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91983

RDO/C Close-out Plan & Related Documents



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

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 BNTP, 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.

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

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

Drafted: RLouis: P:\LACPUB\DOCS\RDOC.MEM
September 26, 1994

Clearance

DAA/LAC:NParker
LAC/SPM:CSchoux
LAC/CAR:MBernbaum
LAC/DPB:EZallman
PPC/PC:JLombardo (Draft)
G/ENV/ENR:JWilson
LAC/DPB:RMeehan
RDO/C:MJordan (Draft)
AA/G:SShelton (info)
G/PDSP:GStandrod (info)
LAC/DR/ENV:JBrokaw (info)
M/MCS:BBurnett (info)
GC/LAC:RMeighan (info)

Attachments:

(1) DAEC Reporting Cable, State 127829

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LADP-04 PPDC-01 /B33 A4 KL 13/1809Z

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DRAFTED BY: AID/LAC/DR/CEN&CAR:RVL:RDOC
APPROVED BY: AID/LAC/AA:MSCHNEIDER
AID/LAC/DAA:NPARKER AID/LAC/DR:EZALLMAN
AID/LAC/DPP:JSTEPANEK (DRAFT) AID/M/HCS:MROGAL (INFO)
AID/LAC/CAR:MBERBAUM (DRAFT) AID/PPC/POL:JSCHLOTTHAUER (DRAFT)
AID/G/R&D/POP:DGILLESPIE (DRAFT) AID/LAC/TI:RSTRYKER (DRAFT)
AID/LAC/DPP:RMEEHAN (DRAFT) AID/GC/LAC:RMEGHAN (DRAFT)
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SUBJECT: FY 95-96 CLOSE-OUT/ACTION PLAN FOR RDO/C

1. THE FY 95-96 CLOSE-OUT/ACTION PLAN FOR RDO/C WAS REVIEWED ON MARCH 25, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES

FROM M/B, PPC/PAR, G/R&D, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE USAID MISSION DIRECTOR, MOSINA JORDAN, PRESENTED THE ACTION PLAN IN CONJUNCTION WITH PAUL BISEM, CHIEF PDO FOR RDO/C.

2. THE CLOSE-OUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE MODIFICATIONS NOTED BELOW. USAID/RDO/C WILL CLOSE OUT NO LATER THAN SEPTEMBER 30, 1996. ISSUES DISCUSSED AND CONCLUSIONS FOLLOW:

3. FINAL EVALUATION OF THE IMPACT OF THE RDO/C PROGRAM: THE MISSION DIRECTOR OBSERVED THAT THERE IS A VALUABLE STORY TO TELL ON USAID'S NEARLY 17 YEARS OF INVOLVEMENT IN PROVIDING DEVELOPMENT ASSISTANCE TO THE ISLAND NATIONS OF THE EASTERN CARIBBEAN (EC). FURTHERMORE, THE MISSION BELIEVES THAT SIGNIFICANT LESSONS CAN BE LEARNED BY ASSESSING THE IMPACT ON THE POOR, IMPROVEMENTS IN QUALITY OF LIFE, ACCESS TO MARKETS FOR SMALL FARMERS,

INFRASTRUCTURE IMPROVEMENTS, TOURISM, AND TRAINING IN MANAGEMENT SKILLS IMPROVEMENT. THEREFORE, IT WAS AGREED THAT AN IMPACT EVALUATION OF THE PROGRAM IS WARRANTED WITH ITS NATURE, TIMING, AND SCOPE TO BE WORKED OUT IN THE NEAR FUTURE. THE BUREAU AGREED TO WORK WITH PPC/CDIE ON THE SCOPE AND DESIGN AND COMMITTED TO FIND FUNDING TO CONDUCT SUCH AN EVALUATION. AT A MINIMUM, THE EVALUATION WILL ENCOMPASS TRAINING AND OTHER TYPES OF PEOPLE-LEVEL IMPACT, INCLUDING GENDER.

4. ENSURING SUSTAINABILITY OF NGOS: THE ISSUE OF BUILDING

SUSTAINABLE ORGANIZATIONS IN COUNTRIES WITH SUCH SMALL POPULATIONS AS ARE FOUND IN THE EC HAS ALWAYS BEEN A CHALLENGE FOR RDO/C. ALTHOUGH THE MISSION STATED THAT

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MANY NGOS AND PVOS ARE ON THE PATH TO SELF-SUSTAINABILITY, OPPORTUNITIES FOR THE PRIVATE SECTOR, GOVERNMENT AND INDIVIDUALS TO SUPPORT LOCAL NGOS ARE SEVERELY HAMPERED BY THE LIMITED NUMBER OF POTENTIAL CONTRIBUTORS IN THE REGION. THE MISSION IS DEDICATING TIME AND EFFORT TO IDENTIFYING AND LEVERAGING RESOURCES FROM OTHER DONORS TO SUPPORT THESE ORGANIZATIONS, BUT NOTES THAT ALL MAJOR DONORS ARE REDUCING FUTURE FUNDING PLANS FOR THE REGION. THE NATIONAL DEVELOPMENT FOUNDATIONS (NDFS) ARE 80-90 PERCENT SELF-SUSTAINING. ALTHOUGH A SUCCESS STORY, THE NDFS ARE STILL IN NEED OF AN EXPANDED CAPITAL BASE TO ACHIEVE FULL SUSTAINABILITY. THE CENTER FOR MANAGEMENT TRAINING, CURRENTLY ON THE PATH TO SUSTAINABILITY, IS SEEKING PRIVATE SECTOR SUPPORT WHILE INCREASING FEES FOR TRAINING. NO SUPPORT HAS YET BEEN IDENTIFIED FOR THE CARIBBEAN FAMILY PLANNING ASSOCIATION. LAC/DR WILL ATTEMPT TO ASSIST IN MARSHALLING DONOR SUPPORT. ALTHOUGH THE MISSION STATED THAT THERE ARE NOT CURRENTLY ANY ORGANIZATIONS IN DANGER OF COLLAPSING WHEN THE USAID MISSION CLOSES, THE DEGREE TO WHICH SOME GROUPS SUCH AS EQUADEF WILL BE FUNCTIONAL IS STILL IN QUESTION.

5. THERE WAS CONSIDERABLE DISCUSSION OF THREE MISSION ACTIVITIES SLATED TO CONTINUE BEYOND FY96.

(A). ENVIRONMENT AND COASTAL RESOURCES PROJECT (ENCORE) (538-0171): ENCORE IS THE MAJOR ACTIVITY SUPPORTING RDO/C'S NATURAL RESOURCES STRATEGIC OBJECTIVE AND AGENCY'S

ENVIRONMENTAL PRIORITIES. THROUGH THE INVOLVEMENT OF NGOS, INCLUDING ONE U.S. PVO, THE PROJECT SUPPORTS COMMUNITY-BASED INVOLVEMENT IN ENVIRONMENTAL ACTIVITIES THROUGH EMPOWERMENT OF THE POOR AND IS CONSISTENT WITH THE ENVIRONMENTAL AND PARTICIPATORY FOCUS OF THE ADMINISTRATION. THE PROJECT HAS THREE MAJOR ELEMENTS: ENVIRONMENTAL AWARENESS, ENVIRONMENTAL LAWS, AND LOCAL SITE ACTIVITIES, HOWEVER ONLY THE AWARENESS COMPONENT CAN

BE ACCELERATED TO FINISH IN FY96. ALL OTHER ACTIVITIES ARE SLATED TO END IN SEPTEMBER, 1997.

ENCORE CONTRIBUTES TO THE GLOBAL ENVIRONMENT FUND (GEFF), WHICH MAKES IT A HIGHLY VISIBLE ACTIVITY. ADDITIONALLY, ENCORE HAS BEEN INCLUDED AS ONE OF USAID'S LARGEST AND MOST IMPORTANT CONTRIBUTIONS TO THE U.S. CORAL REEF INITIATIVE (CRI), A WORLD-WIDE ACTIVITY STILL IN DESIGN BY GLOBAL BUREAU IN CONJUNCTION WITH THE REGIONAL BUREAUS.

THE DAEC RECOGNIZED THE IMPORTANCE OF ENCORE TO THE WESTERN HEMISPHERE FOCUS OF THE CRI AND RECOMMENDED THAT THE MISSION PREPARE A DETAILED JUSTIFICATION FOR CONTINUATION OF ENCORE AS AN INTEGRAL COMPONENT OF THIS PLANNED GLOBAL INITIATIVE. ALL ENCORE COMPONENTS WHICH WOULD NOT FALL UNDER THE CRI WILL HAVE TO BE CLOSED OUT IN FY96. LAC WILL WORK WITH G TO ENSURE THAT SUITABLE COMPONENTS OF ENCORE ARE CONTINUED UNDER THE CORAL REEF INITIATIVE, AND WILL LOOK TO INCORPORATE ASSISTANCE TO THE REGION UNDER OTHER REGIONAL AND GLOBAL PROGRAMS TO THE EXTENT THAT SUCH ASSISTANCE CLEARLY FITS WITHIN THE PURPOSES OF SUCH ACTIVITIES.

(B). CARIBBEAN POLICY PROJECT (CPP, 536-0164): THE MISSION PROPOSED CONTINUING THE CARIBBEAN POLICY PROJECT TO ITS PACD OF SEPTEMBER 1997 UNDER THE RESPONSIBILITY OF THE GUYANA MISSION OR AS A COMPONENT OF A LAC/W REGIONAL PROJECT. MAJOR ELEMENTS OF THIS ACTIVITY INCLUDE CUSTOMS AND TARIFF REVAMPING, DIAGNOSTICS FOR THE CDB-IDB MULTI-LATERAL INVESTMENT FUND (MIF), AND ECONOMICS STATISTICS STRENGTHENING.

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THE MISSION'S RATIONALE FOR THIS IS THAT CPP IS A CENTERPIECE OF THE MISSION'S STRATEGIC OBJECTIVE OF HELPING THE REGION INCREASE AND DIVERSIFY TRADE AND WAS DESIGNED IN CONCERT WITH U.S. FOREIGN POLICY OBJECTIVES TO HELP COUNTRIES MOVE TOWARDS HEMISPHERIC FREE TRADE. STATE AND OTHER US GOVERNMENT AGENCIES ARE CONCERNED THAT THE INTERIM PROGRAM FOR CBI COUNTRIES TO ACHIEVE NAFTA PARITY WILL NOT BENEFIT THE ISLAND NATIONS OF THE EC SUB-REGION, AT LEAST DURING THE SHORT TERM. THE CPP COVERS FOUR CRITICAL COMPONENTS OF NAFTA: ENVIRONMENTAL, LABOR LAW, PATENT LAW, AND INTELLECTUAL PROPERTY RIGHTS REFORM. USAID MADE A COMMITMENT TO THE IDB TO SUPPORT CPP IN ADDRESSING POLICY REFORMS. WITHOUT CPP, THE EC WILL NOT BE ABLE TO ACCESS CDB-IDB MIF FUNDING.

AFTER CLOSE-OUT. ALTHOUGH THE EC COUNTRIES ARE AT OR APPROACHING MDC STATUS, THEY REMAIN VULNERABLE-- SMALL DOMESTIC ECONOMIES AND NARROW EXPORT BASES, THIN LAYER OF MANAGERIAL AND TECHNICAL SKILLS, FRAGILE PHYSICAL

ENVIRONMENTS, ETC. THIS VULNERABILITY IS FURTHER EXPOSED WITH NAFTA, WHERE TRADE DIVERSION IS A THREAT, AND IN NEGOTIATIONS ON EUROPEAN BANANA IMPORTS, WHERE THE LOSS OF A MAJOR MARKET WOULD IMPACT THE ECONOMIES OF THE DECS, POSSIBLY CAUSING A DISLOCATION OF THE WORK FORCE.

THE DAEC CONCLUDED THAT MAJOR ELEMENTS OF THE CPP FALL WITHIN THE PURPOSE OF THE BUREAU'S PLANNED WESTERN HEMISPHERE FREE TRADE (WHFT) PROJECT TO BE IMPLEMENTED ON

THE MISSION PROPOSED, AND THE DAEC ENDORSED, THREE AREAS OF INTEREST THAT USAID COULD CONTINUE TO SUPPORT IN THE REGION AFTER CLOSE-OUT THROUGH GLOBAL OR REGIONAL

A REGIONAL BASIS FROM USAID/W. ACCORDINGLY, THE CPP PROJECT SHOULD BE CLOSED OUT BY THE END OF FY96 AND THOSE

INITIATIVES: 1. TRADE LIBERALIZATION THROUGH WHFT AND MIF; 2. ENVIRONMENT THROUGH THE CORAL REEF INITIATIVE; AND, 3. POVERTY REDUCTION THROUGH AN AS OF YET UNDETERMINED ASSOCIATION WITH CENTRALLY-FUNDED OR REGIONAL PROJECTS. ASSISTANCE IN THE FIRST TWO AREAS WOULD BE TARGETED ON CONTINUING ELEMENTS OF EXISTING RDC/C PROJECTS AS DISCUSSED IN PARA 5 ABOVE. CONTINUING INVOLVEMENT IN TRULY REGIONAL INITIATIVES BEYOND THE SCOPE OF ONGOING ACTIVITIES WOULD BE A HIGH PRIORITY FOR THE BUREAU. PRELIMINARY PROPOSALS FOR SUCH ACTIVITIES WILL BE INCLUDED IN THE LAC REGIONAL ACTION PLAN. LAC WILL SEEK MISSION VIEWS ON THOSE PROPOSALS. YOUR VIEWS ON THEIR RELEVANCE TO THE CONTINUED DEVELOPMENT OF THE DECS WILL HELP US TO SHAPE THOSE PROJECTS INTO EFFECTIVE DEVELOPMENT TOOLS. AS WELL, WE LOOK FORWARD TO SEEING YOUR IDEAS FOR CARIBBEAN-WIDE INITIATIVES IN THESE AREAS DURING THE GUYANA ACTION PLAN REVIEW. THE LAC BUREAU IS PREPARED TO CONSIDER CARIBBEAN-WIDE REGIONAL PROJECTS, WHICH WOULD ALLOW THE DECS TO PARTICIPATE ALONG WITH THE BROADER CARIBBEAN COMMUNITY. FUTURE INVOLVEMENT IN TRULY REGIONAL INITIATIVES WILL BE SUBJECT TO APPROVAL BY AA/M (THE AGENCY'S CLOSE-OUT COORDINATOR) AND POL/PPC.

ELEMENTS WHICH MUST CONTINUE SHOULD BE INCLUDED WITHIN THE WHFT, THE MANAGEMENT OF SUCH ACTIVITIES (I.E., THE BALANCE BETWEEN USAID/W AND USAID/GUYANA RESPONSIBILITIES) WILL BE WORKED OUT IN THE PROJECT DESIGN PROCESS, AND THE MISSION WILL BE FULLY CONSULTED. IT WAS AGREED THAT THE MISSION'S PREFERRED SOLUTION FOR BOTH THE INCORPORATION OF THE ASSISTANCE INTO THE WHFT AND THE MANAGEMENT ISSUES WILL BE FURTHER DISCUSSED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994. MISSION IS INVITED TO PRESENT A CONCEPT PAPER TO GET THIS DISCUSSION OFF ON THE RIGHT TRACK.

(C). HEALTH CARE POLICY PLANNING AND MANAGEMENT PROJECT (HCPPM, 536-0181): THE PROJECT BEGAN IN FY93 AND HAS A FY97 PACD, ONE YEAR AFTER MISSION CLOSE-OUT. THE MISSION PROPOSED THAT USAID/GUYANA, OR THE LAC OR GLOBAL BUREAU, TAKE RESPONSIBILITY FOR THE FINAL 15 MONTHS OF THE PROJECT. THE MISSION'S REASONS FOR PROPOSING THE EXTENSION ARE THAT THE PROJECT IS VERY HIGH PROFILE AND HAS GENERATED GREAT ENTHUSIASM FROM LEADERS IN THE EC OVER THE PROSPECT OF RATIONALIZING AND INCREASING EFFICIENCY IN FINANCING HEALTH CARE. HCPPM ENCOMPASSES THREE MAJOR ELEMENTS: ANALYTICAL DIAGNOSTIC STUDIES, APPLIED RESEARCH, AND TRAINING DISSEMINATION. DUE TO THE NATURE OF THIS PROJECT, THE MISSION BELIEVES THAT FUNDING CUTS AND ACCELERATION OF ACTIVITIES ARE NOT POSSIBLE WITHOUT PROJECT REDESIGN.

7. FTE/STAFFING ISSUES: IN ITS CLOSE-OUT PLANNING, THE MISSION PAID CAREFUL ATTENTION TO LINKING STAFF REDUCTIONS TO PORTFOLIO REDUCTIONS. WHILE FY96 FTE LEVELS SHOULD NOT BE A PROBLEM, QUESTIONS DEALING WITH STAFFING AND PROPOSED FTE LEVELS FOR FY95 WERE RAISED. RDC/C LEVELS EXCEED THE LEVELS CONTAINED IN THE BUREAU BUDGET SUBMISSION (BBS). THE MISSION'S REQUIREMENT OF 5.9 FTES IN FY95 EXCEEDS LAC'S CEILING OF 5.8 FTES. ALSO, IT WAS REPORTED THAT A

THE DAEC CONCLUDED THAT WHILE THE PROJECT HOLDS CLEAR

COMMITMENT HAD BEEN MADE, WITHOUT SUFFICIENT CONSULTATION WITH THE BUREAU OR MISSION, THAT THE RCO POSITION WOULD BE PULLED IN SUMMER 1994. THE MISSION DIRECTOR WAS ADAMANT THAT THE FTE CEILING BE MAINTAINED AT 5.9 AND THAT THE RCO POSITION REMAIN IN BARBADOS THROUGH FY96 IN ORDER TO CONTINUE WITH ORDERLY CLOSE-OUT ACTIVITIES WHILE AT THE SAME TIME MANAGING ITS REDUCED, BUT STILL SIZEABLE, PORTFOLIO. THE DAEC CONCURRED WITH THE MISSION'S POSITION ON THE RCO. THE MISSION DIRECTOR WILL SEND A MEMORANDUM TO THE AA/LAC DESCRIBING THE CIRCUMSTANCES AND DISCUSSIONS

BENEFITS FOR THE DECS, IT NEITHER ADDRESSES A GLOBAL PROBLEM NOR REQUIRES ASSISTANCE THAT CAN ONLY BE PROVIDED BY USAID. THUS, THE MISSION SHOULD CLOSE OUT PROJECT ACTIVITIES BY THE END OF FY96 AND SEEK TO INTEREST OTHER DONORS IN CONTINUING FUNDING. LAC IS PREPARED TO HELP IN ACHIEVING THE LATTER. THE BUREAU WILL EXPLORE POSSIBLE FUNDING FROM THE GLOBAL BUREAU HEALTH CARE FINANCING SUSTAINABILITY PROJECT THAT THE DECS COULD DRAW ON AFTER FY96. HOWEVER, 6 RESOURCES WILL BE STRETCHED THIN TO COVER DEMANDS FROM CONTINUING PROGRAMS, AND THIS MAY NOT BE HIGH ENOUGH PRIORITY TO WARRANT USAID FUNDING FOR THE FINAL 15 MONTHS OF THE PLANNED IMPLEMENTATION PERIOD.

HELD IN REFERENCE TO THE RCO POSITION. LAC WILL SUPPORT A REASONED ARGUMENT FOR MAINTENANCE OF CONTRACT, CONTROLLER, AND EXEC OFFICER SERVICES FOR THE PERIOD NEEDED BY RDC/C DURING THIS DIFFICULT CLOSE-OUT EXERCISE. HOWEVER, LOCATION OF THAT RCO IN GUYANA SHOULD BE CONSIDERED. ON THE BROADER QUESTION OF FTES, THE BUREAU IS REANALYZING THE EXTENT TO WHICH FTE UTILIZATION RATES ACROSS ALL OVERSEAS UNITS MAY ALLOW FRACTIONAL DISCREPANCIES, SUCH AS THIS ONE, TO BE ACCOMMODATED. WE WILL ADVISE RESULTS OF THE REVIEW. HOWEVER, THE FTE CEILING OF 5 FOR FY95 CANNOT BE FURTHER ADJUSTED.

6. THE REVIEW ALSO FOCUSED ON THE NATURE OF THE USAID FUTURE RELATION WITH THE EASTERN CARIBBEAN SUB-REGION

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8. THE MISSION REQUESTED THAT THE GUYANA NAD: QUOTE STRENGTHENING DEMOCRACY UNQUOTE (584-8185) RECEIVE INFORMAL REVIEW SO THAT USAID/GUYANA CAN PROCEED WITH THE ELABORATION OF ITS POD. THE ORIGINAL NAD, REVIEWED IN JANUARY 1994, FOCUSED SOLELY ON THE SUPPLY SIDE OF STRENGTHENING DEMOCRACY IN PARLIAMENT AND LOCAL GOVERNMENT. THE REVISED NAD WAS DESIGNED TO BE MORE

FLEXIBLE IN RESPONDING TO GOG REQUESTS AND INCLUDES A THIRD COMPONENT BY INCORPORATING NGOS TO COVER CIVIL SOCIETY, OR THE DEMAND SIDE OF GOOD GOVERNANCE. THE BUREAU FELT THAT THE MISSION DID A GOOD JOB OF PRIORITIZING AND REFOCUSING THE REVISED NAD. THE MISSION WAS REMINDED TO ENSURE THAT THE GUYANESE HAVE OWNERSHIP IN THE PROJECT SINCE IT WAS NOT CLEARLY CONVEYED IN THE NAD. THE DAEC AGREED THAT THE NAD SHOULD BE INCLUDED IN THE GUYANA POD, WITH FORMAL REVIEW OF THE NAD TO BE SCHEDULED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994.

