop its staff by failing to identify the required number of faculty members for long-term training in the U.S. The University of the West Indies has said that it will support the EMBA Program after the project ends, but the future of the Center remains uncertain.

Construction work under the St. Kitt's Courthouse Project, a discrete activity of the Caribbean Justice Improvement Project, increased during the reporting period. To a large extent, this faster work pace was due to the greater direct involvement of the RDO/C project manager, who took the lead in coordinating all the parties and improving communication, especially with the design architect. With a better appreciation of the problems on site, the design architect has become more cooperative and helpful. The government, too, has recognized the need to become more involved in the project and has taken a more active role in construction. Even with the faster tempo, however, the courthouse is unlikely to be completed by the current PACD, September 30, 1995.

With the RDO/C Mission Director now resident in Guyana, there is an urgent need for formal designation of the principal officer in Barbados and delegation of the appropriate authorities. At present, the principal officer has neither the position nor authorities to act consistent with his responsibilities. The position designation and authorities are linked since some authorities cannot be delegated to the principal officer in his current position. The existing anomalies impede the processing of project documentation and confuse relationships with counterpart officials.

Project funding remains a great concern for RDO/C. As the Mission can no longer expect any FY 1996 funds, it is imperative that the deob/reob exercise currently under way go forward as quickly as possible. RDO/C hopes to deobligate another \$1.45 million over the next few months and requires \$850,000 for reobligation to complete essential Eastern Caribbean program activities. The remaining \$600,000 has been promised to USAID/Guyana to initiate the important Democratic Initiatives project in that country.

Start-up of the Mission retrospective evaluation was delayed when USAID/W determined that the contractor originally selected to do the work might not be in compliance with USAID accounting procedures. A contract has now been signed with a different firm and work will begin shortly. Money for the retrospective evaluation was obtained by using funds set aside for evaluations in various ongoing projects. The Mission does not plan to carry out separate evaluations of these individual projects, but will instead incorporate them in the overall program evaluation.

31-Mar-95

 FINANCIAL SUMMARY OF US AID/RDO/C PORTFOLIO  
 (OCTOBER 1, 1994 THROUGH MARCH 31, 1995)  
 (\$000)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
PROJECT NO.	PROGRAM/PROJECT TITLE	CATEGORY	DATE OF INIT OBLIG	LAST REVISED PACD	% OF LOP ELAPSED	% OF OBLIG. EXPEND.	AUTH. LOP AMOUNT	CURRENT FY OBLIG. TO DATE	CUMUL. AMOUNT OBLIG.	MORTGAGE	BEGINNING FY PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMESTER EXPEND.	ACCRUED AS % OF PLANNED	CUMULATIVE ACCRUED EXPEND.	ENDING PIPELINE	PLANNED EXPEND. (NEXT SEM.)
<b>ACTIVE PROJECTS</b>																	
<b>STRATEGIC OBJECTIVE 1</b>																	