9. THE MISSION WAS CONGRATULATED ON THE QUALITY OF THE OPERATIONAL CLOSE-OUT PLAN THAT IT PRESENTED TO THE BUREAU. THE PLAN WAS ACCEPTED AS PRESENTED ON THE CONDITION THAT CHANGES MAY BE NECESSARY PENDING THE RESOLUTION OF THE ISSUES CITED ABOVE. ANY CHANGES REQUIRED WILL BE REQUESTED VIA SEPTEL.

10. THIS CLOSE-OUT PLAN, TOGETHER WITH ALL NEW REGIONAL INITIATIVES THAT WOULD INCORPORATE ASSISTANCE TO RDO/C AFTER MISSION CLOSE-OUT MUST BE APPROVED BY THE AGENCY CLOSE-OUT COORDINATOR. THE MISSION WILL BE ADVISED SEPTEL OF SUCH APPROVALS.

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RDO/C CLOSE-OUT AND CONTINUATION OF KEY ACTIVITIES

In its FY 1995-96 Action Plan/Close-out Plan, RDO/C proposed that three key projects be allowed to continue to their currently authorized completion dates, about one year beyond the scheduled close of the Mission. The proposal also described arrangements made or being made to minimize the management burden and prospects for transferring residual management responsibilities to other USAID entities. Anticipating transfer of these three projects in FY 1995 or early FY 1996, RDO/C's Close-out Plan proposed closing the Mission at the end of June 1996 rather than at the end of the fiscal year, with consequent savings in OE and FTE levels.

RDO/C anticipated support for its proposal, which would enable the U.S. to realize significant benefits in program achievement and to fulfill its agreements at minimal added cost and without delaying the Mission's close. During USAID/W review, the Mission was advised of a much more rigid Administration position than it had anticipated, namely, that all projects are to be terminated by the deadline for Mission closure, with exceptions limited to a narrow set of criteria. Essentially, exceptions are being limited to activities that address compelling U.S. national interests, or are integral parts of broader global or regional efforts. Nevertheless, as a result of the review, RDO/C was encouraged to submit a revised proposal with further justification for continuing the three activities. The final written report on the review (STATE 127829 dated 5/13/94) contains additional and somewhat different guidance which is incorporated in this submission to the extent possible in the short time-frame available.

1. Environment and Coastal Resources (ENCORE)

RDO/C's ENCORE project is the major activity in the Eastern Caribbean addressing the Mission's strategic objective of **improved natural resource management**. The project directly addresses the Agency's goal of **protecting the environment** and applies many of the programmatic methods and approaches outlined in the Agency's new "Strategies for Sustainable Development." The project was designed as a five-year effort with a planned project assistance completion date (PACD) of September 1997. The project encountered significant start-up problems and delays which, while not unusual for a major new initiative in a regional setting, will make it difficult to achieve all the planned results within the current time-frame and impossible to reach key objectives in a shorter period.

The project represents multiple U.S. agreements and commitments. The Project Agreement with the Organization of Eastern Caribbean States is being implemented under a cooperative agreement with a major U.S. PVO (World Wildlife Fund). In addition, it is counted as part of the U.S. commitment to the U.N. Global Environment Facility (GEF) and has been identified as a potential vehicle for the proposed U.S. Coral Reef Initiative. Although legal grounds can most likely be found for early termination, there is high probability of negative repercussions on U.S. credibility.

RDO/C has modified project implementation arrangements to minimize USAID's management burden and personnel from the Global Bureau have expressed both strong support for continuing the activity and readiness to accept a transfer of responsibility for managing it. Funds already

obligated are adequate to carry out project activities through the current PACD. Thus, continuing the project to its planned completion date would require almost no additional USAID resources.

Completion of the project would permit achievement of the following results:

- Serious environmental degradation and the loss of biological diversity and sustainable economic opportunities would be halted in three local sites.
- Eight states in the subregion would have incorporated environmental considerations, including regular use of environmental impact analysis, in their planning and decision making processes.
- The subregion would have made significant movement toward harmonization of legislation and regulations related to environmental and sustainable development approaches, including, e.g., pesticide regulations, environmental assessment, national parks and protected areas, and NGO status.
- Local communities, indigenous people, women and youth, local and international NGOs would be more accepted and empowered.
- The OECS Natural Resources Management Unit would be stronger and more efficient and better able to cooperate with bilateral and multilateral donors, international scientific and educational institutions, and NGOs.
- The population of the subregion at all levels--decision makers, technocrats, private businesspeople, local communities, youth--would be more environmentally aware and educated, and the subregion would be more willing and able to participate in and support U.S. and international efforts related to environment and sustainable development concerns.

STATE 127829 supports continuing ENCORE activities that fit within the Global Coral Reef Initiative (CRI), with all other activities to be closed out by the end of FY 1996. RDO/C agrees with this approach. ENCORE is already highly consistent with the CRI and RDO/C will work with LAC and the Global Bureau to incorporate ENCORE activities in the CRI and to complete the process modifying implementation arrangements to facilitate management from Washington. Among the issues to be addressed will be whether funds currently obligated under the ENCORE project will need to be deobligated and reobligated to carry out the activities under the CRI.

RDO/C RECOMMENDATION: That the ENCORE project be transferred to the Global Bureau (G) in FY 1995 for management as part of the Coral Reef Initiative and that G be allowed to continue the planned activities with funds already obligated under the project as part of its global Coral Reef Initiative.

2. Caribbean Policy Project (CPP)

RDO/C's Caribbean Policy Project is a major activity in the Eastern Caribbean in support of the Mission's strategic objective of **increased and diversified trade**, and supports the Agency's goal of **sustainable economic growth with equity**. The project was designed as a five-year activity with a planned PACD of December 1997. As with the ENCORE Project, CPP experienced significant start-up problems and delays and there are few opportunities to accelerate activities so that planned results can be achieved in a shorter period.

In addition to the commitment embodied in the Project Agreement with the OECS, CPP reflects other U.S. foreign policy interests and commitments in the subregion. The project supports participation of the subregion in the IDB/CDB Multilateral Investment Fund (MIF) and is a means of helping the subregion respond to NAFTA.

CPP is not fully-funded and will require substantial additional funding although not to the originally planned \$12 million LOP level. \$4.7 million has been obligated to date. If activities are accelerated to the extent possible, but limited to those which can be completed by the end of FY 1996, another \$1.2 million will be required for obligation in FY 1995. A further \$1.8 million would enable the project to achieve most key objectives by the end of FY 1997.

RDO/C has modified implementation arrangements for the project to minimize USAID's management burden and proposed that the residual management responsibility be transferred to the new USAID Mission in Guyana. That Mission will require project management capacity in the related area of economic policy and regulatory reform to pursue its strategic objective of increased economic opportunities for the urban and rural poor, and should be able to absorb the minimal additional management burden.

The LAC Bureau is developing a regional Western Hemisphere Free Trade (WHFT) project with objectives and activities relevant to CPP. STATE 127829 advised that the CPP project should be terminated by the end of FY 1996, and that elements which must be continued should be included within the WHFT. RDO/C is encouraged by the latter prospect, and will begin preparation of a concept paper for incorporating trade policy assistance to the Eastern Caribbean in the WHFT. Funds that would otherwise be needed to complete CPP would be available to support activities in the Eastern Caribbean under the regional project.

Because RDO/C plans to close by June 30, 1996, CPP activities will need to be absorbed in the regional WHFT or residual management responsibility transferred before that date. Specific arrangements to absorb CPP activities in WHFT will depend in part on the timing and structure of WHFT. For example, can CPP simply be "plugged in" as a discrete module, or will the elements have to be redesigned and integrated in WHFT? Ideally, WHFT would begin to absorb CPP elements by the end of FY 1995. If WHFT cannot begin to absorb the CPP elements until later, residual responsibility for managing CPP until WHFT takes over should be transferred to LAC or USAID/Guyana. USAID/RDO/C will consult with LAC/TI to define the transition arrangements.

RDO/C RECOMMENDATION: That the new Western Hemisphere Free Trade activity be designed to incorporate/continue CPP project assistance for trade policy reform in the Eastern Caribbean and, subject to the timing and structure of that regional activity, that CPP be modified to support those activities which can be completed by the end of FY 1996. In order to permit RDO/C to close out before the end of FY 1996 as currently planned, that responsibility for management of CPP be transferred to the LAC Office responsible for the WHFT or to USAID/Guyana at the end of FY 1995.

3. Health Care Policy Planning and Management (HCPPM)

RDO/C's HCPPM project is providing important and high-profile assistance to the Eastern Caribbean subregion toward the Agency's health goal, and, indirectly, to its goal of **sustainable economic growth with equity**. The project will help broaden the economic base by improving access to health care and provide a model for efficient delivery of social services. Over reliance on the public sector, subsidization, and high allocations for health, especially for curative care, crowd out funding for preventive care and for productive investment and make the subregion's economies less competitive.

HCPPM builds on a base of solid accomplishments in USAID's program of assistance to the health sector in the Eastern Caribbean: establishment of the self-sustaining and highly cost-effective Eastern Caribbean Drug Service; increased and institutionalized laboratory and surveillance capacity in the Caribbean Epidemiology Centre; training for health managers, assistance in developing health policy statements, and, in two countries, comprehensive health plans; and increased awareness of HIV/AIDS and high risk behavior and utilization of the social marketing approach to health communications both for AIDS and family planning.

The goal of HCPPM is to improve and maintain the health status of the people of the Eastern Caribbean through the efficient and equitable generation, distribution and utilization of health sector resources. Within its current time-frame, the project is expected to:

- develop institutional analytic capacity to plan and manage the health system and ability to identify, implement and evaluate health policy research;
- design and implement improved cost recovery systems;
- design and implement improved management systems for public hospitals and increase organizational autonomy of hospital managers;
- increase the role of social and commercial risk coverage schemes to finance health care services; and
- increase private provision of health services and stimulate and strengthen private providers where feasible.

The project has already been reduced by one year and \$1 million in planned funding, with a currently planned PACD of September 1997. The project seeks to implement successful health reforms in a few countries and to replicate programs across the OECS member countries as they become ready. Already, a national health insurance scheme is being developed in St. Lucia and, in Dominica, a hospital user fee program will be implemented in July. It takes time to develop a dialogue, come to agreement and jointly research and implement reforms among eight small island nations. Financing and delivery of health care services can be both technically complex and publicly emotional activities. The process of reform must be participatory, and participation and consensus building takes time. Further curtailment of the HCPPM project would require substantial redesign and seriously weaken prospects for achieving the desired results.

In its Action Plan/Close-out Plan, RDO/C proposed that HCPPM be allowed to continue to its planned PACD, with residual management responsibility to be transferred to either USAID/Jamaica or the Global Bureau in early FY 1996. STATE 127829 instructs the Mission to close the project by the end of FY 1996 and offers to explore possible follow-on support from the Global Bureau's Health Care Financing Sustainability project. RDO/C is confident that a practical solution can be implemented within those parameters. Long-term technical assistance under HCPPM is currently scheduled to be completed by the middle of FY 1996. Assistance planned for the final 15 months consists mainly of follow-up short-term technical assistance and operational support for OECS. If the required short-term technical assistance can be provided by the Global Bureau, RDO/C is optimistic that OECS can find alternative sources for financing of its operational costs beginning in June 1996. This would allow the HCPPM project to be terminated in FY 1996 without sacrificing major planned objectives.

HCPPM is not fully-funded and will require an obligation of \$1.5 million in FY 1995 to cover activities through June 1996. The activities planned for the final 15 months of the project require another \$1.3 million. If the approach outlined above is accepted, the Global Bureau must receive adequate funds to provide additional short-term technical assistance to the Eastern Caribbean in health care financing after FY 1996.

RDO/C RECOMMENDATION: That the HCPPM project be modified to support those activities which can be completed by the end of June 1996 and subsequent short-term technical assistance in health care policy be provided to the Eastern Caribbean by the Global Bureau. Further, that the LAC Bureau support a sufficient budget allocation to the Global Bureau for this purpose.

POST-RDO/C USAID ASSISTANCE TO THE EASTERN CARIBBEAN

USAID has provided \$633 million in economic development assistance to the Eastern Caribbean since 1976. The primary beneficiaries have been six small island nations: Antigua and Barbuda, St. Kitts and Nevis, St. Vincent and the Grenadines, St. Lucia, Grenada, and Dominica. USAID is closing its Regional Development Office for the Caribbean (RDO/C) in Barbados in FY 1996.

Although the Eastern Caribbean countries are at or approaching "more developed country" (MDC) status they remain vulnerable--small domestic economy, narrow export base, thin layer of managerial and technical skills, fragile physical environment, etc. This vulnerability is exposed in actions taken by the United States, for example, in NAFTA and in negotiations on European banana imports. Furthermore, poverty, political instability, and environmental degradation in these close neighbors threaten U.S. well-being even more than when they occur in more remote parts of the world.

The United States is interested in a democratic and economically, socially and politically stable Caribbean, with which the U.S. can enjoy strong and cordial economic, social and political ties. U.S. objectives in the region are to strengthen the international economic integration of the nations there and to preserve democracy and other important global public values and goods. These interests remain even with the decision to close RDO/C and, with the vulnerabilities noted above, warrant consideration of continued U.S. assistance to the subregion within the context of USAID global and regional programs.

Any such continued USAID assistance would reflect the values of the U.S. Administration, emphasizing broad participation within the Agency's four priority areas: broad-based economic growth, protecting the environment, building democracy, and stabilizing population growth and protecting human health. The countries in the Caribbean range in levels of development from high to very low. Despite the disparities, however, there are areas in which all need assistance, and which relate to important U.S. interests and fit within the USAID priorities. The most prominent of these are economic growth (trade) with equity and the environment.

Trade Competitiveness

Several recent events in the trade arena have important implications for Caribbean economic development and U.S. foreign policy interests. These include the passage of NAFTA, conclusion of the Uruguay round of GATT, the European Community's new banana regime and changes in the sugar market. While the U.S. has shown special concern over the adverse impact of NAFTA on the Caribbean, the U.S. position and role in each case has been on the side of changes which diminish the trade advantages on which the Caribbean countries have come to depend. Thus, it would be appropriate for the U.S. to provide some positive assistance to help the region make the adjustments necessary to compete without relying on the disappearing preferences while, in the process, protecting the poor and enhancing equity.

The LAC Bureau is developing a new regional Western Hemisphere Free Trade (WHFT) activity which can continue to provide assistance in trade policy to the Eastern Caribbean. RDO/C and LAC are agreed that the WHFT is an appropriate vehicle to continue activities initiated under the Caribbean Policy Project (CPP), which must be ended due to the close of RDO/C. Such continued support to the Eastern Caribbean in the difficult process trade policy reform need not be limited to completing the current CPP agenda and would be an appropriate means of showing continued support and interest in the subregion.

To complement the WHFT assistance in trade policy reform, USAID should consider helping the subregion alleviate adverse impacts on the poor that are directly linked to policy and regulatory reforms to increase trade competitiveness. The CDB Special Development Fund (CDF), discussed further below, provides a convenient vehicle for such assistance.

Environment

The second major area of clear common concern among the countries of the Caribbean, including the United States, is protection of the environment. In addition to U.S. interests in global life support systems (climate change and biological diversity), the United States has a more immediate interest in the health of the Caribbean sea, which washes its own shores. The Coral Reef Initiative (CRI), although global in scope, is especially pertinent to the Caribbean. There is already general agreement between RDO/C and the LAC and Global Bureaus that activities currently programmed under RDO/C's ENCORE project should be continued and completed under the CRI. The CRI remains an appropriate instrument for continuing assistance to the subregion even beyond that planned under ENCORE.

CDB Special Development Fund

For some years now, USAID has been considering becoming a contributor the Caribbean Development Bank's Special Development Fund (SDF). The SDF is a soft window through which the CDB provides concessionary loans and grants to its Borrowing Member Countries (BMCs). SDF resources are derived from contributions by all CDB member countries and one non-member country (Netherlands). Contributions are determined by agreement among contributors divided into three groups: the OECD member countries (UK, Canada, Germany, Italy, France and the Netherlands); the Latin American member countries (Colombia, Mexico, Venezuela) and the Caribbean Regional members. Of the major donors, only the U.S. and Japan do not contribute to the SDF.

Contributions to SDF entitle contributors to (a) participate in Board of Directors Meetings to discuss policies affecting the SDF and subprojects financed either partially or wholly with SDF resources, and (b) participate in meetings of SDF contributors. A substantial contribution also provides eligibility for firms and individuals from the contributing country to bid on procurements under CDB contracts. If a country is neither a member of the Bank nor a contributor to the SDF, its suppliers are not eligible to bid on procurement financed by the CDB.

During the period 1984-1990, of \$269.5 million in SDF loans and grants approved, 61.6% went to the OECS states and Belize, 16.9% to Guyana, 12.4% to Jamaica, 5.1% to Bahamas, Barbados, Cayman Islands, Trinidad and Tobago and Turks & Caicos, and 4.0% to regional institutions. Approximately 26% was for projects with direct impact on the poor (such as social infrastructure, skills training, rural electrification, and small farmer credit) while 54% financed improvements in economic infrastructure and expansion of the productive sectors which had as their ultimate objectives employment and poverty alleviation.

An acceptable level of U.S. contribution to the SDF would have to be negotiated with the other contributors, but would probably be in the range of \$15 million over five years. USAID could also negotiate special conditions for its contribution, e.g., that it increase the amount made available for direct poverty alleviation, possibly further linked to impacts of adjustments needed to increase trade competitiveness. Regardless of the extent to which such special conditions can be applied, a USAID contribution to the SDF would go a long way to maintaining U.S. credibility and favor in the region at a time when direct assistance is being severely curtailed.

To: Paul Thorn@LAC.DR@AIDW
Cc:
m:
Subject: Michael A. Rogal@M.MPI@AIDW
re: Health Care Project PACD
Date: Thursday, February 29, 1996 15:49:51 EST
Attach:
Certify: N
Forwarded by:

Paul: The close-out policy is "out is out" and RDO/C is closing by September 30, 1996. Therefore, any activity that goes beyond that date is an exception. In the Memo Paul Bisek provides two alternatives: Pay the employees until the end of their contracts but let them go early or keep them employed until the end of their contracts.

In either case the amount expended would be the same, 27,402.60. Since their services are needed and they can be useful it makes sense to keep them employed until their contracts end in November and December of this year. In order to comply with USAID funding requirements a PACD extension through December 31, 1996 is needed. According to the memo PIL No. 10 does that.

Thus, "M" approves keeping the employees on-board until their contracts end in November and December of 1996.

Michael

To: Paul Thorn@LAC.DR@AIDW
Cc: David Eckerson@LAC.CAR@AIDW
From: Paul Bisek@PDO@BRIDGETOWN
Subject: Health Care Project PACD
Date: Wednesday, February 28, 1996 14:29:15 EST
Attach: B:\HCPPM
Certify: N
Forwarded by: Paul Thorn@LAC.DR@AIDW

Forwarded to: Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Wednesday, February 28, 1996 15:36:27 EST
Comments by: Paul Thorn@LAC.DR@AIDW
Comments:

What do you think Mike ?

----- [Original Message] -----

Paul, Per our telephone conversation, the attached memo recaps the background and circumstances of the possible need to continue Health Care Policy Planning and Management project PACD beyond FY 1996. My inclination remains that it is not necessary, and as indicated in the memo, I would be willing to modify the PIL to delete the requirement that the contracted employees remain employed beyond the PACD, if that will satisfy the FM concerns. (I would not, however, want to tell the OECS that they must terminate these employees and use the funds to buy-out the contracts on June 30, as opposed to allowing them to continue to work through the period of the contracts.)

I will leave it to USAID/W to decide whether to go for the PACD extension, but I believe the memo provides sufficient information if you decide to do so. My reading of Steve Allen's comments is that PIL No 10 as written already effectively extends the PACD, so what is needed is really M approval to allowing it to stand as a PACD extension. The Controller would then adjust the record to show December 31 as the PACD rather than June 30.

If M does not approve, we would still need to know whether my first option will pass FM muster.

TO : LAC/SPM, Paul Thorn
FROM : RDO/C, Paul Bisek
SUBJECT : Project Assistance Completion Date for RDO/C's Health Care Policy Planning and Management (HCPPM) project

In November 1993, USAID announced the decision to close 21 posts, including RDO/C, which was slated to close in FY 1996. In its initial close-out plan, submitted in February 1994, RDO/C proposed allowing three projects with existing PACDs later than FY 1996 to continue as planned. USAID/W advised the RDO/C by cable in May 1994 that two of the three projects--HCPPM and the Caribbean Policy Project--would have to be terminated by the end of FY 1996. Both projects were with the Organization of Eastern Caribbean States (OECS) and the decision was conveyed to the OECS Director General, Vaughan Lewis, in early June 1994. His first reaction was shock at the decision, since he had just come back from the CDCED meetings in Washington, where the curtailment of the program was not raised in his discussion with senior USAID staff. His second reaction was to express serious concern about his (OECS) liability for already existing contracts that extended beyond the revised PACD. We agreed we would help work out a solution.

We subsequently found that there were just three contracts, all under HCPPM, that extended beyond the end of FY 1996. The contracts end in November and December 1996. Based on discussions with FSN staff, we determined that there was, as Dr. Lewis suggested, a good possibility that terminating these contracts early would lead to legal action.

Although the USAID/W requirement was to terminate the projects by the end of FY 1996 (September 30), we set a target close-out date of June 30, to allow time for wrapping up and clearing out. The total cost of the three contracts for the period from June 30, 1996 through their termination dates is \$27,402.60.

Our initial effort to resolve the issue was to try to find other donor support to continue the HCPPM activity and pick up these contract costs. That did not bear fruit. The level of the OECS concern on this issue remained high and the matter was frequently raised with RDO/C. To neutralize the issue, I proposed that we provide a formal assurance that we would cover the liability resulting from USAID's decision to terminate the project early.

I proposed that this be done by making a lump sum payment to the OECS at the end of June 1996, if the liability still remained at that time. Our Controller, Matt Horween, agreed that this would be possible. We issued PIL No 10, dated June 21, 1995, which states:

"The purpose of this PIL is to inform the OECS that the United States Agency for International Development (USAID) will provide the necessary financing to enable the Secretariat to satisfactorily meet its contractual obligations under the HCPPM project which extend beyond the project completion date of 30 June 1996. In addition, this PIL serves to earmark and commit the lump sum of US\$27,402.60 for the purpose of funding the contracts of the three Health Policy Management Unit (HPMU) employees identified below.

"The funding of these contracts is contingent upon the following:

The employees remain in their positions with the OECS through the duration of their contracts; and

In the event that another donor agency agrees to provide funding for the positions, USAID will not be required to provide funding.

"This change in funding arrangements is made necessary by the amendment to the Project Assistance Completion Date (PACD) from September 30, 1997 to June 30, 1996. USAID recognizes that OECS has contractual obligations under the project which extend beyond the new planned PACD. This PIL is USAID's action to assist OECS in satisfying its contractual commitments to the employees identified above."

In January 1996, RDO/C transferred its Controller functions to USAID/DR. The new Controller, Marsha Smith, in reviewing the project files, raised a concern that the language of PIL No 10 amounts to an agreement to pay for work that extends beyond the PACD. She consulted with GC, Steve Allen, who responded with his view that we should pay these employment contracts up to their termination dates and that PIL No 10 effectively extended the PACD and that such an extension is within USAID rules and regulations.

What Mr. Allen has not addressed is the special circumstances of close-out, which required that we terminate the projects by the end of FY 1996. My intent was to make a lump sum payment to compensate the OECS for its liability under the contracts to the extent the obligation was still valid, i.e., that another donor had not agreed to fund the positions and that the contracted employees remained in their positions. However, the language of the PIL might be construed as requiring a PACD extension. If so, we have at least two possible options:

1. Amend the PIL to delete the requirement. I would be reluctant to tell the OECS to use the funds buy out the contracts and not allow the employees to continue working, but would not have a problem leaving it to the OECS as to how they resolve their contractual obligation.
2. Agree that PIL No. 10 is in effect an extension of the PACD until the end of the last contract (December 31, 1996). This PACD extension should be considered to cover only these three contracts and the rest of the project should be closed out by June 30, 1996, as scheduled. Because the funds flow through a U.S. contractor, John Snow International (JSI), they should still be paid as a lump sum in June, so that that contract with JSI can end and we can avoid burdensome alternative disbursing arrangements. USAID would have to hold the project open through December only to satisfy its own PACD rules and, optionally, to verify that the contracted employees remained in their positions.

We are open to either option. If, in the judgement of LAC, the second is preferable, please obtain concurrence from the Management Bureau for the extension of the project beyond RDO/C's formal close-out date for the limited purpose of honoring the three small contracts.

Mike R.

MPI: /tel2/.96/06/12/00997m
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ACTION AID-00

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TO SECSTATE WASHDC IMMEDIATE 9974

UNCLAS BRIDGETOWN 002192

ADM AID

E.O. 12958: N/A

TAGS: NONE

SUBJECT: CLOSURE OF USAID, RDO/C BRIDGETOWN OFFICE

1. EFFECTIVE IMMEDIATELY, THIS IS TO REQUEST THAT
AID/WASHINGTON DISCONTINUE SENDING CABLES TO USAID, ADO/C
BRIDGETOWN FOR ACTION DUE TO THE CLOSURE OF THIS OFFICE ON
JUNE 28, 1996. THIS WILL ENABLE US TO CLOSE OUR OFFICIAL
FILES IN A TIMELY MANNER.

2. IN ADDITION, KINDLY REMOVE THIS OFFICE FROM THE MAILING
LISTS FOR ALL REPORTS/NEWSLETTERS/PUBLICATIONS SUCH AS PER
DIEM RATES, AUDIT REPORTS, IQC DIRECTORIES, FRONT LINES, ON-
TR@CK NEWSLETTERS, IRM AT WORK, CD-ROM UPDATES, FAN UPDATES,
TRAINING ANNOUNCEMENTS, ETC.

3. APPRECIATE YOUR ASSISTANCE.

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23

To: Paul Thorn@LAC.DR@AIDW
David Eckerson@LAC.CAR@AIDW
From: Paul Bisek@PDO@BRIDGETOWN
Subject: Health Care Project PACD
Date: Wednesday, February 28, 1996 14:29:15 EST
Attach: B:\HCPPM
Certify: N
Forwarded by: Paul Thorn@LAC.DR@AIDW

Forwarded to: Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Wednesday, February 28, 1996 15:36:27 EST
Comments by: Paul Thorn@LAC.DR@AIDW
Comments:

What do you think Mike ?

----- [Original Message] -----

Paul, Per our telephone conversation, the attached memo recaps the background and circumstances of the possible need to continue Health Care Policy Planning and Management project PACD beyond FY 1996. My inclination remains that it is not necessary, and as indicated in the memo, I would be willing to modify the PIL to delete the requirement that the contracted employees remain employed beyond the PACD, if that will satisfy the FM concerns. (I would not, however, want to tell the OECS that they must terminate these employees and use the funds to buy-out the contracts on June 30, as opposed to allowing them to continue to work through the period of the contracts.)

I will leave it to USAID/W to decide whether to go for the PACD extension, but I believe the memo provides sufficient information if you decide to do so. My reading of Steve Allen's comments is that PIL No 10 as written already effectively extends the PACD, so what is needed is really M approval to allowing it to stand as a PACD extension. The Controller would then adjust the record to show December 31 as the PACD rather than June 30.

If M does not approve, we would still need to know whether my first option will pass FM muster.

To: Paul Thorn@LAC.DR@AIDW
From: Michael A. Rogal@M.MPI@AIDW
Subject: re: Health Care Project PACD
Date: Thursday, February 29, 1996 16:28:25 EST
Attach:
Certify: N
Forwarded by:

Paul: RDO/C is closing by September 30, 1996 and any activity that goes beyond the close-out date is an exception requiring AA/M approval.

Paul Bisek has sent a Memo concerning payment to three FSNS working under OECS projects funded by USAID whose contracts do not end until November and December 1996 and thus, must be paid. He provides two alternatives to accomplish this: (1) Pay the employees until the end of their contracts but let them go early (either June 30, 1996 or September 30, 1996) or (2) keep them employed and allow them to complete their contracts.

In either case the amount expended would be the same, 27,402.60. Since their services are needed and they can be useful it makes sense to keep them working until their contracts end in November ~~December~~ December of this year. The USAID Controller in the Dominican Republic believes that in order to comply with USAID funding requirements a PACD extension through December 31, 1996 is needed which under the "out is out" policy requires AA/M approval. According Mr. Bisek's memo, PIL No. 10 extends the PACD to December 31, 1996.

After reviewing the memo and based on the assumption that no USAID direct on-the-ground supervision is required after September 30, 1996, I'm sending this E-mail to inform you that "M" approves keeping the employees on-board until their contracts end in November and December of 1996.

You should convey this decision to the Mission.

Michael

To: Michael A. Rogal@M.MPI@AIDW
Cc:
From: Tony Cully@FM.FO@AIDW
Subject: re: RDO/C Barbados
Date: Friday, September 8, 1995 9:50:59 EDT
Attach:
Certify: N
Forwarded by:

Yes, tony



June 7, 1995

TO: Larry E. Byrne, AA/M
THRU: Carol D. McGraw, M/MPI
FROM: Michael A. Rogal, M/MPI
SUBJECT: USAID/RDO/C, Environment and Coastal Resources (ENCORE) Project

The LAC and G Bureaus have prepared an Action Memorandum requesting AA/M approval to continue the subject project to its original scheduled PACD of 9/30/97 that is one year past the USAID/RDO/C 9/30/96 close-out date.

In the USAID/RDO/C Program Close-out Action Memorandum which you approved last October, this activity was discussed but no recommendation made. This was because at that time it was anticipated that the continuing components of the ENCORE project would be incorporated into a proposed G Bureau Coastal Resources Alliance project (CORAL). However, due to the changes contemplated by G Bureau's reengineering to embrace the "Team" concept, the Coastal Resources Alliance project was not developed. Instead, the G Bureau's Coastal Resource Management project, a world-wide project is being extended through a new Cooperative Agreement with the University of Rhode Island and a separate RSSA with NOAA.

Therefore, the most practical and feasible solution is to transfer ENCORE management and responsibility from USAID/RDO/C to G Bureau which is now requesting the one year extension past mission close-out. If the project would have to terminate one year early (by September 30, 1996), then the planned results and key objectives will not be reached and a good portion of the \$8 million will have been wasted.

The ENCORE project is being implemented through a Grant Agreement with World Wildlife Fund (WWF), a US PVO, in partnership with the

Organization of Eastern Caribbean States (OECS). It is a six year project that began in 1991 and with a 9/30/97 PACD. Total funding is \$8.1 million of which \$7 million is considered parallel funding as part of the U.S.'s \$150 million commitment to the Global Environment Facility (GEF). The entire \$8.1 million has been obligated. As of March 31, 1995, approximately \$1.2 million remains to be expended over the remaining thirty months; a rate of \$40,000 per month or \$500,000 in FY 97.

The Project is designed to demonstrate that public, private, and community interests can work together to simultaneously foster biodiversity conservation, sound natural resources management and economic development. Its purpose is to preserve marine biodiversity and promote effective environmental management in the Eastern Caribbean.

No USAID on-the-ground personnel are required to implement or monitor the project. An annual TDY from USAID/W is anticipated to review activities and project implementation.

The ENCORE project folds into the Coral Reef Initiative which involves other countries and other U.S.G. agencies, especially STATE. The U. S. would lose creditability as a partner if the project was not completed since the Coral Reef Initiative was announced last summer in Barbados at the Small Islands Developing Conference. Administrator Atwood has had numerous discussions with Under Secretary Wirth who has made speeches extolling the virtues of the Coral Reef initiative.

I recommend that you approve the request to allow the project to continue to September 30, 1997, which is one year past RDO/C's close-out date of September 30, 1996.

U:\MPIPUB\DOCS\ENCORE:MROGAL:6/7/95

*Small
Mike R*

To: AAG@bans00034.usaid.gov, AALA@bans00034.usaid.gov
AAM@bans00034.usaid.gov, ASOM@bans00034.usaid.gov
BHR@bans00034.usaid.gov, BHTI@bans00034.usaid.gov
DAAM@bans00034.usaid.gov, FAOD@bans00034.usaid.gov
FMAD@bans00034.usaid.gov, FMCM@bans00034.usaid.gov
FMFC@bans00034.usaid.gov, GDG@bans00034.usaid.gov
LACA@bans00034.usaid.gov, LRSO@bans00034.usaid.gov
MPI@bans00034.usaid.gov, PPDC@bans00034.usaid.gov
WID@bans00034.usaid.gov

Cc:
Bcc:
From: The Cable Room <cablerm@uxns0003.usaid.gov>
Subject: RDO/C UPDATED CLOSE-OUT AND PERFORMANCE REVIEW
Date: Wednesday, June 7, 1995 at 9:03:31 am EDT
Attach:
Certify: N
Forwarded by:

/tell1/. /95/05/24/01619m
UNCLASSIFIED

PAGE 01 STATE 127274 250037Z
ORIGIN AID-00

ACTION OFFICE(S):
INFO OFFICE(S): AALA MPI LACA OL LRSO BHTI PPDC GDG AAG
BHR PPCD WID MB FM FMFC STFN GEET AAM ASOM
FAOD MBPA MBBS DAAM FMAD FMCM

INFO LOG-00 ARA-01 TEDE-00 /001R

DRAFTED BY: AID/LAC/DR:JNINDEL:JN:CLOSERDO/C
APPROVED BY: AID/AA/LAC:MSCHNEIDER
AID/D-AA/LAC:RDAUBON (DRAFT) AID/LAC/SPM:CSCHOUX (DRAFT)
AID/LAC/DPB:DCHIRIBOGA (DRAFT) AID/LAC/SPM:RLOUDIS (DRAFT)
AID/M/MPI:MROGAL (DRAFT) AID/LAC/CAR:RBRINKLEY (DRAFT)
AID/G/ENV/ENR:JWILSON (INFO)

-----C91FEB 250037Z /38

R 250038Z MAY 95
FM SECSTATE WASHDC
TO AMEMBASSY BRIDGETOWN

UNCLAS STATE 127274

AIDAC

E.O. 12356: N/A
TAGS:
SUBJECT: RDO/C UPDATED CLOSE-OUT AND PERFORMANCE REVIEW

THE UPDATED CLOSE-OUT AND PERFORMANCE REPORTS SUBMITTED
BY THE SIX LAC CLOSE-OUT COUNTRIES (IN LIEU OF FY 96-97
ACTION PLANS) WERE REVIEWED ON MARCH 9, 1995 IN A MEETING
CHAired BY THE DIRECTOR LAC/SPM. THE REVIEW WAS ATTENDED

29

BY REPRESENTATIVES FROM LAC, PPC, G, M, AND BHR. THE MISSION IS COMMENDED FOR SUBMITTING AN EXCELLENT REPORT.

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PAGE 02 STATE 127274 250037Z

2. THE FOLLOWING GENERAL CLOSE-OUT ISSUES WERE DISCUSSED:

A. CDIE ACQUISITIONS COORDINATOR, MARGARET POPE, HAS ADVISED ALL CLOSE-OUT MISSIONS THAT CDIE WISHES TO ENSURE THAT THE MISSIONS UNIQUE COLLECTION OF USAID-PRODUCED AND SPONSORED DOCUMENTS AND REPORTS BE FORWARDED TO CDIE IN WASHINGTON. MEMORANDA HAVE BEEN SENT TO EACH CLOSE-OUT MISSION TO THIS EFFECT. ALTHOUGH WE ACKNOWLEDGE THAT THIS WILL ENTAIL ADDITIONAL WORK FOR CLOSE-OUT MISSIONS, IT IS IMPORTANT THAT THIS DOCUMENTATION IS PROPERLY ARCHIVED. ANNE LANGHAUG, PPC/CDIE/DI IS AVAILABLE, IF NEEDED, TO PROVIDE FURTHER GUIDANCE TO MISSION.

B. G/WID RECOMMENDS THAT WHEN FINAL IMPACT EVALUATIONS AND FINAL PROJECT EVALUATIONS ARE DONE BY CLOSE-OUT MISSIONS, THAT THESE EVALUATIONS ASSESS THE IMPACTS OF USAID ACTIVITIES BY GENDER. GATHERING AND ANALYZING GENDER-DISAGGREGATED DATA WILL CONTRIBUTE TO A BETTER UNDERSTANDING OF PEOPLE-LEVEL RESULTS, AND COULD ALSO DEMONSTRATE SUCCESS STORIES/LESSONS LEARNED WHICH USAID COULD SHARE WITH OUR DEVELOPMENT PARTNERS AND CONGRESS.

C. LAC/W CONTINUES TO ENCOURAGE COMPLETION OF RETROSPECTIVE STUDIES ON USAIDIS ACCOMPLISHMENTS AS DISCUSSED AT THE SPRING 1994 ACTION PLAN REVIEWS AND SUBSEQUENTLY AGREED TO IN THE INDIVIDUALLY APPROVED CLOSE-OUT PLANS. HOWEVER, MISSIONS ARE ENCOURAGED TO KEEP COSTS IN MIND WHEN DEVELOPING SCOPES OF WORK. THE FUNDING FOR STUDIES SHOULD NOT SIGNIFICANTLY DIMINISH FUNDING AVAILABLE TO COMPLETE OTHER PLANNED CLOSE-OUT ACTIVITIES.

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PAGE 03 STATE 127274 250037Z

IN THIS REGARD, MISSIONS ARE ENCOURAGED TO CONSIDER THE USE OF LOCAL CURRENCY AND LOCAL CONTRACTORS AND TO CONSULT WITH CDIE ON EVALUATION PLANS.

3. THE FOLLOWING RDO/C-SPECIFIC ISSUES WERE ALSO DISCUSSED:

A. ENCORE: THE ISSUE OF TRANSFERRING AND EXTENDING RDO/CIS ENVIRONMENT/COASTAL RESOURCES (ENCORE) PROJECT BEYOND CLOSE-OUT WAS DISCUSSED, AND APPROPRIATE G AND LAC BUREAU FOLLOW-UP, AS AGREED TO IN THE AA/M APPROVED RDO/C CLOSE-OUT MEMORANDUM OF OCTOBER 28, 1994, HAS SINCE BEGUN. SPECIFICALLY, A JOINT G- AND LAC- BUREAU ACTION MEMORANDUM TO THE AA/M (THE AGENCY'S CLOSE-OUT COORDINATOR) IS BEING DRAFTED. THIS ACTION MEMORANDUM WILL RECOMMEND THAT THE AA/M APPROVE THE TRANSFER OF ENCORE TO AID/W AND ITS EXTENSION TO SEPTEMBER 30, 1997. BOTH LAC AND G BUREAUS

SUPPORT THE CONTINUATION OF ENCORE AND CONSIDER IT BE A PRIORITY PROGRAM.

P. RCO SUPPORT: RDO/CIS NEED TO RELY ON USAID/HAITI'S RCO SUPPORT IN CONTRACT CLOSE-OUT AND OTHER CONTRACTING ACTIONS WAS NOTED. IT WAS AGREED THAT RDO/C SHOULD NOTIFY AID/W IMMEDIATELY IF REQUISITE CONTRACTING OFFICER ASSISTANCE IS UNAVAILABLE.

C. APPROVAL TO TRANSFER ITS VS COMPUTER SYSTEM TO THE US EMBASSY IN BARBADOS: M/AS/OMS' MARIANNE EPLEY STATES THAT HER OFFICE HAS REQUESTED ADDITIONAL INFORMATION FROM THE MISSIONJI (A LIST OF ITEMS, THEIR COST, ETC.) AND UPON ITS RECEIPT WILL PROCEED WITH REQUESTING FINAL APPROVAL FROM
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PAGE 04 STATE 127274 250037Z
THE AA/M. MISSION IS ASKED TO RESPOND QUICKLY TO M/AS/OMSIREQUEST FOR ADDITIONAL INFORMATION.

D. BASIC NEEDS TRUST FUND PROJECT (538-0103): SINCE NO FUNDS ARE BUDGETED FOR THIS PROJECT IN THE FY95 CP STATISTICAL ANNEX, MISSION IS INSTRUCTED TO PROCEED WITH PROJECT CLOSE-OUT, IF IT IS NOT ALREADY DOING SO.

4. THE BUREAU WISHES TO THANK THE MISSION FOR THE TIME AND EFFORT PUT INTO ITS EXCELLENT CLOSE-OUT AND

PERFORMANCE REPORT.

CHRISTOPHER

UNCLASSIFIED

NNNN



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

*Make -
sent of Larry
for signature
1/24/95 -
Cawf*

MEMORANDUM

TO: AA/LAC, Mark Schneider
FROM: AA/M, Larry E. Byrne
SUBJECT: RDO/C Phase-out

In October 1994, we exchanged a number of communications on the subject of the status and titles of the staff remaining in Barbados to handle the day-to-day close-out process. At that time, we agreed that, with the appointment and transfer of Mosina Jordan to Guyana as Mission Director, she would take with her the responsibility for overseeing the effective close-out of Barbados. In fact, you will note on Page 5 of the attached approved close-out action memorandum, the statement is clear that "... the RDO/C Director will be physically transferred from Barbados to Guyana where she will continue to manage RDO/C close-out...". I believe that this was an appropriate decision. Once Mosina transferred to Guyana, the position of Director in Barbados effectively disappeared.

The only alternatives available are:

- To close Barbados immediately;
- To close Guyana and transfer the Mission Director back to Barbados, where she can also manage the program in Guyana;

I am not convinced of the need to make any adjustments to the structure based on the argument that "... Mosina can only delegate very routine authorities to Paul." It is appropriate that substantive decisions go through Mosina as a matter of course since she is the designated officer with responsibility for RDO/C close-out. Nor am I convinced that Mr. Bisek's ability to work with the government of Barbados is inhibited by his title.

Finally, I would remind you that the decision to set up a new mission in Guyana was predicated, in large part, on the corresponding elimination of the Mission in RDO/C. The result of the decisions made in October 1994 is that the staff remaining in Barbados is an extension of the Guyana Mission.

Attachment: a/s

①
To: Mark Schneider@LAC.AA@AIDW
Cc: Michael Morfit@LAC.HAITI@AIDW
David Eckerson@LAC.CAR@AIDW
Robin Brinkley@LAC.CAR@AIDW
Norma Parker@LAC.AA@AIDW, Ramon Daubon@LAC.AA@AIDW
Eric Zallman@LAC.DPP@AIDW, Annette Adams@GC@AIDW
Bcc:
From: L. Marcia Bernbaum@LAC.CAR@AIDW
Subject: RDO/C - one last shot
Date: Wednesday, April 19, 1995 17:46:23 EDT
Attach:
Certify: Y
Forwarded by:

Mark, this is my last (and hopefully) best and final attempt to persuade you to do the "right" thing. I will attempt to lay out below why it is important that you go to bat for Paul Bisek to get him delegated the authorities he needs to function effectively in his current role as person in charge of the RDO/C phase out.