538-0133	Small Enterprise Assistance	A	25-Feb-88	23-Feb-95	100%	100%	20,781*	0	20,733	28	548	548	498	91%	20,713	20	0
538-0138 08	EMS - Regional Utilities Maint.	A	13-Jul-88	30-Sep-95	93%	98%	5,000	0	5,000	0	201	201	101	50%	4,901	99	99
538-0148	Regional Management Training	C	28-Jul-88	31-Dec-95	92%	79%	5,924	0	5,273	651	2,189	500	345	69%	4,150	1,123	700
538-0183	West Indies Tropical Produce	B	30-Sep-89	30-Sep-98	79%	75%	10,800	1,000	10,300	500	3,355	1,000	739	74%	7,884	2,818	1,300
538-0184	Agricultural Research & Extension	B	31-Mar-89	31-Mar-95	100%	99%	5,000	0	5,000	0	73	70	810	1157%	4,927	73	0
538-0185	Caribbean Law Institute	B	01-Aug-88	31-May-95	98%	77%	5,971	0	5,971	0	1,598	900	171	29%	4,578	1,395	750
538-01	Caribbean Leadership Dev. Training	A	30-Jun-90	31-Mar-98	83%	91%	11,000	0	7,424	3,578	1,544	900	1,300	217%	6,760	664	400
538-0176	Dominica Agric. Sector Support	A	14-Aug-91	31-Mar-95	100%	75%	2,000	0	2,000	0	500	500	500	100%	1,500	500	500**
538-0184	Caribbean Policy Project	B	21-Sep-92	30-Sep-98	83%	48%	12,000	0	4,730	7,270	3,487	1,500	935	62%	2,178	2,552	750
538-0845 17	Caribbean Justice Improvement - LWI	A	28-Aug-88	28-Feb-95	100%	99%	8,900	0	8,705	195	448	90	18	20%	6,817	88	0
538-0845	Caribbean Justice Improvement - Court Use	C	24-Jun-89	30-Sep-95	92%	30%	1,500	0	1,500	0	1,180	500	109	22%	449	1,051	500
<b>SUBTOTAL STRATEGIC OBJECTIVE 1</b>						87%	88,858	1,000	78,838	12,220	15,067	8,107	5,528	90%	66,455	10,161	4,099
<b>STRATEGIC OBJECTIVE 2</b>																	
538-0171	Environment & Coastal Resources	B	30-Aug-91	30-Sep-97	59%	38%	11,000	0	8,090	2,940	5,882	1,500	828	55%	3,026	5,034	1,000
<b>SUBTOTAL STRATEGIC OBJECTIVE 2</b>						38%	11,000	0	8,090	2,940	5,882	1,500	828	55%	3,026	5,034	1,000
<b>OTHERS</b>																	
538-0005	Special Development Activities	A	19-Nov-85	31-Mar-95	100%	100%	4,835*	0	4,835	0	123	123	88	72%	4,619	18	27
538-0181	AIDS/Communication & Tech. Asst.	B	29-Aug-88	30-Sep-95	93%	80%	8,953*	0	8,953	0	1,597	821	200	24%	5,555	1,396	822
538-0181	Health Care Policy Planning & Mgt.	B	21-Sep-92	30-Jun-98	87%	50%	5,500	0	2,705	2,795	2,001	500	881	132%	1,384	1,341	500
<b>SUBTOTAL OTHERS</b>						81%	17,088	0	14,293	2,795	3,721	1,444	949	86%	11,538	2,755	1,349
<b>SUBTOTAL ACTIVE PROJECTS</b>						82%	116,944	1,000	98,989	17,955	24,650	9,051	7,303	81%	81,019	17,970	7,348
<b>ACTIVE PROGRAM</b>																	
<b>SUBTOTAL ACTIVE PROGRAM</b>																	
<b>TERMINATED PROJECTS</b>																	
538-0039	Population and Development	B	30-Jul-82	30-Sep-94	100%	87%	7,898*	0	7,898	0	308	0	177	74%	7,870	28	0
538-0103	Basic Needs Trust Fund	A	28-Jun-84	28-Jun-94	100%	100%	19,700*	0	19,700	0	1,927	0	1,927	103%	19,700	0	0
538-0119	Investment Promotion & Export Dev.	B	30-Aug-84	30-Jun-94	100%	100%	17,544*	0	17,544	0	115	0	37	46%	17,468	78	0
538-0138 2	EMS - Grenada Infrastructure III	B	15-Mar-87	30-Sep-94	100%	100%	8,432*	0	8,432	0	205	7	203	99%	8,424	8	0
538-0190	Drug Abuse Prevention & Education	B	31-Jul-92	30-Sep-94	100%	100%	450	0	450	0	137	0	137	343%	450	4	0
538-0840	Presidential Training Initiative	B	29-Aug-88	30-Sep-94	100%	92%	18,854*	0	18,854	0	235	0	0	0%	15,485	77	0
538-0840 17	LAC Training Initiatives II	B	14-Feb-85	30-Sep-94	100%	100%	2,322*	0	2,322	0	10	0	10	0%	2,322	0	0
<b>SUBTOTAL TERMINATED PROJECTS</b>						98%	72,998	0	72,998	0	2,935	7	2,491	35586%	71,527	193	0