You and Larry Byrne have essentially three choices:

OPTION 1: HAVE PAUL MOVE INTO THE RDO/C REGIONAL DIRECTOR POSITION LEFT VACANT WHEN MOSINA MOVED TO GUYANA

This would be the ideal. It would be relatively "painless" (no need to create a new SMG position but fill an existing vacant position). And, equally important, would provide the recognition/career enhancement opportunity due to Paul who is doing yeoman's service in closing out the most complicated program of any that we are closing out anywhere in AID.

- Mosina, now formally designated as Mission Director to Guyana, has left open an unfilled a position WHICH STILL EXISTS for Regional Director in RDO/C. Per AID regulations, Regional Directors: (a) have delegated to them all the authorities that Mission Directors and Deputy Directors do; and (b) can report to Mission Directors (ie, Larry would not need to establish a new SMG Deputy position, for which RDO/C does not meet the criteria. All Larry would have to do is agree to let Paul transfer from his current position as Supervisory Program Officer to the vacant Regional Director position, reporting to Mosina as Mission Director in Guyana, and have the SMG agree to act on this).

OPTION 2: GIVE PAUL A "CREATIVE" TITLE AND HAVE ATWOOD DELEGATE AUTHORITIES DIRECTLY TO HIM:

If Larry is not comfortable with this approach, then the only other way to give Paul the authorities he needs to function as person in charge of phasing out the RDO/C program would be to give Paul a "creative" title (Associate Director would be fine) with Brian Atwood directly delegating authorities to him.

- As I mentioned to you the other day, Mosina cannot delegate authorities to an Associate Director; only to her Deputy or a Regional Director. Neither can you. Only the Administrator can.

OPTION 3: GIVE PAUL A "CREATIVE" TITLE AND NOT DELEGATE ANY AUTHORITIES TO

HIM.

The third option would be to rename Paul as Associate Director (or whatever) WITHOUT authorities delegated to him. This WOULD NOT SOLVE THE PROBLEM AS THE REAL ISSUE IS DELEGATION OF AUTHORITIES.

- At present Mosina can only delegate very routine authorities to Paul. Everything of a substantive nature must go through Mosina. This is time-consuming, cumbersome, and counterproductive to Paul and his staff at a time when they need to be putting all their efforts into closing out a large and very complex program.

Ultimately you are the boss and it is your call. I only ask that you study the above closely, consider it, and then do what you think is the right thing to do. All I ask is that, in making your decision, you look at what is best for your field mission (RDO/C) and for the individual (Paul Bisek) affected.

Marcy



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Mike Rozal

October 26, 1994

MEMORANDUM

TO: AA/M, Larry E. Byrne
FROM: M/MPI, *Caroline D. McGraw* Caroline D. McGraw
SUBJECT: Barbados Close-out and Establishment of Guyana

I believe (and sincerely hope) that the attached memoranda on the establishment of Guyana and the close-out of RDO/Caribbean are now consistent with your agreement with Mark and Carol Lancaster. You need to clear the Guyana memorandum and transmit it to the Administrator for approval and you need to approve the RDO/C close-out memorandum.

You will note that all references in the close-out memorandum to the status of the remaining senior officer in Barbados have been removed. Please return the original of the close-out memorandum on Barbados to this office for appropriate distribution. Thank you.

Attachments: a/s

I will see Mike on this

To: Michael A. Rogal@M.MPI@AIDW
Cc:
B :
From: BARRY BURNETT@M.MPI@AIDW
Subject: RDO/C Close-Out
Date: Thursday, October 20, 1994 10:04:24 EDT
Attach:
Certify: N
Forwarded by:

Mike, now that the dust is settling on the RDO/C close-out, questions arise as to whether or not a detailed operational close-out plan is required. I think, on balance, it would be prudent to prepare such a plan. However, there is already a great deal of thought that has gone into closing down that mission. Moreover, you have some old hands around the mission, including Albert Caldeira (EXO Deputy), who have had experience closing down missions. I told Loudis that it would be a good idea to prepare such a plan and to have it submitted by next summer but that M would not insist on it. If you feel differently, let's discuss. There was some discussion in the attached Action Plan which dealt with operational close-out details. Reading through this section of the Action Plan when the original package came through here a couple weeks ago made me comfortable with not insisting on more detail. Establishing Guyana as the locus of management authority for RDO/C (and the possibility of losing some key staff over the next 9 months) might argue in favor of the plan, however. If I were Paul Bisek, I'd prepare the plan. Incidentally, I told Loudis that we had access to expertise if the Mission wanted some assistance in putting the plan together. I gave him Hickman's name to follow-up on this matter, if necessary. In summary, I am advising the Bureau to prepare the plan but not insisting on it as the current revised close-out plan (presently with senior LAC Bureau management) covers both Program and Operational matters. Barry

NOTE TO: AA/M, Larry Byrne

FROM: M/MPI, Barry Burnett

SUBJECT: RDO/C Close-out Plan

The RDO/C Close-out Plan calls for the cessation of all program activity by the close-out date of September 30, 1996. While some activities (i.e., the Basic Needs Trust Fund, the Environmental and Coastal Resources Project, and the Caribbean Policy Project) are under consideration for extension or incorporation under new regional projects, no decision on these matters is required at this time.

Although the Plan indicates a LAC Bureau desire to see RDO/C's incumbent Supervisory Program Officer upgraded to a Director following the departure of the current Director, recent discussions with MPI staff have persuaded LAC to pursue this matter through normal personnel channels. This understanding is reflected in the Action Memorandum.

I recommend that you approve the RDO/C Close-out Plan as summarized in the attached Action Memorandum.

Clearances:

M/MPI/MIC: Michael Rogal _____ Date: _____
M/MPI: Caroline McGraw _____ Date: _____

To: BARRY BURNETT@M.MPI@AIDW
Cc:
B:
From: Richard Loudis@LAC.DR@AIDW
Subject: re: RDO/C Closeout Memo
Date: Wednesday, September 28, 1994 8:37:03 EDT
Attach:
Certify: N
Forwarded by: BARRY BURNETT@M.MPI@AIDW

Forwarded to: Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Wednesday, September 28, 1994 16:23:57 EDT
Comments by: BARRY BURNETT@M.MPI@AIDW
Comments:

Mike, I passed along Carol's response (herein) to Loudis. Barry

Forwarded to: BARRY BURNETT@M.MPI@AIDW, Richard Loudis@LAC.DR@AIDW
cc:
Forwarded date: Wednesday, September 28, 1994 14:46:38 EDT
Comments by: caroline mcgraw@M.MPI@AIDW
Comments:

~~All I can say is that Larry has consistently taken the position in every close-out country thus far that Acting Director's would be designated and that missions would not be downgraded prior to closure -- they would just be closed. Therefore, if I were to guess what he would do with this once a close-out plan is submitted, it would be that he would turn down the request to downgrade the post to AID Rep status. Carol~~

Forwarded to: caroline mcgraw@M.MPI@AIDW
Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Wednesday, September 28, 1994 13:19:23 EDT
Comments by: BARRY BURNETT@M.MPI@AIDW
Comments:

FYI. Barry

----- [Original Message] -----

I re-read Byrne's note to Schneider on the transfer of USAID Mission from Bridgetown to Georgetown, and did not conclude from it that Larry was adamant in not upgrading the Barbados position. He did say there was no need to assign responsibility for Barbados to Guyana (ie have Mosina be a regional director), and he did say he would not agree to any recommendations regarding organizational arrangements without an approved program close-out plan. WRT the AID Rep status, however, that could very well be something that would facilitate closeout and which I would suspect he would welcome. At any rate, let's just wait and see what Bisek and Bernbaum have in mind. Clearly if it appears we're contradicting Larry, we have an issue. dick

To Mr. Green

Mike Rozal
files



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SEP 15 1994

MEMORANDUM

TO: AA/LAC, Mark L. Schneider
FROM: AA/M, Larry E. Byrne *Ray Byrne*
SUBJECT: Transfer of USAID Mission from Bridgetown,
Barbados to Georgetown, Guyana

I have reviewed your action memorandum on the above subject. I am not prepared to take action on it at this time for the following reasons.

First, I cannot agree to any recommendations regarding organizational arrangements without an approved program close-out plan for the Eastern Caribbean Mission in Barbados. Please try to get the close-out plan memorandum to me as soon as possible. This is the only close-out plan remaining to be approved.

Secondly, the establishment of the Guyana Mission was premised on the assumption that the Mission in Barbados would be closed and therefore, Guyana would have responsibility for remaining regional activities in the Caribbean. Thus, there is no need to assign responsibility for Barbados to Guyana since the Barbados program will be closed.

Again, it is essential that we reach a conclusion on the close-out plan for Barbados as soon as possible.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ACTION MEMORANDUM FOR THE ACTING ADMINISTRATOR

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

SUBJECT: Transfer of USAID Mission from Bridgetown,
Barbados to Georgetown, Guyana

Assistant
Administrator
for Latin America
and the Caribbean

Problem: Your concurrence is requested to transfer the locus of mission management for our USAID programs in the Eastern Caribbean and Guyana from Bridgetown, Barbados to Georgetown, Guyana, and to establish a regional AID Representative position in Bridgetown until phase out.

Background: Management of our ongoing programs in the Eastern Caribbean and Guyana is currently vested in Bridgetown, Barbados. As of June 30, 1994 the combined Eastern Caribbean Regional/Guyana program consisted of 56 staff (11 USDH, 6 US/PSC, 19 FSNDH, 18 FSNPSC, and 2 TCNPSC), 52 located in Bridgetown, Barbados and 4 staff (one USDH and 3 contract staff) in Georgetown, Guyana. Mosina Jordan, Mission Director for RDO/C, has been responsible for providing oversight for both programs, spending approximately 70% of her time in Barbados and the Eastern Caribbean and 30% of her time in Guyana.

Up until December 31, 1993, all USAID programs in Guyana, with the exception of Title III and ESF, have been subsumed under the RDO/C portfolio with a number of Eastern Caribbean projects run out of Barbados containing components that also benefit Guyana. 16 staff in RDO/C (4 USDH, 3 USPSCs and 9 FSNs), complemented by 3 contractors in Guyana, have been responsible for providing oversight for ongoing programs operating in Guyana.

On February 10, 1994 (STATE cable 040828) LAC increased RDO/C's USDH FTE level by one to accommodate the added responsibilities of Guyana paving the way for the eventual creation of a sustainable development program in Guyana. A combined Guyana Program Objectives Document/Action Plan was reviewed in AID/W in June and approval has been given for a stand-alone Guyana program starting this fiscal year.

On April 21, Carol Lancaster signed an SMG decision memorandum formally assigning Mosina Jordan, currently

Mission Director for the Eastern Caribbean Program, as Mission Director to Guyana.

Discussion: As you are aware, we are in the process of phasing out our RDO/C program. As of September 30, 1994, the RDO/C mission will have 9 operational projects and a total of 47 staff of which 8 are USDH. By the end of FY 1995 RDO/C will be down to 6 projects and 31 staff (4 USDH). The RDO/C program is expected to cease operations entirely in September 1996.

The Guyana program is, in the meantime, building up. In December of this year, Mosina Jordan will be moving over to Georgetown bringing USDH levels in Guyana up to 2. By September of 1995 the USAID/Guyana program is expected to have a total of 12 staff (2 USDH, 0 FSNs, 2 TCNs, and 8 contractors).

LAC proposes--when the RDO/C mission director moves to Guyana in December of this year--to reverse the current situation vis a vis responsibility for program oversight. Instead of having an RDO/C mission in Bridgetown, Barbados, with responsibility for oversight of activities in Guyana, as is currently the case, there will be a USAID/Guyana mission in Georgetown, Guyana, which will be responsible for bilateral activities, and the newly established regional AID representative in Bridgetown will oversee the phase-out activities in the Eastern Caribbean.

Mosina Jordan will become Mission Director for Guyana. Paul Bisek, her current Deputy, will remain in Bridgetown and will, under Ms. Jordan's supervision, maintain responsibility for overseeing the phase out of the Eastern Caribbean Regional program and be deemed Regional USAID Representative for the Eastern Caribbean. He will report to Ms. Jordan in Guyana but will be delegated by Ms. Jordan the representational, signature and oversight authorities that he will require in order to oversee the day-to-day operations of the Eastern Caribbean Regional program. Mr. Bisek will remain in Bridgetown until September 1996 when the RDO/C program is formally phased out and after that be assigned to another mission.

Recommendation: That you approve:

1. With Ms. Jordan's transfer to Guyana in December 1994, the transfer of responsibility for oversight of the combined Eastern Caribbean Regional/Guyana program from Bridgetown, Barbados to Georgetown, Guyana.

Approve _____

Disapprove _____

Date _____

2. The formal designation of Mr. Paul Bisek, currently Acting Deputy Director of RDO/C, as USAID Regional Representative for the Eastern Caribbean Regional/Guyana program responsible for oversight of the phase out of the Eastern Caribbean Regional program.

Approve _____

Disapprove _____

Date _____

LAC/CAR:MBernbaum:mb:08/19/94:LACPUB\DOCS\RDO_GUY.MIS

Clearances:

D:RDO/C:MJordan (draft) date (8/19/94)
 STATE/ARA:MPhilip (draft) date (8/22/94)
 DD/LAC/CAR:DEckerson (draft) date (8/22/94)
 LAC/EMS:MMarigliano (draft) date (8/22/94)
 DAA/LAC:NParker (draft) date (8/26/94)
 ES:AWilliams AW date 9-2
 AA/M:LByrne _____ date _____

To: BARRY BURNETT@M.MPI@AIDW
Cc:
Bc:
From: Richard Loudis@LAC.DR@AIDW
Subject: re: RDO/C Closeout Memo
Date: Wednesday, September 28, 1994 8:37:03 EDT
Attach:
Certify: Y
Forwarded by: caroline mcgraw@M.MPI@AIDW

Forwarded to: BARRY BURNETT@M.MPI@AIDW, Richard Loudis@LAC.DR@AIDW
cc:
Forwarded date: Wednesday, September 28, 1994 14:46:38 EDT
Comments by: caroline mcgraw@M.MPI@AIDW
Comments:

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=====
Forwarded to: caroline mcgraw@M.MPI@AIDW
Michael A. Rogal@M.MPI@AIDW
cc:
Forwarded date: Wednesday, September 28, 1994 13:19:23 EDT
Comments by: BARRY BURNETT@M.MPI@AIDW
Comments:

FYI. Barry

----- [Original Message] -----

I re-read Byrne's note to Schneider on the transfer of USAID Mission from Bridgetown to Georgetown, and did not conclude from it that Larry was adamant in not upgrading the Barbados position. He did say there was no need to assign responsibility for Barbados to Guyana (ie have Mosina be a regional director), and he did say he would not agree to any recommendations regarding organizational arrangements without an approved program close-out plan. WRT the AID Rep status, however, that could very well be something that would facilitate closeout and which I would suspect he would welcome. At any rate, let's just wait and see what Bisek and Bernbaum have in mind. Clearly if it appears we're contradicting Larry, we have an issue. dick

To: Richard Loudis@LAC.DR@AIDW
Cc:
Bc:
From: BARRY BURNETT@M.MPI@AIDW
Subject: re: DRAFT RDO/C close-out memo (REVISED)
Date: Friday, September 23, 1994 16:45:49 EDT
Attach:
Certify: N
Forwarded by:

Dick, thanks for sharing the revised draft of the RDO/C close-out memo. While specific project issues seem to have been postponed to another day, I think the budget issue raised in section 2 on page 4 needs to be decided before the Memo is finalized. That section indicates a possible reduction in FY 95 resources for RDO/C, which has implications for an orderly close-out. If this is being driven by Haiti or other budget exigencies, there may be other means of addressing the budget crisis than cutting RDO/C's program even further. As you know, RDO/C has absorbed substantial budget cuts in recent years and further cuts could jeopardize the orderly phasedown of existing activities. I know some hard decisions are in the offing, but we need to understand those decisions before coming to closure on the RDO/C close-out plan. Barry

To: John Wilson@s+t.en@AIDW, Bob Emrey@R+D.H@AIDW
Ronald Stryker@LAC.TI@AIDW
C: Mosina Jordan@DIR@BRIDGETOWN
Eric Zallman@LAC.DR@AIDW, Mark Schneider@LAC.AA@AIDW
Letitia Butler@LAC.CAR@AIDW
David Feingold@LAC.CAR@AIDW
Robert Meehan@LAC.DPP@AIDW
Bcc:
From: Richard Loudis@LAC.DR@AIDW
Subject: RDO/C Closeout Meeting - Wed. 22, June 3-4PM, Rm 4531 NS
Date: Monday, June 13, 1994 12:33:54 EDT
Attach: RDOCOUT
Certify: N
Forwarded by: Richard Loudis@LAC.DR@AIDW

Comments by: Richard Loudis@LAC.DR@AIDW
Forwarded to: BARRY BURNETT@M.MPI@AIDW
Comments:

Barry - thanks again for stopping by Friday. I'll keep you in the loop on all the closeout issues - this RDO/C meeting may be of interest to you.

----- [Original Message] -----

C Director, Mosina Jordan, has suggested that you also attend the subject meeting with AA/Mark Schneider to discuss the issue of continuing Eastern Caribbean environmental, health and trade policy activities under regional or global bureau initiatives in light of mission closeout. A draft closeout memorandum for AA/Byrne is attached.

To: Richard Loudis@LAC.DR@AIDW
From: BARRY BURNETT@M.MPI@AIDW
Subject: LAC Mission Close-outs
Date: Friday, June 10, 1994 13:05:03 EDT
Attach:
Certify: N
Forwarded by:

Dick, We appreciated your recent status report on LAC mission close-outs. A few reactions/updates follow:

1. Regarding Mark Schneider's memo on the UDLP as it relates to Costa Rica, Larry Byrne approved rec. # 2, but felt additional justification was needed regarding rec. #1. Suggest strengthening the case for continuing with the Iowa State activity, taking out language which suggests that USAID assistance may not be required to make the linkage work (first sentence in para 3). When revised, I'll see that it gets to Larry.

2. Argentina/Uruguay Action Memo is currently with Gordon Bertolin for correction regarding the International Cooperative Bio-diversity Groups Program (ICBG). The discussion should refer to the recent decision taken on this Program at the Costa Rica review. The discussion should also reflect the significance of continuing to include Argentina in the program, assuming that Argentina provides some unique perspective to the Program.

3. Belize: Assume Katalysis activity is discussed in the revised Action Memo pursuant to decision taken at outset of the Costa Rica Close-out Review meeting June 2.

4. Chile: With regard to Housing Guaranty programs extending beyond the close-out dates in other countries, Byrne has shown an inclination to approve them provided they were supported by the Regional Bureau and the rationale was evident. Also, we assume the revised AM will reflect the ICBG decision.

✓ 5. RDO/C: As discussed, I recommend that decisions involving potential project extensions beyond 9/96 be postponed if a detailed discussion regarding rationale, implementation arrangements, funding, etc. cannot be presented at this time (i.e., by end of June, 1994). To ensure transparency, however, there should be a discussion of the possibility of including one or more RDO/C activities in regional programs at some later date, at which point the concurrence of the Coordinator for Mission Close-outs would be sought.

Hope these thoughts are helpful. We are anxious to complete our review of the LAC close-out plans so don't hesitate to contact me or Mike Rogal if we can assist in any way. BSB

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AID/LAC/DAA:NPARKER AID/LAC/DR:EZALLMAN
AID/LAC/DPP:JSTEPANEK (DRAFT) AID/M/MCS:MROGAL (INFO)
AID/LAC/CAR:MBERNBAUM (DRAFT) AID/PPC/POL:JSCHLOTTHAUER (DRAFT)
AID/G/R&D/POP:DGILLESPIE (DRAFT) AID/LAC/TI:RSTRYKER (DRAFT)
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TAGS:

SUBJECT: FY 95-96 CLOSE-OUT/ACTION PLAN FOR RDO/C

1. THE FY 95-96 CLOSE-OUT/ACTION PLAN FOR RDO/C WAS REVIEWED ON MARCH 25, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES

FROM M/B, PPC/PAR, G/R&D, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE USAID MISSION DIRECTOR, MOSINA JORDAN, PRESENTED THE ACTION PLAN IN CONJUNCTION WITH PAUL BISEK, CHIEF PDO FOR RDO/C.

2. THE CLOSE-OUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE MODIFICATIONS NOTED BELOW. USAID/RDO/C WILL CLOSE OUT NO LATER THAN SEPTEMBER 30, 1996. ISSUES DISCUSSED AND CONCLUSIONS FOLLOW:

3. FINAL EVALUATION OF THE IMPACT OF THE RDO/C PROGRAM: THE MISSION DIRECTOR OBSERVED THAT THERE IS A VALUABLE STORY TO TELL ON USAID'S NEARLY 17 YEARS OF INVOLVEMENT IN PROVIDING DEVELOPMENT ASSISTANCE TO THE ISLAND NATIONS OF THE EASTERN CARIBBEAN (EC). FURTHERMORE, THE MISSION BELIEVES THAT SIGNIFICANT LESSONS CAN BE LEARNED BY ASSESSING THE IMPACT ON THE POOR, IMPROVEMENTS IN QUALITY OF LIFE, ACCESS TO MARKETS FOR SMALL FARMERS,

INFRASTRUCTURE IMPROVEMENTS, TOURISM, AND TRAINING IN MANAGEMENT SKILLS IMPROVEMENT. THEREFORE, IT WAS AGREED THAT AN IMPACT EVALUATION OF THE PROGRAM IS WARRANTED WITH ITS NATURE, TIMING, AND SCOPE TO BE WORKED OUT IN THE NEAR FUTURE. THE BUREAU AGREED TO WORK WITH PPC/CDIE ON THE SCOPE AND DESIGN AND COMMITTED TO FIND FUNDING TO CONDUCT SUCH AN EVALUATION. AT A MINIMUM, THE EVALUATION WILL ENCOMPASS TRAINING AND OTHER TYPES OF PEOPLE-LEVEL IMPACT, INCLUDING GENDER.

4. ENSURING SUSTAINABILITY OF NGOS: THE ISSUE OF BUILDING

SUSTAINABLE ORGANIZATIONS IN COUNTRIES WITH SUCH SMALL POPULATIONS AS ARE FOUND IN THE EC HAS ALWAYS BEEN A CHALLENGE FOR RDO/C. ALTHOUGH THE MISSION STATED THAT

MANY NGOS AND PVOS ARE ON THE PATH TO SELF-SUSTAINABILITY, OPPORTUNITIES FOR THE PRIVATE SECTOR, GOVERNMENT AND INDIVIDUALS TO SUPPORT LOCAL NGOS ARE SEVERELY HAMPERED BY THE LIMITED NUMBER OF POTENTIAL CONTRIBUTORS IN THE REGION. THE MISSION IS DEDICATING TIME AND EFFORT TO IDENTIFYING AND LEVERAGING RESOURCES FROM OTHER DONORS TO SUPPORT THESE ORGANIZATIONS, BUT NOTES THAT ALL MAJOR DONORS ARE REDUCING FUTURE FUNDING PLANS FOR THE REGION. THE NATIONAL DEVELOPMENT FOUNDATIONS (NDFS) ARE 80-90 PERCENT SELF-SUSTAINING. ALTHOUGH A SUCCESS STORY, THE NDFS ARE STILL IN NEED OF AN EXPANDED CAPITAL BASE TO ACHIEVE FULL SUSTAINABILITY. THE CENTER FOR MANAGEMENT TRAINING, CURRENTLY ON THE PATH TO SUSTAINABILITY, IS SEEKING PRIVATE SECTOR SUPPORT WHILE INCREASING FEES FOR TRAINING. NO SUPPORT HAS YET BEEN IDENTIFIED FOR THE CARIBBEAN FAMILY PLANNING ASSOCIATION. LAC/DR WILL ATTEMPT TO ASSIST IN MARSHALLING DONOR SUPPORT. ALTHOUGH THE MISSION STATED THAT THERE ARE NOT CURRENTLY ANY ORGANIZATIONS IN DANGER OF COLLAPSING WHEN THE USAID MISSION CLOSSES, THE DEGREE TO WHICH SOME GROUPS SUCH AS ECUADEF WILL BE FUNCTIONAL IS STILL IN QUESTION.

5. THERE WAS CONSIDERABLE DISCUSSION OF THREE MISSION ACTIVITIES SLATED TO CONTINUE BEYOND FY96.

(A). ENVIRONMENT AND COASTAL RESOURCES PROJECT (ENCORE) 538-0171): ENCORE IS THE MAJOR ACTIVITY SUPPORTING RDO/C'S NATURAL RESOURCES STRATEGIC OBJECTIVE AND AGENCY'S

ENVIRONMENTAL PRIORITIES. THROUGH THE INVOLVEMENT OF NGOS, INCLUDING ONE U.S. PVO, THE PROJECT SUPPORTS COMMUNITY-BASED INVOLVEMENT IN ENVIRONMENTAL ACTIVITIES THROUGH EMPOWERMENT OF THE POOR AND IS CONSISTENT WITH THE ENVIRONMENTAL AND PARTICIPATORY FOCUS OF THE ADMINISTRATION. THE PROJECT HAS THREE MAJOR ELEMENTS: ENVIRONMENTAL AWARENESS, ENVIRONMENTAL LAWS, AND LOCAL SITE ACTIVITIES, HOWEVER ONLY THE AWARENESS COMPONENT CAN

BE ACCELERATED TO FINISH IN FY96. ALL OTHER ACTIVITIES ARE SLATED TO END IN SEPTEMBER, 1997.

ENCORE CONTRIBUTES TO THE GLOBAL ENVIRONMENT FUND (GEF), WHICH MAKES IT A HIGHLY VISIBLE ACTIVITY. ADDITIONALLY, ENCORE HAS BEEN INCLUDED AS ONE OF USAID'S LARGEST AND MOST IMPORTANT CONTRIBUTIONS TO THE U.S. CORAL REEF INITIATIVE (CRI), A WORLD-WIDE ACTIVITY STILL IN DESIGN BY GLOBAL BUREAU IN CONJUNCTION WITH THE REGIONAL BUREAUS.

THE DAEC RECOGNIZED THE IMPORTANCE OF ENCORE TO THE WESTERN HEMISPHERE FOCUS OF THE CRI AND RECOMMENDED THAT THE MISSION PREPARE A DETAILED JUSTIFICATION FOR CONTINUATION OF ENCORE AS AN INTEGRAL COMPONENT OF THIS PLANNED GLOBAL INITIATIVE. ALL ENCORE COMPONENTS WHICH WOULD NOT FALL UNDER THE CRI WILL HAVE TO BE CLOSED OUT IN FY96. LAC WILL WORK WITH G TO ENSURE THAT SUITABLE COMPONENTS OF ENCORE ARE CONTINUED UNDER THE CORAL REEF INITIATIVE, AND WILL LOOK TO INCORPORATE ASSISTANCE TO THE REGION UNDER OTHER REGIONAL AND GLOBAL PROGRAMS TO THE EXTENT THAT SUCH ASSISTANCE CLEARLY FITS WITHIN THE PURPOSES OF SUCH ACTIVITIES.

(B). CARIBBEAN POLICY PROJECT (CPP, 538-0184): THE MISSION PROPOSED CONTINUING THE CARIBBEAN POLICY PROJECT TO ITS PACD OF SEPTEMBER 1997 UNDER THE RESPONSIBILITY OF THE GUYANA MISSION OR AS A COMPONENT OF A LAC/W REGIONAL PROJECT. MAJOR ELEMENTS OF THIS ACTIVITY INCLUDE CUSTOMS AND TARIFF REVAMPING, DIAGNOSTICS FOR THE CDB-IDB MULTI-LATERAL INVESTMENT FUND (MIF), AND ECONOMICS STATISTICS STRENGTHENING.

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THE MISSION'S RATIONALE FOR THIS IS THAT CPP IS A CENTERPIECE OF THE MISSION'S STRATEGIC OBJECTIVE OF HELPING THE REGION INCREASE AND DIVERSIFY TRADE AND WAS DESIGNED IN CONCERT WITH U.S. FOREIGN POLICY OBJECTIVES TO HELP COUNTRIES MOVE TOWARDS HEMISPHERIC FREE TRADE. STATE AND OTHER US GOVERNMENT AGENCIES ARE CONCERNED THAT THE INTERIM PROGRAM FOR CBI COUNTRIES TO ACHIEVE NAFTA PARITY WILL NOT BENEFIT THE ISLAND NATIONS OF THE EC SUB-REGION, AT LEAST DURING THE SHORT TERM. THE CPP COVERS FOUR CRITICAL COMPONENTS OF NAFTA: ENVIRONMENTAL, LABOR LAW, PATENT LAW, AND INTELLECTUAL PROPERTY RIGHTS REFORM. USAID MADE A COMMITMENT TO THE IDB TO SUPPORT CPP IN ADDRESSING POLICY REFORMS. WITHOUT CPP, THE EC WILL NOT BE ABLE TO ACCESS CDB-IDB MIF FUNDING.

THE DAEC CONCLUDED THAT MAJOR ELEMENTS OF THE CPP FALL WITHIN THE PURPOSE OF THE BUREAU'S PLANNED WESTERN HEMISPHERE FREE TRADE (WHFT) PROJECT TO BE IMPLEMENTED ON

A REGIONAL BASIS FROM USAID/W. ACCORDINGLY, THE CPP PROJECT SHOULD BE CLOSED OUT BY THE END OF FY96 AND THOSE

ELEMENTS WHICH MUST CONTINUE SHOULD BE INCLUDED WITHIN THE WHFT. THE MANAGEMENT OF SUCH ACTIVITIES (I.E., THE BALANCE BETWEEN USAID/W AND USAID/GUYANA RESPONSIBILITIES) WILL BE WORKED OUT IN THE PROJECT DESIGN PROCESS, AND THE MISSION WILL BE FULLY CONSULTED. IT WAS AGREED THAT THE MISSION'S PREFERRED SOLUTION FOR BOTH THE INCORPORATION OF THE ASSISTANCE INTO THE WHFT AND THE MANAGEMENT ISSUES WILL BE FURTHER DISCUSSED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994. MISSION IS INVITED TO PRESENT A CONCEPT PAPER TO GET THIS DISCUSSION OFF ON THE RIGHT TRACK.

(C). HEALTH CARE POLICY PLANNING AND MANAGEMENT PROJECT (HCPPM, 536-0181): THE PROJECT BEGAN IN FY93 AND HAS A FY97 PACD, ONE YEAR AFTER MISSION CLOSE-OUT. THE MISSION PROPOSED THAT USAID/GUYANA, OR THE LAC OR GLOBAL BUREAU, TAKE RESPONSIBILITY FOR THE FINAL 15 MONTHS OF THE PROJECT. THE MISSION'S REASONS FOR PROPOSING THE EXTENSION ARE THAT THE PROJECT IS VERY HIGH PROFILE AND HAS GENERATED GREAT ENTHUSIASM FROM LEADERS IN THE EC OVER THE PROSPECT OF RATIONALIZING AND INCREASING EFFICIENCY IN FINANCING HEALTH CARE. HCPPM ENCOMPASSES THREE MAJOR ELEMENTS: ANALYTICAL DIAGNOSTIC STUDIES, APPLIED RESEARCH, AND TRAINING DISSEMINATION. DUE TO THE NATURE OF THIS PROJECT, THE MISSION BELIEVES THAT FUNDING CUTS AND ACCELERATION OF ACTIVITIES ARE NOT POSSIBLE WITHOUT PROJECT REDESIGN.

THE DAEC CONCLUDED THAT WHILE THE PROJECT HOLDS CLEAR

BENEFITS FOR THE OECS, IT NEITHER ADDRESSES A GLOBAL PROBLEM NOR REQUIRES ASSISTANCE THAT CAN ONLY BE PROVIDED BY USAID. THUS, THE MISSION SHOULD CLOSE OUT PROJECT ACTIVITIES BY THE END OF FY96 AND SEEK TO INTEREST OTHER DONORS IN CONTINUING FUNDING. LAC IS PREPARED TO HELP IN ACHIEVING THE LATTER. THE BUREAU WILL EXPLORE POSSIBLE FUNDING FROM THE GLOBAL BUREAU HEALTH CARE FINANCING SUSTAINABILITY PROJECT THAT THE OECS COULD DRAW ON AFTER FY96. HOWEVER, G RESOURCES WILL BE STRETCHED THIN TO COVER DEMANDS FROM CONTINUING PROGRAMS, AND THIS MAY NOT BE HIGH ENOUGH PRIORITY TO WARRANT USAID FUNDING FOR THE FINAL 15 MONTHS OF THE PLANNED IMPLEMENTATION PERIOD.

6. THE REVIEW ALSO FOCUSED ON THE NATURE OF THE USAID FUTURE RELATION WITH THE EASTERN CARIBBEAN SUB-REGION

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AFTER CLOSE-OUT. ALTHOUGH THE EC COUNTRIES ARE AT OR APPROACHING MDC STATUS, THEY REMAIN VULNERABLE-- SMALL DOMESTIC ECONOMIES AND NARROW EXPORT BASES, THIN LAYER OF MANAGERIAL AND TECHNICAL SKILLS, FRAGILE PHYSICAL

ENVIRONMENTS, ETC. THIS VULNERABILITY IS FURTHER EXPOSED WITH NAFTA, WHERE TRADE DIVERSION IS A THREAT, AND IN NEGOTIATIONS ON EUROPEAN BANANA IMPORTS, WHERE THE LOSS OF A MAJOR MARKET WOULD IMPACT THE ECONOMIES OF THE OECS, POSSIBLY CAUSING A DISLOCATION OF THE WORK FORCE.

THE MISSION PROPOSED, AND THE DAEC ENDORSED, THREE AREAS OF INTEREST THAT USAID COULD CONTINUE TO SUPPORT IN THE REGION AFTER CLOSE-OUT THROUGH GLOBAL OR REGIONAL

INITIATIVES: 1. TRADE LIBERALIZATION THROUGH WHFT AND MIF; 2. ENVIRONMENT THROUGH THE CORAL REEF INITIATIVE; AND, 3. POVERTY REDUCTION THROUGH AN AS OF YET UNDETERMINED ASSOCIATION WITH CENTRALLY-FUNDED OR REGIONAL PROJECTS. ASSISTANCE IN THE FIRST TWO AREAS WOULD BE TARGETED ON CONTINUING ELEMENTS OF EXISTING RDO/C PROJECTS AS DISCUSSED IN PARA 5 ABOVE. CONTINUING INVOLVEMENT IN TRULY REGIONAL INITIATIVES BEYOND THE SCOPE OF ONGOING ACTIVITIES WOULD BE A HIGH PRIORITY FOR THE BUREAU. PRELIMINARY PROPOSALS FOR SUCH ACTIVITIES WILL BE INCLUDED IN THE LAC REGIONAL ACTION PLAN. LAC WILL SEEK MISSION VIEWS ON THOSE PROPOSALS. YOUR VIEWS ON THEIR RELEVANCE TO THE CONTINUED DEVELOPMENT OF THE OECS WILL HELP US TO SHAPE THOSE PROJECTS INTO EFFECTIVE DEVELOPMENT TOOLS. AS WELL, WE LOOK FORWARD TO SEEING YOUR IDEAS FOR CARIBBEAN-WIDE INITIATIVES IN THESE AREAS DURING THE GUYANA ACTION PLAN REVIEW. THE LAC BUREAU IS PREPARED TO CONSIDER CARIBBEAN-WIDE REGIONAL PROJECTS, WHICH WOULD ALLOW THE OECS TO PARTICIPATE ALONG WITH THE BROADER CARIBBEAN COMMUNITY. FUTURE INVOLVEMENT IN TRULY REGIONAL INITIATIVES WILL BE SUBJECT TO APPROVAL BY AA/M (THE AGENCY'S CLOSE-OUT COORDINATOR) AND POL/PPC.

7. FTE/STAFFING ISSUES: IN ITS CLOSE-OUT PLANNING, THE MISSION PAID CAREFUL ATTENTION TO LINKING STAFF REDUCTIONS TO PORTFOLIO REDUCTIONS. WHILE FY96 FTE LEVELS SHOULD NOT BE A PROBLEM, QUESTIONS DEALING WITH STAFFING AND PROPOSED FTE LEVELS FOR FY95 WERE RAISED. RDO/C LEVELS EXCEED THE LEVELS CONTAINED IN THE BUREAU BUDGET SUBMISSION (BBS). THE MISSION'S REQUIREMENT OF 5.9 FTES IN FY95 EXCEEDS LAC'S CEILING OF 5.0 FTES. ALSO, IT WAS REPORTED THAT A

COMMITMENT HAD BEEN MADE, WITHOUT SUFFICIENT CONSULTATION WITH THE BUREAU OR MISSION, THAT THE RCO POSITION WOULD BE PULLED IN SUMMER 1994. THE MISSION DIRECTOR WAS ADAMANT THAT THE FTE CEILING BE MAINTAINED AT 5.9 AND THAT THE RCO POSITION REMAIN IN BARBADOS THROUGH FY96 IN ORDER TO CONTINUE WITH ORDERLY CLOSE-OUT ACTIVITIES WHILE AT THE SAME TIME MANAGING ITS REDUCED, BUT STILL SIZEABLE, PORTFOLIO. THE DAEC CONCURRED WITH THE MISSION'S POSITION ON THE RCO. THE MISSION DIRECTOR WILL SEND A MEMORANDUM TO THE AA/LAC DESCRIBING THE CIRCUMSTANCES AND DISCUSSIONS

HELD IN REFERENCE TO THE RCO POSITION. LAC WILL SUPPORT A REASONED ARGUMENT FOR MAINTENANCE OF CONTRACT, CONTROLLER, AND EXEC OFFICER SERVICES FOR THE PERIOD NEEDED BY RDO/C DURING THIS DIFFICULT CLOSE-OUT EXERCISE. HOWEVER, LOCATION OF THAT RCO IN GUYANA SHOULD BE CONSIDERED. ON THE BROADER QUESTION OF FTES, THE BUREAU IS REANALYZING THE EXTENT TO WHICH FTE UTILIZATION RATES ACROSS ALL OVERSEAS UNITS MAY ALLOW FRACTIONAL DISCREPANCIES, SUCH AS THIS ONE, TO BE ACCOMMODATED. WE WILL ADVISE RESULTS OF THE REVIEW. HOWEVER, THE FTE CEILING OF 5 FOR FY95 CANNOT BE FURTHER ADJUSTED.

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8. THE MISSION REQUESTED THAT THE GUYANA NAD: QUOTE STRENGTHENING DEMOCRACY UNQUOTE (S04-0105) RECEIVE INFORMAL REVIEW SO THAT USAID/GUYANA CAN PROCEED WITH THE ELABORATION OF ITS POD. THE ORIGINAL NAD, REVIEWED IN JANUARY 1994, FOCUSSED SOLELY ON THE SUPPLY SIDE OF STRENGTHENING DEMOCRACY IN PARLIAMENT AND LOCAL GOVERNMENT. THE REVISED NAD WAS DESIGNED TO BE MORE

FLEXIBLE IN RESPONDING TO GOG REQUESTS AND INCLUDES A THIRD COMPONENT BY INCORPORATING NGOS TO COVER CIVIL SOCIETY, OR THE DEMAND SIDE OF GOOD GOVERNANCE. THE BUREAU FELT THAT THE MISSION DID A GOOD JOB OF PRIORITIZING AND REFOCUSING THE REVISED NAD. THE MISSION WAS REMINDED TO ENSURE THAT THE GUYANESE HAVE OWNERSHIP IN THE PROJECT SINCE IT WAS NOT CLEARLY CONVEYED IN THE NAD. THE DAEC AGREED THAT THE NAD SHOULD BE INCLUDED IN THE GUYANA POD, WITH FORMAL REVIEW OF THE NAD TO BE SCHEDULED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994.

9. THE MISSION WAS CONGRATULATED ON THE QUALITY OF THE OPERATIONAL CLOSE-OUT PLAN THAT IT PRESENTED TO THE BUREAU. THE PLAN WAS ACCEPTED AS PRESENTED ON THE CONDITION THAT CHANGES MAY BE NECESSARY PENDING THE RESOLUTION OF THE ISSUES CITED ABOVE. ANY CHANGES REQUIRED WILL BE REQUESTED VIA SEPTTEL.

10. THIS CLOSE-OUT PLAN, TOGETHER WITH ALL NEW REGIONAL INITIATIVES THAT WOULD INCORPORATE ASSISTANCE TO RDO/C AFTER MISSION CLOSE-OUT MUST BE APPROVED BY THE AGENCY CLOSE-OUT COORDINATOR. THE MISSION WILL BE ADVISED SEPTTEL OF SUCH APPROVALS.
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ROUTINE BRIDGETOWN

ROUTINE GEORGETOWN FOR ECONOFF MICHAEL HEATH

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR RDO/C

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR RDO/C WAS REVIEWED ON MARCH 25, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M/B, PPC/PAR, G/R&D, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE USAID MISSION DIRECTOR, MOSINA JORDAN, PRESENTED THE ACTION PLAN IN CONJUNCTION WITH PAUL BISEK, CHIEF PDO FOR RDO/C.

2. THE CLOSEOUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE MODIFICATIONS NOTED BELOW. USAID/RDO/C WILL CLOSE OUT NO LATER THAN SEPTEMBER 30, 1996. ISSUES DISCUSSED AND CONCLUSIONS FOLLOW:

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4. ENSURING SUSTAINABILITY OF NGOS: THE ISSUE OF BUILDING SUSTAINABLE ORGANIZATIONS IN COUNTRIES WITH SUCH SMALL POPULATIONS AS ARE FOUND IN THE EC HAS ALWAYS BEEN A CHALLENGE FOR RDO/C. ALTHOUGH THE MISSION STATED THAT MANY NGOS AND PVOS ARE ON THE PATH TO SELF-SUSTAINABILITY, OPPORTUNITIES FOR THE PRIVATE SECTOR, GOVERNMENT AND INDIVIDUALS TO SUPPORT LOCAL NGOS ARE SEVERELY HAMPERED BY THE LIMITED NUMBER OF POTENTIAL CONTRIBUTORS IN THE REGION. ~~THE MISSION IS DEDICATING TIME AND EFFORT TO IDENTIFYING AND LEVERAGING RESOURCES FROM OTHER DONORS TO SUPPORT THESE ORGANIZATIONS, BUT NOTES THAT ALL MAJOR DONORS ARE REDUCING FUTURE FUNDING PLANS FOR THE REGION.~~ THE NATIONAL DEVELOPMENT FOUNDATIONS (NDFS) ARE 80-90 PERCENT SELF-SUSTAINING. ALTHOUGH A SUCCESS STORY, THE NDFS ARE STILL IN NEED OF AN EXPANDED CAPITAL BASE TO ACHIEVE FULL SUSTAINABILITY. THE CENTER FOR MANAGEMENT TRAINING, CURRENTLY ON THE PATH TO SUSTAINABILITY, IS SEEKING PRIVATE SECTOR SUPPORT WHILE INCREASING FEES FOR TRAINING. NO SUPPORT HAS YET BEEN IDENTIFIED FOR THE CARIBBEAN FAMILY PLANNING ASSOCIATION. LAC/DR WILL ATTEMPT TO ASSIST IN MARSHALLING DONOR SUPPORT. ALTHOUGH THE MISSION STATED THAT THERE ARE NOT CURRENTLY ANY ORGANIZATIONS IN DANGER OF COLLAPSING WHEN THE USAID MISSION CLOSES, THE DEGREE TO WHICH SOME GROUPS SUCH AS ECUADEF WILL BE FUNCTIONAL IS STILL IN QUESTION.