\*1 Authorized LOP amounts have been revised to reflect actual/planned obligations.

\*\*1 Disbursement approved at the end of March 95.

PIPELINE ANALYSIS  
 USAID/RDO/C  
 September 30, 1994

PROJECT NO.	PROGRAM/ PROJECT TITLE	CUMULATIVE OBLIGATION (3)	OBLIGATION BY FY (4)										PIPELINE (5)	PIPELINE BY FY (6)									
			1982-87	1988	1989	1990	1991	1992	1993	1994	1995	1982-87		1988	1989	1990	1991	1992	1993	1994	1995		
<b>ACTIVE PROJECTS</b>																							
<b>STRATEGIC OBJECTIVE 1</b>																							
538-0133	Small Enterprise Assistance	20,733	590	2003	2808	1109	2482	2128	2797	1508	0	20	0	0	0	0	0	0	20	20	0		
538-0136.08	IEM5 - Regional Utilities Maint	5,000		1500	1500	2000	0	0	0	0	0	99	0	0	0	99	0	0	0	0	0		
538-0148	Regional Management Training	5,273	2430	270	0	455	2118	0	0	0	0	1,123	0	0	0	0	1,123	0	0	0	0		
538-0163	West Indies Tropical Produce	10,300			1175	2130	1732	1783	1500	1000	1000	2,816	0	0	0	0	0	0	1,818	1,000	1,000		
538-0184	Agricultural Research & Extension	5,000			1300	1437	2283	0	0	0	0	73	0	0	0	0	73	0	0	0	0		
538-0185	Caribbean Law Institute	3,971		1500	1500	1471	1500	0	0	0	0	1,395	0	0	0	1,395	0	0	0	0	0		
538-0173	Caribbean Leadership Dev. Training	7,424				1917	2900	1483	1124	0	0	864	0	0	0	0	0	0	864	0	0		
538-0178	Dominica Agric. Sector Support	2,000					1000	1000	0	0	0	500	0	0	0	0	0	0	500	0	0		
538-0184	Caribbean Policy Project	4,730						2852	1878	0	0	2,552	0	0	0	0	0	0	674	1,878	0		
538-0645	Caribbean Justice Improvement-UWI	8,705	400	2000	800	0	1505	0	400	0	0	88	0	0	0	0	0	0	0	88	0		
538-0645	Caribbean Justice Improvement-Courth	1,500	0	0	1500	0	0	0	0	0	0	1,051	0	0	1,051	0	0	0	0	0	0		
<b>SUBTOTAL STRATEGIC OBJECTIVE 1</b>		<b>78,836</b>	<b>12,330</b>	<b>7,273</b>	<b>10,583</b>	<b>10,519</b>	<b>15,500</b>	<b>9,228</b>	<b>7,899</b>	<b>2,508</b>	<b>1,000</b>	<b>10,181</b>	<b>0</b>	<b>0</b>	<b>1,051</b>	<b>99</b>	<b>2,591</b>	<b>1,174</b>	<b>4,288</b>	<b>1,020</b>	<b>1,000</b>		
<b>STRATEGIC OBJECTIVE 2</b>																							
538-0171	Environment & Coastal Resources	8,060					1875	4035	2100	0	0	5,034	0	0	0	0	0	0	2,934	2,100	0	0	
<b>SUBTOTAL STRATEGIC OBJECTIVE 2</b>		<b>8,060</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,875</b>	<b>4,035</b>	<b>2,100</b>	<b>0</b>	<b>0</b>	<b>5,034</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,934</b>	<b>2,100</b>	<b>0</b>	<b>0</b>	
<b>OTHERS</b>																							
538-0005	Special Development Activities	4,835	2709	278	278	338	288	414	178	178	0	18	0	0	0	0	0	0	0	18	18	0	
538-0181	AIDS/Communication & Tech Asst	8,953		523	1,875	1,193	1,892	1787	83	0	0	1,398	0	0	0	0	0	1,315	83	0	0		
538-0181	Health Care Policy Planning & Mgt	2,705						705	1,000	1000	0	1,341	0	0	0	0	0	0	1,341	1,000	0		
<b>SUBTOTAL OTHERS</b>		<b>14,293</b>	<b>2,709</b>	<b>799</b>	<b>1,953</b>	<b>1,531</b>	<b>1,958</b>	<b>2,906</b>	<b>1,259</b>	<b>1,178</b>	<b>0</b>	<b>2,755</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,315</b>	<b>1,440</b>	<b>1,018</b>	<b>0</b>		
<b>SUBTOTAL ACTIVE PROJECTS</b>		<b>98,989</b>	<b>15,039</b>	<b>8,072</b>	<b>12,536</b>	<b>12,050</b>	<b>18,333</b>	<b>16,217</b>	<b>11,058</b>	<b>3,684</b>	<b>1,000</b>	<b>17,970</b>	<b>0</b>	<b>0</b>	<b>1,051</b>	<b>99</b>	<b>2,591</b>	<b>5,423</b>	<b>7,808</b>	<b>2,018</b>	<b>1,000</b>		
													0.0%	0.0%	5.8%	0.8%	14.4%	30.2%	43.4%	11.3%	5.8%		

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USAID/RDO/C PORTFOLIO  
(OCTOBER 1, 1994 THROUGH MARCH 31, 1995)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	
PROGRAM/PROJECT TITLE	PROJECT NUMBER	DATE OF INT. OBLIG.	DESIGNATION	STATUS OF CP'S	SIZE OF PIPELINE	AGE OF PIPELINE	ACCRUED EXPEND	UNCOMMITTED BALANCE	EOPS	EOPS	AUDIT	AUDIT	EVALUATION	EVALUATION
<b>ACTIVE PROJECTS</b>														
<i>Strategic Objective #1: Increased and diversified trade</i>														
SMALL ENTERPRISE ASSISTANCE	538-0133	02/25/86	A	N/A			X		-	-	-	N/A	-	-
IEMS - REGIONAL UTILITIES MAINTENANCE	538-0138 08	07/13/88	A	N/A	X		X		-	-	-	N/A	X	N/A
REGIONAL MANAGEMENT TRAINING	538-0148	07/28/86	C	N/A	X		X		-	-	-	N/A	-	-
CARIBBEAN LEADERSHIP AND DEVELOPMENT TRAINING	538-0173	06/30/90	A	N/A	X			X	-	X	-	N/A	X	N/A
DOMINICA AGRICULTURAL SECTOR SUPPORT	538-0176	08/14/91	A	N/A			X		-	-	X	N/A	X	N/A
CARIBBEAN JUSTICE IMPROVEMENT - UJM	538-0645 17	09/30/86	A	N/A	X				-	X	-	N/A	X	-
CARIBBEAN JUSTICE IMPROVEMENT - COURTHOUSE	538-0645	09/30/86	C	N/A	X				-	X	-	N/A	X	-
<i>Other Activities</i>														
SPECIAL DEVELOPMENT ACTIVITIES FUND	538-0005	11/19/85	A	N/A					-	-	X	N/A	-	-

NOTE:  
YES X  
NO -  
Not Applicable: N/A  
In Progress: VP

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