5. THERE WAS CONSIDERABLE DISCUSSION OF THREE MISSION ACTIVITIES WHICH ARE SLATED TO CONTINUE BEYOND FY96.

(A). ENVIRONMENT AND COASTAL RESOURCES PROJECT (ENCORE, 538-0171): ENCORE IS THE MAJOR ACTIVITY SUPPORTING RDO/C'S NATURAL RESOURCES SO AND IS TAILORED TO MEET CURRENT AGENCY PRIORITIES. THROUGH THE INVOLVEMENT OF NGOS, INCLUDING ONE U.S.-BASED NGO, THE PROJECT STRESSES COMMUNITY-BASED INVOLVEMENT IN ENVIRONMENTAL ACTIVITIES THROUGH EMPOWERMENT OF THE POOR AND IS CONSISTENT WITH THE ENVIRONMENTAL AND PARTICIPATORY FOCUS OF THE ADMINISTRATION. OF THE THREE MAJOR ELEMENTS OF THE PROJECT (ENVIRONMENTAL AWARENESS, ENVIRONMENTAL LAWS, AND LOCAL SITE ACTIVITIES) ~~ONLY THE AWARENESS EFFORT CAN BE~~

ACCELERATED TO FINISH IN FY96. ALL OTHER ACTIVITIES ARE SLATED TO END IN SEPTEMBER, 1997.

ENCORE CONTRIBUTES TO THE GLOBAL ENVIRONMENT FUND (GEF), WHICH MAKES IT A HIGHLY VISIBLE ACTIVITY. ADDITIONALLY, ENCORE HAS BEEN INCLUDED AS ONE OF USAID'S LARGEST AND MOST IMPORTANT CONTRIBUTIONS TO THE U.S. CORAL REEF INITIATIVE (CRI), A WORLD-WIDE ACTIVITY STILL IN DESIGN BY GLOBAL BUREAU IN CONJUNCTION WITH THE REGIONAL BUREAUS.

THE DAEC RECOGNIZED THE IMPORTANCE OF ENCORE TO THE WESTERN HEMISPHERE FOCUS OF THE CRI AND RECOMMENDED THAT THE MISSION PREPARE A DETAILED JUSTIFICATION FOR CONTINUATION OF ENCORE AS AN INTEGRAL COMPONENT OF THIS PLANNED GLOBAL INITIATIVE. ALL ENCORE COMPONENTS WHICH WOULD NOT FALL UNDER THE CRI WILL HAVE TO BE CLOSED OUT IN FY96. LAC WILL WORK WITH G TO ENSURE THAT SUITABLE COMPONENTS OF ENCORE ARE CONTINUED UNDER THE CORAL REEF INITIATIVE, AND WILL LOOK TO INCORPORATE ASSISTANCE TO THE REGION UNDER OTHER REGIONAL AND GLOBAL PROGRAMS TO THE EXTENT THAT SUCH ASSISTANCE CLEARLY FITS WITHIN THE PURPOSES OF SUCH ACTIVITIES.

(B). CARIBBEAN POLICY PROJECT (CPP, 538-0184): THE MISSION PROPOSED CONTINUING THE CARIBBEAN POLICY PROJECT TO ITS PACD OF SEPTEMBER 1997 UNDER THE RESPONSIBILITY OF THE GUYANA MISSION OR AS A COMPONENT OF A LAC/W REGIONAL PROJECT. MAJOR ELEMENTS OF THIS ACTIVITY INCLUDE CUSTOMS AND TARIFF REVAMPING, DIAGNOSTICS FOR THE CDB-IDB MULTI-LATERAL INVESTMENT FUND (MIF), AND ECONOMICS STATISTICS STRENGTHENING.

THE MISSION'S RATIONALE FOR THIS IS THAT CPP IS A CENTERPIECE OF THE MISSION'S SO OF HELPING THE REGION INCREASE AND DIVERSIFY TRADE AND WAS DESIGNED IN CONCERT WITH U.S. FOREIGN POLICY OBJECTIVES TO HELP COUNTRIES MOVE TOWARDS HEMISPHERIC FREE TRADE. STATE AND OTHERS ARE CONCERNED THAT THE INTERIM PROGRAM FOR CBI COUNTRIES TO ACHIEVE NAFTA PARITY WILL NOT BENEFIT THE ISLAND NATIONS OF THE EC SUB-REGION, AT LEAST DURING THE SHORT TERM. THE CPP COVERS FOUR CRITICAL COMPONENTS OF NAFTA: ENVIRONMENTAL, LABOR LAW, PATENT LAW, AND INTELLECTUAL PROPERTY RIGHTS REFORM. USAID MADE A COMMITMENT TO THE IDB TO SUPPORT CPP IN ADDRESSING POLICY REFORMS. WITHOUT CPP, THE EC WILL NOT BE ABLE TO ACCESS CDB-IDB MIF FUNDING.

THE DAEC CONCLUDED THAT MAJOR ELEMENTS OF THE CPP FALL WITHIN THE PURPOSE OF THE BUREAU'S PLANNED WESTERN HEMISPHERE FREE TRADE (WHFT) PROJECT TO BE IMPLEMENTED ON

A REGIONAL BASIS FROM USAID/W. ACCORDINGLY, THE CPP PROJECT SHOULD BE CLOSED OUT BY THE END OF FY96 AND THOSE ELEMENTS WHICH MUST CONTINUE SHOULD BE INCLUDED WITHIN THE WHFT. THE MANAGEMENT OF SUCH ACTIVITIES (IE THE BALANCE BETWEEN USAID/W AND USAID/GUYANA RESPONSIBILITIES) WILL BE WORKED OUT IN THE PROJECT DESIGN PROCESS, AND THE MISSION WILL BE FULLY CONSULTED. IT WAS AGREED THAT THE MISSION'S PREFERRED SOLUTION FOR BOTH THE INCORPORATION OF THE ASSISTANCE INTO THE WHFT AND THE MANAGEMENT ISSUES WILL BE FURTHER DISCUSSED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994. MISSION IS INVITED TO PRESENT A CONCEPT PAPER TO GET THIS DISCUSSION OFF ON THE RIGHT TRACK.

OK

(C). HEALTH CARE POLICY PLANNING AND MANAGEMENT PROJECT (HCPPM, 538-0181): THE PROJECT BEGAN IN FY93 AND HAS A FY97 PACD, ONE YEAR AFTER MISSION CLOSE-OUT. THE MISSION PROPOSED THAT USAID/GUYANA, OR THE LAC OR GLOBAL BUREAUS, TAKE RESPONSIBILITY FOR THE FINAL 15 MONTHS OF THE PROJECT. THE MISSION'S REASONS FOR THE PROPOSED EXTENSION ARE THAT THE PROJECT IS VERY HIGH PROFILE AND HAS GENERATED GREAT ENTHUSIASM FROM LEADERS IN THE EC OVER THE PROSPECT OF RATIONALIZING AND INCREASING EFFICIENCY IN FINANCING HEALTH CARE. HCPPM ENCOMPASSES THREE MAJOR ELEMENTS: ANALYTICAL DIAGNOSTIC STUDIES, APPLIED RESEARCH, AND TRAINING DISSEMINATION. DUE TO THE NATURE OF THIS PROJECT, THE MISSION BELIEVES THAT FUNDING CUTS AND ACCELERATION OF ACTIVITIES ARE NOT POSSIBLE WITHOUT PROJECT REDESIGN.

NO.

THE DAEC CONCLUDED THAT WHILE THE PROJECT HOLDS CLEAR BENEFITS FOR THE OECS, IT NEITHER ADDRESSES A GLOBAL PROBLEM NOR REQUIRES ASSISTANCE THAT CAN ONLY BE PROVIDED BY USAID. THUS, THE MISSION SHOULD PLAN TO CLOSE OUT PROJECT ACTIVITIES BY THE END OF FY96 AND SEEK TO INTEREST OTHER DONORS IN CONTINUING FUNDING. LAC IS PREPARED TO HELP IN ACHIEVING THE LATTER. THE BUREAU WILL EXPLORE POSSIBLE FUNDING FROM THE GLOBAL BUREAU HEALTH CARE FINANCING SUSTAINABILITY PROJECT THAT THE OECS COULD DRAW ON AFTER FY96. HOWEVER, G RESOURCES WILL BE STRETCHED THIN TO COVER DEMANDS FROM CONTINUING PROGRAMS, AND THIS MAY NOT BE HIGH ENOUGH PRIORITY TO WARRANT AID FUNDING FOR THE FINAL 15 MONTHS OF THE PLANNED IMPLEMENTATION PERIOD.

6. THE REVIEW ALSO FOCUSED ON THE NATURE OF THE USAID FUTURE RELATION WITH THE EASTERN CARIBBEAN SUB-REGION AFTER CLOSE-OUT. ALTHOUGH THE EC COUNTRIES ARE AT OR APPROACHING MDC STATUS, THEY REMAIN VULNERABLE-- SMALL DOMESTIC ECONOMIES AND NARROW EXPORT BASES, THIN LAYER OF MANAGERIAL AND TECHNICAL SKILLS, FRAGILE PHYSICAL ENVIRONMENTS, ETC. THIS VULNERABILITY IS FURTHER EXPOSED

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WITH NAFTA, WHERE TRADE DIVERSION IS A THREAT, AND IN NEGOTIATIONS ON EUROPEAN BANANA IMPORTS, WHERE THE LOSS OF CONCESSIONAL MARKETS COULD IMPACT THE ECONOMIES OF THE OECS, POSSIBLY CAUSING A DISLOCATION OF THE WORK FORCE.

THE MISSION PROPOSED, AND THE DAEC ENDORSED, THREE AREAS OF INTEREST THAT USAID COULD CONTINUE TO SUPPORT IN THE REGION AFTER CLOSEOUT THROUGH GLOBAL OR REGIONAL INITIATIVES: 1. TRADE LIBERALIZATION THROUGH WHFT AND MIF; 2. ENVIRONMENT THROUGH THE CORAL REEF INITIATIVE; AND, 3. POVERTY REDUCTION THROUGH AN AS OF YET UNDETERMINED ASSOCIATION WITH CENTRALLY-FUNDED OR REGIONAL PROJECTS. ASSISTANCE IN THE FIRST TWO AREAS WOULD BE TARGETED ON CONTINUING ELEMENTS OF EXISTING RDO/C PROJECTS AS DISCUSSED IN PARA 5 ABOVE. ~~CONTINUING INVOLVEMENT IN TRULY REGIONAL INITIATIVES BEYOND THE SCOPE OF ONGOING ACTIVITIES WOULD BE A HIGH PRIORITY FOR THE BUREAU. PRELIMINARY PROPOSALS FOR SUCH ACTIVITIES WILL BE INCLUDED IN THE LAC REGIONAL ACTION PLAN. LAC WILL SEEK MISSION VIEWS ON THOSE PROPOSALS. YOUR VIEWS ON THEIR RELEVANCE TO THE CONTINUED DEVELOPMENT OF THE OECS WILL HELP US TO SHAPE THOSE PROJECTS INTO EFFECTIVE DEVELOPMENT TOOLS. AS WELL, WE LOOK FORWARD TO SEEING YOUR IDEAS FOR CARIBBEAN-WIDE INITIATIVES IN THESE AREAS DURING THE GUYANA ACTION PLAN REVIEW. BUREAU IS PREPARED TO CONSIDER CARIBBEAN-WIDE REGIONAL PROJECTS, WHICH WOULD ALLOW THE OECS TO PARTICIPATE ALONG WITH THE BROADER CARIBBEAN COMMUNITY. FUTURE INVOLVEMENT IN TRULY REGIONAL INITIATIVES BEYOND THE SCOPE OF ONGOING ACTIVITIES WILL BE SUBJECT TO~~ APPROVAL BY AA/M (THE AGENCY'S CLOSE-OUT COORDINATOR) AND POL/PPC.

7. FTE/STAFFING ISSUES: IN ITS CLOSE-OUT PLANNING, THE MISSION PAID CAREFUL ATTENTION TO LINKING STAFF REDUCTIONS TO PORTFOLIO REDUCTIONS. WHILE FY96 FTE LEVELS SHOULD NOT BE A PROBLEM, QUESTIONS DEALING WITH STAFFING AND PROPOSED FTE LEVELS FOR FY95 WERE RAISED. RDO/C LEVELS EXCEED THE LEVELS CONTAINED IN THE BUREAU BUDGET SUBMISSION (BBS). THE MISSION'S REQUIREMENT OF 5.9 FTES IN FY95 EXCEEDS LAC'S CEILING OF 5.0 FTES. ALSO, IT WAS REPORTED THAT A COMMITMENT HAD BEEN MADE, WITHOUT SUFFICIENT CONSULTATION WITH THE BUREAU OR MISSION, THAT THE RCO POSITION WOULD BE PULLED IN SUMMER 1994. THE MISSION DIRECTOR WAS ADAMANT THAT THE FTE CEILING BE MAINTAINED AT 5.9 AND THAT THE RCO POSITION REMAIN IN BARBADOS THROUGH FY96 IN ORDER TO CONTINUE WITH ORDERLY CLOSE-OUT ACTIVITIES WHILE AT THE SAME TIME MANAGING ITS REDUCED, BUT STILL SIZEABLE, PORTFOLIO. THE DAEC CONCURRED WITH THE MISSION'S POSITION ON THE RCO. THE MISSION DIRECTOR WILL SEND A MEMORANDUM TO THE AA/LAC DESCRIBING THE CIRCUMSTANCES AND DISCUSSIONS

HELD IN REFERENCE TO THE RCO POSITION. LAC WILL SUPPORT A REASONED ARGUMENT FOR MAINTENANCE OF CONTRACT, CONTROLLER, AND EXEC OFFICER SERVICES FOR THE PERIOD NEEDED BY RDO/C DURING THIS DIFFICULT CLOSE-OUT EXERCISE. HOWEVER, LOCATION OF THAT RCO IN GUYANA SHOULD BE CONSIDERED. ON THE BROADER QUESTION OF FTE'S, THE BUREAU IS REANALYZING THE EXTENT TO WHICH FTE UTILIZATION RATES ACROSS ALL OVERSEAS UNITS MAY ALLOW FRACTIONAL DISCREPANCIES, SUCH AS THIS ONE, TO BE ACCOMMODATED. WE WILL ADVISE RESULTS OF THE REVIEW. HOWEVER, THE FTE CEILING OF 5 FOR FY95 CANNOT BE FURTHER ADJUSTED.

8. THE MISSION REQUESTED THAT THE GUYANA NAD: QUOTE STRENGTHENING DEMOCRACY UNQUOTE (504-0105) RECEIVE INFORMAL REVIEW SO THAT USAID/GUYANA CAN PROCEED WITH THE ELABORATION OF ITS POD. THE ORIGINAL NAD, REVIEWED IN JANUARY 1994, FOCUSED SOLELY ON THE SUPPLY SIDE OF STRENGTHENING DEMOCRACY IN PARLIAMENT AND LOCAL GOVERNMENT. THE REVISED NAD WAS DESIGNED TO BE MORE FLEXIBLE IN RESPONDING TO GOG REQUESTS AND INCLUDES A THIRD COMPONENT BY INCORPORATING NGOS TO COVER CIVIL SOCIETY, OR THE DEMAND SIDE OF GOOD GOVERNANCE. THE BUREAU FELT THAT THE MISSION DID A GOOD JOB OF PRIORITIZING AND REFOCUSING THE REVISED NAD. THE MISSION WAS REMINDED TO ENSURE THAT THE GUYANESE HAVE OWNERSHIP IN THE PROJECT SINCE IT WAS NOT CLEARLY CONVEYED IN THE NAD. THE DAEC AGREED THAT THE NAD SHOULD BE INCLUDED IN THE GUYANA POD, WITH FORMAL REVIEW OF THE NAD TO BE SCHEDULED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994.

9. THE MISSION WAS CONGRATULATED ON THE QUALITY OF THE OPERATIONAL CLOSE-OUT PLAN THAT IT PRESENTED TO THE BUREAU. THE PLAN WAS ACCEPTED AS PRESENTED ON THE CONDITION THAT CHANGES MAY BE NECESSARY PENDING THE RESOLUTION OF THE ISSUES CITED ABOVE. ANY CHANGES REQUIRED WILL BE REQUESTED VIA SEPTTEL.

10. THE CLOSE-OUT PLAN MUST BE APPROVED BY THE AGENCY CLOSE-OUT COORDINATOR. THE RESULTS OF THE CLOSE-OUT MEETING WILL BE COMMUNICATED VIA SEPTTEL.

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ADDITIONAL CLEARANCE:

AID/LAC/DPP:RMEEHAN

AID/GC/LAC:RMEIGHAN (DRAFT)

AID/LAC/DI:KSCHOFIELD(DRAFT)

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APPR: MS ()

DRAFT: JNB ()

CLEAR: NP ()

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CLEAR: EZ ()

CLEAR: JS ()

AID/LAC/DR/CEN&CAR:JBAKKEN:JNB:\AP94RDO3.CAB

CLEAR: MR ()

04/18/94 647-9163

AID/LAC/AA:MSCHNEIDER

CLEAR: DG ()

AID/LAC/DAA:NPARKER

AID/LAC/DR:EZALLMAN

AID/LAC/DPP:JSTEPANEK

AID/M/MCS:MROGAL

AID/LAC/CAR:MBERNBAUM

AID/PPC/POL:TBROWN

AID/G/R&D/POP:DGILLESPIE

AID/LAC/TI:RSTRYKER

ROUTINE BRIDGETOWN

ROUTINE GEORGETOWN FOR ECONOFF MICHAEL HEATH

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 95-96 CLOSEOUT/ACTION PLAN FOR RDO/C

1. THE FY 95-96 CLOSEOUT/ACTION PLAN FOR RDO/C WAS REVIEWED ON MARCH 25, 1994. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM M/B, PPC/PAR, G/R&D, GC/LAC, AND ALL APPROPRIATE LAC OFFICES. THE USAID MISSION DIRECTOR, MOSINA JORDAN, PRESENTED THE ACTION PLAN IN CONJUNCTION WITH PAUL BISEK, CHIEF PDO FOR RDO/C.

2. THE CLOSEOUT/ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE MODIFICATIONS NOTED BELOW. USAID/RDO/C WILL CLOSE OUT NO LATER THAN SEPTEMBER 30, 1996. ISSUES DISCUSSED AND CONCLUSIONS FOLLOW:

3. FINAL EVALUATION OF THE IMPACT OF THE RDO/C PROGRAM: THE MISSION AGREED THAT THERE IS A VALUABLE STORY TO TELL ON USAID'S NEARLY 17 YEARS OF INVOLVEMENT IN PROVIDING DEVELOPMENT ASSISTANCE TO THE ISLAND NATIONS OF THE EC. FURTHERMORE, RDO/C BELIEVES THAT SIGNIFICANT LESSONS CAN BE LEARNED BY ASSESSING THE IMPACT ON THE POOR, IMPROVEMENTS IN QUALITY OF LIFE, ACCESS TO MARKETS FOR SMALL FARMERS, INFRASTRUCTURE IMPROVEMENTS, TOURISM, AND

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TRAINING IN MANAGEMENT SKILLS IMPROVEMENT. THEREFORE, IT WAS AGREED THAT AN IMPACT EVALUATION OF THE PROGRAM IS WARRANTED WITH ITS NATURE, TIMING, AND SCOPE TO BE WORKED OUT IN THE NEAR FUTURE. THE BUREAU AGREED TO WORK WITH PPC/CDIE ON THE SCOPE AND DESIGN AND COMMITTED TO FIND FUNDING TO CONDUCT SUCH AN EVALUATION. AT A MINIMUM, THE EVALUATION WILL ENCOMPASS TRAINING AND OTHER TYPES OF PEOPLE-LEVEL IMPACT, INCLUDING GENDER.

4. ENSURING SUSTAINABILITY OF NGOS: THE ISSUE OF BUILDING SUSTAINABLE ORGANIZATIONS IN COUNTRIES WITH SUCH SMALL POPULATIONS AS ARE FOUND IN THE EASTERN CARIBBEAN HAS ALWAYS BEEN A CHALLENGE FOR RDO/C. ALTHOUGH THE MISSION STATED THAT MANY NGOS AND PVOS ARE ON THE PATH TO SELF-SUSTAINABILITY, OPPORTUNITIES FOR THE PRIVATE SECTOR, GOVERNMENT AND INDIVIDUALS TO SUPPORT LOCAL NGOS ARE SEVERELY HAMPERED BY THE LIMITED NUMBER OF POTENTIAL CONTRIBUTORS IN THE REGION. THE MISSION IS DEDICATING TIME AND EFFORT TO IDENTIFYING AND LEVERAGING RESOURCES FROM OTHER DONORS TO SUPPORT THESE ORGANIZATIONS, BUT NOTES THAT ALL MAJOR DONORS ARE REDUCING FUTURE FUNDING PLANS FOR THE REGION. THE NATIONAL DEVELOPMENT FOUNDATIONS (NDFS) ARE 80-90 PERCENT SELF-SUSTAINING. ALTHOUGH A SUCCESS STORY, THE NDFS ARE STILL IN NEED OF AN EXPANDED CAPITAL BASE TO ACHIEVE FULL SUSTAINABILITY. THE CENTER FOR MANAGEMENT TRAINING, CURRENTLY ON THE PATH TO SUSTAINABILITY, IS SEEKING PRIVATE SECTOR SUPPORT WHILE INCREASING FEES FOR TRAINING. NO SUPPORT HAS YET BEEN IDENTIFIED FOR THE CARIBBEAN FAMILY PLANNING ASSOCIATION. LAC/DR WILL ATTEMPT TO ASSIST IN MARSHALLING DONOR SUPPORT. ALTHOUGH THE MISSION STATED THAT THERE ARE NOT CURRENTLY ANY ORGANIZATIONS IN DANGER OF COLLAPSING WHEN THE USAID MISSION CLOSES, THE DEGREE TO WHICH SOME GROUPS SUCH AS ECUADEF WILL BE FUNCTIONAL IS STILL IN QUESTION.

5. THERE WAS CONSIDERABLE DISCUSSION OF THREE MISSION ACTIVITIES WHICH ARE SLATED TO CONTINUE BEYOND FY96.

(A). ENVIRONMENT AND COASTAL RESOURCES PROJECT (ENCORE, 538-0171): ENCORE IS THE MAJOR ACTIVITY SUPPORTING RDO/C'S NATURAL RESOURCES SO AND IS TAILORED TO MEET CURRENT AGENCY PRIORITIES. THROUGH THE INVOLVEMENT OF NGOS, INCLUDING ONE U.S.-BASED NGO, THE PROJECT STRESSES COMMUNITY-BASED INVOLVEMENT IN ENVIRONMENTAL ACTIVITIES THROUGH EMPOWERMENT OF THE POOR AND IS CONSISTENT WITH THE ENVIRONMENTAL AND PARTICIPATORY FOCUS OF THE ADMINISTRATION. OF THE THREE MAJOR ELEMENTS OF THE PROJECT (ENVIRONMENTAL AWARENESS, ENVIRONMENTAL LAWS, AND LOCAL SITE ACTIVITIES), ONLY THE AWARENESS EFFORT CAN BE

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ACCELERATED TO FINISH IN FY96. ALL OTHER ACTIVITIES ARE SLATED TO END IN SEPTEMBER, 1997.

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THE DAEC CONCLUDED THAT MAJOR ELEMENTS OF THE CPP FALL WITHIN THE PURPOSE OF THE PLANNED WESTERN HEMISPHERE FREE TRADE (WHFT) PROJECT. ACCORDINGLY, THE PROJECT SHOULD BE

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CLOSED OUT BY THE END OF FY96 AND THOSE ELEMENTS INCLUDED WITHIN THE WHFT. THE MANAGEMENT OF SUCH ACTIVITIES (IE THE BALANCE OF USAID/W AND USAID/GUYANA RESPONSIBILITIES) WILL BE WORKED OUT IN THE PROJECT DESIGN PROCESS, AND THE MISSION WILL BE FULLY CONSULTED. IT WAS AGREED THAT THE MISSION'S PREFERRED SOLUTION FOR BOTH THE INCORPORATION OF THE ASSISTANCE INTO THE WHFT AND THE MANAGEMENT ISSUES WILL BE FURTHER DISCUSSED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994. MISSION IS INVITED TO PRESENT A CONCEPT PAPER TO GET THIS DISCUSSION OFF ON THE RIGHT TRACK.

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6. THE REVIEW ALSO FOCUSED ON THE NATURE OF THE USAID FUTURE RELATION WITH THE EASTERN CARIBBEAN (EC) SUB-REGION AFTER CLOSE-OUT. ALTHOUGH THE EC COUNTRIES ARE AT OR APPROACHING MDC STATUS, THEY REMAIN VULNERABLE-- SMALL DOMESTIC ECONOMIES AND NARROW EXPORT BASES, THIN LAYER OF MANAGERIAL AND TECHNICAL SKILLS, FRAGILE PHYSICAL ENVIRONMENTS, ETC. THIS VULNERABILITY IS EXPOSED IN CONDITIONS SUCH AS THOSE UNDER NAFTA, WHERE ONE-WAY MARKET

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ACCESS AND PREFERENTIAL TRADING ARRANGEMENTS UNDER THE CBI DISAPPEAR, AND IN NEGOTIATIONS ON EUROPEAN BANANA IMPORTS, WHERE THE LOSS OF CONCESSIONAL MARKETS COULD IMPACT THE ECONOMIES OF THE OECS, POSSIBLY CAUSING A DISLOCATION OF THE WORK FORCE.

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7. FTE/STAFFING ISSUES: IN ITS CLOSE-OUT PLANNING, THE MISSION PAID CAREFUL ATTENTION TO LINKING STAFF REDUCTIONS TO PORTFOLIO REDUCTIONS. WHILE FY96 FTE LEVELS SHOULD NOT BE A PROBLEM, SERIOUS QUESTIONS DEALING WITH STAFFING AND PROPOSED FTE LEVELS FOR FY95 WERE RAISED. RDO/C LEVELS EXCEED THE LEVELS CONTAINED IN THE BUREAU BUDGET SUBMISSION (BBS). THE MISSION'S REQUIREMENT OF 5.9 FTES IN FY95 EXCEEDS LAC'S CEILING OF 5.0 FTES. ALSO, IT WAS REPORTED THAT A COMMITMENT HAD BEEN MADE, WITHOUT SUFFICIENT CONSULTATION WITH THE BUREAU OR MISSION, THAT THE RCO POSITION WOULD BE PULLED IN SUMMER 1994. THE MISSION DIRECTOR WAS ADAMANT THAT THE FTE CEILING BE MAINTAINED AT 5.9 AND THAT THE RCO POSITION REMAIN IN BARBADOS THROUGH FY96 IN ORDER TO CONTINUE WITH ORDERLY CLOSE-OUT ACTIVITIES WHILE AT THE SAME TIME MANAGING ITS REDUCED, BUT STILL SIZEABLE, PORTFOLIO. THE DAEC CONCURRED WITH THE MISSION'S POSITION ON THE RCO. THE MISSION DIRECTOR WILL SEND A MEMORANDUM TO THE AA/LAC DESCRIBING THE CIRCUMSTANCES AND DISCUSSIONS HELD IN REFERENCE TO THE RCO POSITION. LAC WILL SUPPORT A

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REASONED ARGUMENT FOR MAINTENANCE OF CONTRACT, CONTROLLER, AND EXEC OFFICER SERVICES FOR THE PERIODS NEEDED BY RDO/C DURING THIS DIFFICULT CLOSE-OUT EXERCISE. ON THE BROADER QUESTION OF FTE'S, THE BUREAU IS REANALYZING THE EXTENT TO WHICH FTE UTILIZATION RATES ACROSS ALL OVERSEAS UNITS MAY ALLOW FRACTIONAL DISCREPANCIES, SUCH AS THIS ONE, TO BE ACCOMMODATED. WE WILL ADVISE RESULTS OF THE REVIEW. HOWEVER, THE FTE CEILING OF 5 FOR FY95 CANNOT BE FURTHER ADJUSTED.

8. THE MISSION REQUESTED THAT THE GUYANA NAD: QUOTE STRENGTHENING DEMOCRACY UNQUOTE (504-0105) RECEIVE INFORMAL REVIEW SO THAT USAID/GUYANA CAN PROCEED WITH THE ELABORATION OF ITS POD. THE ORIGINAL NAD, REVIEWED IN JANUARY 1994, FOCUSED SOLELY ON THE SUPPLY SIDE OF STRENGTHENING DEMOCRACY IN PARLIAMENT AND LOCAL GOVERNMENT. THE REVISED NAD WAS DESIGNED TO BE MORE FLEXIBLE IN RESPONDING TO GOG REQUESTS AND INCLUDES A THIRD COMPONENT BY INCORPORATING NGOS TO COVER CIVIL SOCIETY, OR THE DEMAND SIDE OF GOOD GOVERNANCE. THE BUREAU FELT THAT THE MISSION DID A GOOD JOB OF PRIORITIZING AND REFOCUSING THE REVISED NAD. THE MISSION WAS REMINDED TO ENSURE THAT THE GUYANESE HAVE OWNERSHIP IN THE PROJECT SINCE IT WAS NOT CLEARLY CONVEYED IN THE NAD. THE DAEC AGREED THAT THE NAD SHOULD BE INCLUDED IN THE GUYANA POD, WITH FORMAL REVIEW OF THE NAD TO BE SCHEDULED DURING THE GUYANA ACTION PLAN REVIEW IN JUNE 1994.

9. THE MISSION WAS CONGRATULATED ON THE QUALITY OF THE OPERATIONAL CLOSE-OUT PLAN THAT IT PRESENTED TO THE BUREAU. THE PLAN WAS ACCEPTED AS PRESENTED ON THE CONDITION THAT CHANGES MAY BE NECESSARY PENDING THE RESOLUTION OF THE ISSUES CITED ABOVE. ANY CHANGES REQUIRED WILL BE REQUESTED VIA SEPTTEL.

10. THE CLOSE-OUT PLAN MUST BE APPROVED BY THE AGENCY CLOSE-OUT COORDINATOR. THE RESULTS OF THE CLOSE-OUT MEETING WILL BE COMMUNICATED VIA SEPTTEL.

YY

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ADDITIONAL CLEARANCE:

AID/LAC/DPP:RMEEHAN
AID/GC/LAC:RMEIGHAN
AID/LAC/DI:KSCHOFIELD

UNCLASSIFIED

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March 24, 1994

INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, LAC

FROM: LAC/DR, Eric Zallman

SUBJECT: USAID/RIO/C FY 1995-1996 Action Plan Review

The subject review will begin at 2:00 PM on Friday, March 25, 1994, in the LAC Conference Room (Rm. 2248 NS).

An Issues Meeting was held on Wednesday, March 23, 1994, during which the Mission Director for USAID/RIO/C met with AID/W staff to identify issues which need to be brought forward for consideration by the AA/LAC and senior LAC Bureau staff.

I. Performance and Resource Requirements

A. Country Performance and Political Conditions

Six countries of the Organization of Eastern Caribbean States (OECS) receive the majority of Caribbean regional funds (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines). These widely dispersed island nations are quite small, with a total population of approximately 600,000.

All the English-speaking countries of the Eastern Caribbean are functioning democracies with multiparty political systems and freely and openly elected parliamentary governments. Basic human rights are universally enjoyed on a level that is rare in the developing world. However, their weak institutions, inadequate policies, narrow revenue base, reliance on single sectors or exports for public capital and foreign exchange, and the regular occurrence of natural disasters render these small economies highly vulnerable.

The movement toward Eastern Caribbean regional political integration is very slow. The OECS and the Caribbean Community (CARICOM) continue to play an important role in economic integration to address the common problems of the sub-region. However, neither organization to date has leveraged policy reform which would harmonize laws and regulations affecting trade and investment. The region continues to enjoy a free press and unions are active.

The eastern Caribbean is one of the world's fastest growing regions.¹ Despite these countries' success in maintaining modest-to-strong growth rates, their small size and limited human and physical resource base: (a) leave them extremely vulnerable to external shocks; (b) preclude economies of scale in production for the domestic and international markets and in the provision of essential services and economic infrastructure; and (c) contribute to a lack of competitiveness owing to the small number of producers within each country. Much of its growth can be attributed to a steady increase in the export of goods and non-factor services. The leading element in non-factor services has been tourism, which in some countries of the region (St. Kitts, St. Lucia, St. Vincent) accounts for as much as one-third of GDP. Preferential trade arrangements have also been an important contributor to the region's expanding trade. Prominent among these arrangements have been the Caribbean Basin Initiative, the Generalized System of Preferences, Canada's CABIBCAN, and the EC's Lome Convention. External developments benefitting the region in recent years include relatively low inflation worldwide, expanding world trade, a decline in real international interest rates, and the depreciation of the US dollar relative to its major trading partners.

While growth rates and external factors have been encouraging, significant problems remain. Beginning in 1990, the overall terms of trade of the eastern Caribbean countries worsened. In particular, Caribbean countries experienced real increases in the petroleum costs and real decreases in the prices of their main export commodities. The effects of the worsening terms of trade and declining commodity prices were, however, largely offset by the above mentioned positive developments. Several countries, particularly St. Vincent, St. Lucia, and the Grenadines, were able to weather adverse economic trends through the pursuit of sound economic policies. Grenada, on the other hand, expanded effective demand for the purpose of maintaining growth in the face of adverse external conditions. This strategy had to be followed by a stabilization program that sharply curtailed the growth in output.

The region's economies remain overly dependent on official capital flows to maintain external balance. This may not be sustainable. There is a recognized need for improved management of public finances in several countries (Dominica, Grenada, and St. Kitts and Nevis). These improvements will be critical to the promotion of macroeconomic stability and the creation of a favorable investment climate. They are important to fostering

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supply response to sectoral level reforms. Those countries in the Caribbean with domestic imbalances need to quickly eliminate their overall public sector deficits and eventually produce fiscal surpluses that will reduce their debt overhangs, control inflation, and cease displacing the private sector. The various private sectors need to generate savings in amounts adequate to finance long-deferred public investments.

According to the World Bank Atlas classifications, the Caribbean region is one of the wealthiest in the developing world and falls into the group of "middle income countries". Despite that favorable rating, a definite gap exists between the region's human resource potential and the extent to which it is being developed. In the Caribbean, as in the less developed regions of the world, the social infrastructure has deteriorated due to inadequate recurrent budgetary allocations for basic social services. The result has been a documented decline in health and nutrition standards, particularly among children.

On average, Caribbean countries budgeted approximately 8 percent of GDP in the 1980s to finance the current expenditures of their social sectors. The distribution of these expenditures range between 2 to 5 percent of GDP on education, 2 to 4 percent on health, and about 1 percent on social security and welfare. Most Caribbean countries have safety nets that include social security benefits, food subsidies, and public works programs for the poor. The coverage and financial integrity of these programs came under increasing pressure throughout the 1980s as governments diverted funds to finance fiscal deficits.

B. Program Performance

The RIO/C strategy, approved in September 1992, has two Strategic Objectives (SOs):

- 1) Increased and diversified trade; and,
- 2) Improved natural resource management.

With the decision to close the Mission in 1996, no new starts are planned, recently initiated activities have been scaled back and others modified, and the focus of activities has been directed toward achieving Program Outcomes (POs). The Mission will focus on an orderly closeout of the program.

Strategic Objective 1: Increased and Diversified Trade.

Overall, progress is consistent with the targets set. Data is available for POs for the first full year since the baseline, but data has not yet been reported for the SO. PO 1.1, Improved policy framework implemented, reached its 1993 target to reduce the level of the Common External Tariff average ceiling rate to 40 percent. PO 1.2, Improved regulatory framework developed and

enacted, reached its target for legislation developed, but none is yet enacted. PO 1.3, Increased dollar value of AID-assisted non-traditional agriculture exports, is expected to be on target at \$7 million for 1993. PO 1.4, Improved public and private sector managerial and technical base, outpaced 1993 targets for private sector men trained (486 with short term training versus 372 targeted), but fell short of short term training targets for women (372 versus 515 targeted). Likewise targets for long term training were met for men (21), but only half of the target of 14 women was achieved. Achievements in 1993 for public sector personnel receiving short term training (17 men and 13 women) were less than half the targeted level while long term training was nearly double the level targeted (22 men and 14 women).

Strategic Objective 2: Improved Natural Resource Management.

The ENCORE project commenced at the end of FY 91, therefore, it is still early to report results. However, progress is reported for several Program Outcome indicators. SO targets for national environmental coordinating committees were achieved, with two being established. PO 2.1, Improved natural resource management, showed no progress for 1993 in the number of OECS countries with environmental laws translated into regulations or the number of OECS countries with environmental plans. However, PO 2.2, Environmentally sound agricultural products and practices developed, reached its 1993 target of 10 percent of farmers using agricultural practices or crops with positive economic returns, and achieved 4 of the targeted 5 environmentally sound practices developed and disseminated. PO 2.3, Increased local participation in the management and use of natural resources, was achieved for ten of the targeted twenty communities with activities implemented through community management, but six local committees were established, two more than targeted. PO 2.4, Improved public and private sector capacity to manage natural resources, met the expected level of two NGOs and other private organizations in environmental activities. Targets for 1993 were achieved for long term and short term training for men (250 and 11 respectively) and for short term training for women (140) in environment. A total of four women participated in long term training, two short of the six planned.

Other Activities

Activities outside the SOs, primarily related to population and health, were not reported on by indicators. These activities related primarily to population and health. The Drug Abuse Prevention and Education project supported NGO efforts to focus public attention drug and alcohol abuse. The Population and Development project has strengthened the Caribbean Family Planning Affiliation and contributed to an increase in contraceptive prevalence from 30 to 55 percent over the last 10 years. The Basic Needs Trust Fund provided for some 250 local

projects in education, health, water supply, roads, and day care, generating 11,000 person weeks of employment.

C. Selected Aspects of Mission Management

1. **Strategic Objective (SO) Performance Measurement:** The FY 94/95 Action Plan SO 1, Increased and Diversified Trade was rated by CDIE at level 3, expected results set; SO 2, Improved Natural Resource Management, was rated level 2, indicators set. As the Mission noted in the Action Plan Overview, the FY 95/96 Action Plan reported only on some results at the PO level. Further, the current indicators do not sufficiently reflect current Agency emphases on people level impact and poverty reduction. Due to time and resource constraints the Mission does not plan to add new indicators but rather to rely on narrative and anecdotal reporting. The Mission's "Other Activities" have no indicators at all. Appropriate guidance is needed for a close-out mission such as RIO/C to balance the reduced mission time and resources available for establishing indicators and collecting and reporting data against the need for assessing and reporting the achievement of mission programs.

2. **Mortgage and Pipeline Status:** The project portfolio pipelines were examined and found to be manageable. The pipeline for RIO/C at the end of FY93 was \$40 million for 19 active projects, representing 23 percent of funds obligated and in line with normal projections and the higher budgets of previous years. The Mission expects that the pipeline will be reduced by nearly half in FY94, to approximately \$21 million in the ten projects that will still be active.

The total mortgage is \$19.28 million, or approximately ten percent of total active project LOP (\$189.37 million). The ratio of mortgage to planned FY94 obligations is 5.1. The Mission states that at least \$4.5 million in additional program funds are required in both FY95 and FY96 to meet minimal mortgage requirements. The bulk of these funds will be needed for three projects: TROPRO, Caribbean Policy Project and Health Care Policy Planning and Management (HCPPM).

3. **OE Budget and FTE Profile:** No OE or US/TCN PSC issues exist for RIO/C. Issue #4 addresses a remaining FTE issue.

4. **Audit Recommendation Status:** There are no outstanding audit issues for RIO/C.

5. **Internal Control Assessment (ICA) Recommendation Status:** Internal Control recommendations are being implemented on schedule.

Actual and Proposed Assistance Levels

<u>Source</u>	Actual			Action Plan		
	FY 93	FY 94	FY 95	FY 94	FY 95	FY 96
POP	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL DA	11,760	3,750	4,095	3,750	4,500	4,345
ESF	0	0	0	0	0	0
PL480 II	0	0	0	0	0	0
PL480 III	0	0	0	0	0	0
TOTAL	11,760	3,750	4,095	3,750	4,500	4,345

Projects with poverty⁴ alleviation components:

<u>PROJECT</u>	<u>LOP FUNDING</u>
Small Enterprise Assistance	\$4.283 million

II. Issues Meeting: Issues resolved during the Issues Meeting are summarized below. *(To be completed after the Issues Meeting)*

III. Action Plan Issues

1. Issue: Although the Action Plan provides for full closure of the USAID office by June, 1996, the Mission proposes that three bilateral projects (Environment and Coastal Resources--"ENCORE", Health Care Policy Planning and Management--"HCPPM", and Caribbean Policy Project--"CPP") continue beyond close-out to their current planned completion dates with residual responsibility transferred to USAID/Guyana, USAID/Jamaica, LAC/W, or Global Bureau. Do the projects meet the specific criteria outlined in the draft PPC guidance to continue beyond the 1996 Mission close-out? What exceptions might be made on the grounds of foreign policy or regional program needs? What steps are needed to bring the Close-out Plan into compliance with the requirements? Can any of the activities be moved forward and concluded in FY96 in order to not conflict with the close-out timing while at the same time not negatively impacting SO accomplishment? May the Mission continue the HCPPM project beyond close-out to its PACD of 9/30/97? Should the CPP and ENCORE projects also be continued to their planned PACDs (12/31/97 and 9/30/97, respectively)? Is it feasible to

⁴For the purposes of this Action Plan review, poverty alleviation is defined to be assistance of the provision of goods and/or services which explicitly target low income individuals.

transfer residual responsibility for these projects as the Mission proposes? Also related to the continuation of the above three projects is the requirement for budget resources in FY96. The Bureau has indicated that it would not provide funding to a mission in the same FY as the close-out date. Does the Mission's FY96 funding request for these three projects run counter to the Agency's close-out policy? (Mission; LAC/DPP)

Discussion: The activities below are programmed to continue beyond the end of FY96 and need to be examined as possible exceptions to the guidance. Where activities do not qualify for categorical exceptions per the draft PPC guidance, a decision will be required on a case-by-case basis. The Action Plan states that the projects cited above are activities of great importance to the Eastern Caribbean. All are FY91 or FY92 starts and involve significant policy reform processes not amenable to closing out early. Furthermore, all three have been or can be configured to minimize residual management burden for the missions or bureaus which would assume responsibility.

The Health Care Policy Planning and Management project falls under Other Activities outside the Mission strategic objectives and no program outcomes or indicators are set to monitor performance. The project was begun in FY93 and is scheduled to end in FY97, one year after Mission close-out. The Mission proposes that USAID/Jamaica, or the LAC or Global Bureaus, take responsibility for the final 18 months of the project. The small amount of performance information in the Action Plan does not provide a basis for assessing the importance of this project to the region and rationale for continuing it beyond Mission close-out. The Mission should provide more information, set program outcomes and performance targets, and a rationale for continuing the activity.

Likewise, the Mission proposes continuing the Caribbean Policy Project under the responsibility of the Guyana Mission, and the Environment and Coastal Resources Project under the responsibility of the Jamaica Mission, LAC or Global Bureaus. The CPP is a centerpiece of the Mission's SO of helping the region increase and diversify trade. ENCORE is the major activity supporting RIO/C's natural resources SO. While these projects are in the Mission strategic objectives, their proposed continuation should be reviewed both in terms of the need for the activities in the region in light of the draft PPC guidance and the capacity of the responsible missions to take on supervision of additional projects.

2. Issue: How can the Mission improve assessment of program outcomes and final evaluation of the impact of the RIO/C program? Are there specific programs where there is a "story to tell" and that could provide valuable lessons learned for the

Agency? What sources of assistance for evaluation of RIO/C programs can be identified? (LAC/DPP)

Discussion: The Mission indicates that it will report only on program outcomes due to reduced time and staff. The Mission also has sought assistance for a final evaluation which the Mission cannot carry out due to funding levels and heavy mortgage requirements. While limited time and resources do pose constraints on the Mission ability to carry out performance monitoring and impact evaluation, these do need to be assessed and reported. To what extent should the need for impact assessment be limited or balanced against other needs to use time and resources for program implementation and close out? Can LAC, Global, or PPC/CDIE provide assistance? (LAC/DPP)

3. Issue: Given the impending close-out, is RIO/C taking appropriate steps to ensure that the many NGOs supported under existing projects will have sufficient funding from other sources (other donors, private sector, governments, internally generated, etc.) to continue their activities after the cessation of USAID funds? Examples of such organizations would include the Center for Management Development, Caribbean Family Planning Affiliation, and the many National Development Foundations of the region. (LAC/EHR)

Discussion: The issue of building sustainable organizations in countries with such small populations as are found in the Eastern Caribbean has always been a tremendous challenge for RIO/C. Opportunities for the private sector, government and individuals to support local NGOs are severely hampered by the limited number of potential contributors in the region. This challenge is ever more difficult today with the anticipated reductions in planned LOP funds and the scheduled close-out of the Mission in FY96. In order to protect the value of USAID's investments in NGOs of the region, it is important to know exactly how RIO/C intends to strengthen their prospects for sustainability during the phase-down period.

4. Issue: In its close-out planning, the Mission has paid careful attention to linking staff reductions to portfolio reductions. While FY96 FTE levels should not be a problem, questions dealing with staffing and proposed FTE levels for FY95 remain. RIO/C exceeds the levels contained in the Bureau Budget Submission (BBS). The Mission's requirement of 5.9 FTEs in FY95 does not follow LAC's ceiling of 5.0 FTEs. How can the Mission conform with current allotted FTE levels while continuing with orderly phase-out plans while at the same time adequately managing its reduced, but still sizeable, portfolio? (Mission; LAC/DPP)

Discussion: Recently revised plans call for RIO/C organizing into management and program units. These plans include the controller staying in Barbados, the deputy controller position being eliminated, and the RCO position being pulled in summer 1994. This will enable the Mission to conform with the 5.0 FTEs allotted. In eliminating the RCO position, the Washington contracts office maintains that it can provide support to RIO/C based on the proximity of the field to Washington. This, coupled with some RCO functions being transferred to USAID/DR, should enable the Mission to meet the demands for close-out contracting services on a timely basis. Can USAID/W meet this demand? What will be the exact type and amount of support provided by the USAID/W contracts office to RIO/C?

5. Issue: What should the nature of USAID's future relation with the Eastern Caribbean (EC) countries be after close-out? The designation of the EC as a "non-presence" country implies to some an expectation that USAID will continue to provide assistance to those nations, albeit without a physical mission presence. The vulnerability of the small countries of the EC and their proximity to the U.S. may warrant future assistance. Will USAID continue to provide economic development assistance to the Eastern Caribbean subregion and, if so, what are its likely level and content, and how would it be delivered? Would the Eastern Caribbean nations participate in any future LAC Regional or centrally-funded projects? If so, would these potential activities meet the criteria in PPC's draft guidance on continuing activities in close-out countries because they are "truly regional" in nature or are of "highest priority" to USAID and the Department of State? (Mission; LAC/DR)

Discussion: Although the Eastern Caribbean countries are at or approaching MDC status, they remain vulnerable-- small domestic economy and narrow export base, thin layer of managerial and technical skills, fragile physical environment, etc. This vulnerability is exposed in actions taken by the U.S., for example, in NAFTA, where one-way market access and preferential trading arrangements under the CBI disappear, as well as in negotiations on European banana imports, while poverty, political instability, and environmental degradation in these close neighbors threaten U.S. well-being even more than when they occur in more remote parts of the world. The U.S. is interested in a democratic and economically, socially and politically stable subregion, with which it can enjoy strong and cordial economic, social and political ties. Consequently, future U.S. assistance via centrally-funded or regional projects to the subregion merits serious consideration.

6. Issue: RIO/C has requested that the revised Guyana NAD "Strengthening Democracy" (504-0105) be reviewed as part of its

Action Plan and Close-out Plan review. Are budget resources sufficient to undertake this project as outlined in the revised NAD? Does the GOG have the political will to implement all the activities proposed for the project? If not, how would the Mission prioritize and refocus activity design and implementation?

Discussion: The Guyana NAD, "Strengthening Democracy", proposes training for Parliament members and staff as well as for regional, municipal, and local government personnel. The NAD was originally reviewed as part of the Guyana Interim Program Strategy in January, 1994 as a FY95 new start. At that time, given the uncertain but lower than expected resource and staff levels, the DAEC determined that the NAD should be deferred until FY95. Also, the Mission would submit the NAD as part of its FY95-96 Action Plan. However, the Mission is submitting a revised NAD and moving up the proposed initial obligation to FY94. Have the issues from the recent Guyana Interim Strategy review, as discussed and reported in State 035766 and repeated above, been adequately addressed in the revised NAD?

New Activity Descriptions

Activity Number	Activity Name	Incrmnt (\$000)	LOP (\$000)	Included in FY 94-95	Recommended Action
FY 94					
None					
FY 95					
None					
FY 96					
None					

IV. Attachments:

- A. Financial Summary Table (FY 93 SAR)
- B. Mortgage and Pipeline Analysis
- C. Activity Timeline (Table 2 from AP)

March 23, 1994

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FROM: LAC/DR, Eric Zallman

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Issue is pull out of ^{Region} Contract offices by OP

Is developing a world-wide environmental project

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C. Selected Aspects of Mission Management

1. **Strategic Objective (SO) Performance Measurement:** The FY 94/95 Action Plan SO 1, Increased and Diversified Trade was rated by CDIE at level 3, expected results set; SO 2, Improved Natural Resource Management, was rated level 2, indicators set. As the Mission noted in the Action Plan Overview, the FY 95/96 Action Plan reported only on some results at the PO level. Further, the current indicators do not sufficiently reflect current Agency emphases on people level impact and poverty reduction. Due to time and resource constraints the Mission does not plan to add new indicators but rather to rely on narrative and anecdotal reporting. The Mission's "Other Activities" have no indicators at all. Appropriate guidance is needed for a close-out mission such as RDO/C to balance the reduced mission time and resources available for establishing indicators and collecting and reporting data against the need for assessing and reporting the achievement of mission programs.

2. **Mortgage and Pipeline Status:** The project portfolio pipelines were examined and found to be manageable. The pipeline for RDO/C at the end of FY93 was \$40 million for 19 active projects, representing 23 percent of funds obligated and in line with normal projections and the higher budgets of previous years. The Mission expects that the pipeline will be reduced by nearly half in FY94, to approximately \$21 million in the ten projects that will still be active.

The total mortgage is \$19.28 million, or approximately ten percent of total active project LOP (\$189.37 million). The ratio of mortgage to planned FY94 obligations is 5.1. The Mission states that at least \$4.5 million in additional program funds are required in both FY95 and FY96 to meet minimal mortgage requirements. The bulk of these funds will be needed for three projects: TROPRO, Caribbean Policy Project and Health Care Policy Planning and Management (HCPPM).

3. **OE Budget and FTE Profile:** No OE or US/TCN PSC issues exist for RDO/C. Issue #3 addresses a remaining FTE issue.

4. **Audit Recommendation Status:** There are no outstanding audit issues for RDO/C.

5. **Internal Control Assessment (ICA) Recommendation Status:** Internal Control recommendations are being implemented on schedule.

6. **Special Concerns for Closeout Countries:** Although the Caribbean Leadership Development Project, like the CLASP II project to which it is linked, has a PACD of 9/30/98, USAID/RDO/C does not plan any further CLASP training beyond FY96. Regional Management Training will end in the first quarter of FY96 with the return of the last participant from long-term training. CASS training through Georgetown University contemplates approximately 40 participants from the region in FY94. Although all participants are slated to return prior to Mission close-out, LAC may want to confer with M Bureau as to the advisability of such a large group receiving U.S. training as Mission close-out approaches. There are no planned or ongoing contraceptive procurement activities in RDO/C which will go beyond close-out. Three projects potentially slated beyond the FY96 close-out are addressed in Issue #1.

D. Program Budget Requirements (DPP)

Actual and Proposed Assistance Levels by Agency Priority

Use	(\$000)					
	Actual		OYB		Action Plan	
	FY 93	FY 94	CP FY 95	FY 94	FY 95	FY 96
DEMOCRACY	0	0	0	0	0	0
POP/HEALTH	1,128	0	1,570	1,000	1,500	1,295
ECON GROWTH	8,532	1,342	1,830	2,450	2,300	2,450
ENVIRONMENT	2,100	2,408	695	300	700	600
TOTAL	11,760	3,750	4,095	3,750	4,500	4,345

Actual and Proposed Assistance Levels

Source	(\$000)					
	Actual		OYB		Action Plan	
	FY 93	FY 94	CP FY 95	FY 94	FY 95	FY 96
POP	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL DA	11,760	3,750	4,095	3,750	4,500	4,345
ESF	0	0	0	0	0	0
PL480 II	0	0	0	0	0	0
PL480 III	0	0	0	0	0	0
TOTAL	11,760	3,750	4,095	3,750	4,500	4,345

Projects with poverty² alleviation components:

²For the purposes of this Action Plan review, poverty alleviation is defined to be assistance of the provision of goods and/or services which explicitly target low income individuals.

PROJECT

Small Enterprise Assistance

LOP FUNDING

\$4.283 million

II. Issues Meeting: Conclusions from the Issues Meeting are:

Final Evaluation of the Impact of the RDO/C Program: The Mission agreed that there is a valuable "story to tell" on USAID's nearly 17 years of involvement in providing development assistance to the island nations of the EC. Furthermore, RDO/C believes that significant lessons can be learned by assessing the impact on the poor, the improvements in the islanders' quality of life, access to markets for small farmers, infrastructure improvements, tourism, and training in management skills improvement. Therefore, it was agreed that an impact evaluation of the program is warranted with its nature, timing, and scope to be worked out in the near future. The Bureau agreed to work with CDIE on the scope and design with a commitment to attempt to find funding to conduct such an evaluation. At a minimum, the evaluation will encompass training and other types of people-level impact, including gender.

Ensuring Sustainability of NGOs: The issue of building sustainable organizations in countries with such small populations as are found in the Eastern Caribbean has always been a tremendous challenge for RDO/C. Although the Mission stated that many NGOs and PVOs are on the path to self-sustainability, opportunities for the private sector, government and individuals to support local NGOs are severely hampered by the limited number of potential contributors in the region. The Mission is dedicating time and effort to identifying and leveraging resources from other donors to support these organizations, but notes that all major donors are retracting resources from the region. The many National Development Foundations (NDFs) are 80-90 percent self-sustaining. Although a success story, the NDFs are still in need of a capital base to achieve full sustainability. The Center for Management Training, currently on the path to sustainability, is advocating for private sector support while receiving fees for training. No support has yet been identified for the Caribbean Family Planning Affiliation. LAC/DR will attempt to assist in donor support leveraging. Finally, although the Mission stated that there are not currently any organizations in danger of collapsing when the USAID Mission closes, the degree to which groups such as ECUADEF, for example, will be functional is still in question.

Preparation of Operational Close-out Plan: The Mission will prepare an operational close-out plan which will be transmitted to USAID/W by June 1994.

III. Action Plan Issues

1. Issue: The Mission proposes that three bilateral projects (Environment and Coastal Resources-- "ENCORE", Health Care

Policy Planning and Management--"HCPPM", and Caribbean Policy Project-- "CPP") continue beyond close-out to their current planned completion dates with residual responsibility transferred to USAID/Guyana, USAID/Jamaica, LAC/W, or Global Bureau. The funding required for a one year extension is about \$4 million, which is proposed for FY96 funding. Should the projects be extended?

Discussion: The Mission believes that the projects are activities of great importance to the Eastern Caribbean. All are FY91 or FY92 starts and involve significant policy reform processes not amenable to closing out early. The Mission maintains that to close each project short of its normal PACD would be a waste of political capital and U.S. development assistance funds. Furthermore, RDO/C has spent the past several years working with the EC in trade liberalization, environment and health care, and the region is not yet in a position to move forward on its own. Since the EC nations are still in transition, they are not yet competitive, and therefore, abandoning these projects short of PACD would not enable the U.S. to accomplish its political agenda in the region. All three projects have been or can be configured to minimize residual management burden for the missions or bureaus which would assume responsibility.

Do the projects meet the specific criteria outlined in the draft PPC guidance to continue beyond the 1996 Mission close-out? What exceptions might be made on the grounds of foreign policy or regional program needs? Can any of the activities, or elements of those activities, be accelerated, compressed, or concluded in order to not conflict with the FY96 close-out without negatively impacting SO accomplishment? Is it feasible to transfer residual responsibility for these projects as the Mission proposes?

- o **Caribbean Policy Project (CPP):** The Mission proposes continuing the Caribbean Policy Project to its PACD of September 1997 under the responsibility of the Guyana Mission or as a component of a LAC/W regional project. Major elements of this activity include customs and tariff revamping, diagnostics for the CDB-IDB Multi-lateral Investment Fund (MIF), and economics statistics strengthening.

The Mission's reasons are that CPP is a centerpiece of the Mission's SO of helping the region increase and diversify trade and was designed in concert with U.S. foreign policy objectives to help countries move towards hemispheric free trade. State and others are concerned that the interim program for CBI countries to achieve NAFTA parity will not benefit the island nations of the EC sub-region. USAID made a commitment to the IDB to support CPP in addressing policy reforms. Without CPP, the EC will not be able to access CDB-IDB MIF funding. Can this project be continued beyond close-out to its PACD on the grounds of foreign policy needs?

- o **Health Care Policy Planning and Management Project (HCPPM):** The Project falls under Other Activities outside the Mission strategic objectives and no program outcomes or indicators are set to monitor performance. The project was begun in FY93 and is scheduled to end in FY97, one year after Mission close-out. The Mission proposes that USAID/Guyana, or the LAC or Global Bureaus, take responsibility for the final 18 months of the project. The Mission's reasons for the proposed extension are that the project is very high profile and has generated great enthusiasm from leaders in the EC over the prospect of rationalizing and increasing efficiency in financing health care. HCPPM encompasses three major elements: analytical diagnostic studies, applied research, and training dissemination. Due to the nature of this project, further cuts and acceleration of activities is not possible without a total redesign. Does this project warrant a Bureau recommendation for continuation beyond Mission close-out?

- o **Environment and Coastal Resources Project (ENCORE):** ENCORE is the major activity supporting RDO/C's natural resources SO and is tailored to meet current Agency priorities. Through the involvement of NGOs, including one U.S.-based NGO, the project stresses community-based involvement in environmental activities through empowerment of the poor and embodies the environmental and participatory focus of the Administration. Of the three major elements of the project (awareness, environmental laws, and local site activities), only the awareness effort can be accelerated to finish in FY96.

ENCORE contributes to GEF, which makes it a highly visible activity. Additionally, ENCORE has been included as one of USAID's largest contributions to the U.S. Coral Reef Initiative, a world-wide activity still in design by G Bureau in conjunction with the regional bureaus. If RDO/C were forced to drop ENCORE before its September 1997 PACD, it is not clear that all of those activities would be continued through the Coral Reef Initiative. Do the above arguments provide sufficient justification to continue ENCORE beyond the Mission's FY96 close-out?

2. Issue: What should the nature of USAID's future relation with the Eastern Caribbean (EC) countries be after close-out?

Discussion: Although the Eastern Caribbean countries are at or approaching MDC status, they remain vulnerable-- small domestic economy and narrow export base, thin layer of managerial and technical skills, fragile physical environment, etc. This vulnerability is exposed in actions taken by the U.S., for example, in NAFTA, where one-way market access and preferential trading arrangements under the CBI disappear, while poverty, political instability, and environmental degradation in these close neighbors

threaten U.S. well-being even more than when they occur in more remote parts of the world. The U.S. is interested in a democratic and economically, socially and politically stable subregion, with which it can enjoy strong and cordial economic, social and political ties. Consequently, future U.S. assistance via centrally-funded or regional projects to the subregion merits serious consideration. The Mission strongly endorses three areas of interest that USAID should continue to support through regional or global projects: 1. Trade liberalization through WHFTA and MIF; 2. Environment through the Coral Reef Initiative; and, 3. Poverty reduction through an as of yet undetermined linkage with centrally-funded or regional projects.

3. Issue: In its close-out planning, the Mission has paid careful attention to linking staff reductions to portfolio reductions. While FY96 FTE levels should not be a problem, serious questions dealing with staffing and proposed FTE levels for FY95 remain. RDO/C exceeds the levels contained in the Bureau Budget Submission (BBS). The Mission's requirement of 5.9 FTEs in FY95 does not follow LAC's ceiling of 5.0 FTEs. How can the Mission conform with current allotted FTE levels while continuing with orderly phase-out plans while at the same time adequately managing its reduced, but still sizeable, portfolio?

Discussion: Recently revised plans call for RDO/C organizing into management and program units. Current plans include the controller staying in Barbados, the deputy controller position being eliminated, and the RCO position being pulled in summer 1994. This will enable the Mission to conform with the 5.0 FTEs allotted. In eliminating the RCO position, the Washington contracts office maintains that it can provide support to RDO/C based on the proximity of the field to Washington. This, coupled with some RCO functions being transferred to USAID/DR, should enable the Mission to meet the demands for close-out contracting services on a timely basis. The Mission vehemently opposes transferring the RCO out before close-out and questions the Washington contract office's ability to provide quality support from afar given the large number of contract activities which must be undertaken prior to close-out. The Mission Director will discuss this problem with the M Bureau in a side meeting and it is critical that RDO/C get the support that has been promised. Can USAID/W meet this demand? What will be the exact type and amount of support provided by the USAID/W contracts office to RDO/C if the RCO position is pulled prior to close-out?

New Activity Descriptions

Activity Number	Activity Name	Incrmnt (\$000)	LOP (\$000)	Included in FY 94-95	Recommended Action
FY 94/95/96					
None					

Discussion Point: RDO/C requested informal guidance and comments on the revised Guyana NAD "Strengthening Democracy" (504-0105) during its Action Plan and Close-out Plan review. The NAD will be formally presented as part of the Guyana Action Plan. It proposes training for Parliament members and staff as well as for regional, municipal, and local government personnel. The NAD was originally reviewed as part of the Guyana Interim Program Strategy in January, 1994 as a FY95 new start. At that time, given the uncertain but lower than expected resource and staff levels, the DAEC determined that the NAD should be deferred until FY95. Also, the Mission would submit the NAD as part of its FY95-96 Action Plan. However, the Mission is submitting a revised NAD in order to facilitate decisions needed for the Guyana POD which is currently being elaborated.

The original NAD focussed solely on the supply side of strengthening democracy in parliament and local government. The revised NAD has been designed to be more flexible in responding to GOG requests and includes a third component by incorporating NGOs to cover civil society, or the demand side of good governance. The Mission states that, due to a budget picture different from that of January 1994, this activity can now be funded as a new start in FY95. Comments received during the issues meeting were very favorable and it was felt that the Mission did a good job of prioritizing and refocussing the revised NAD. Is there any added guidance that the Bureau wishes to provide to assist the Mission in finalizing the NAD for the Guyana Action Plan?

IV. Attachments:

- A. Financial Summary Table (FY 93 SAR)
- B. Mortgage and Pipeline Analysis
- C. Activity Timeline (Table 2 from AP)

FINANCIAL SUMMARY OF USAID/RDO/C PORTFOLIO
(APRIL 1, 1993 THROUGH SEPTEMBER 30, 1993)
(\$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.)																		
ACTIVE PROJECTS																																			
STRATEGIC OBJECTIVE 1																																			
504-0099	Guyana Economic Support Fund	B	11-Apr-90	31-Mar-94	87%	55%	4,447	3,152	4,447	0	299	725	1,452	200%	2,447	2,000	2,000																		
504-0104	Agricultural Sector Reform	B	29-Jan-93	30-Jan-96	22%	4%	550	350	350	200	0	0	14	N/A	14	356	120																		
538-0119	Investment Promotion & Export Dev.	B	30-Aug-84	30-Jun-94	92%	90%	17,544 *	0	17,544	0	786	433	185	43%	17,298	248	30																		
538-0133	Small Enterprises Assistance	B	25-Feb-86	30-Sep-94	88%	93%	20,810	2,846	19,304	1,508	1,787	139	1,723	1240%	18,042	1,262	1,200																		
538-0138	IEMS - Core Contract	B	21-May-86	30-Sep-94	88%	100%	4,283	0	4,283	0	309	48	45	94%	4,279	4	4																		
538-0138.01	IEMS - St. Kitts S.E. Peninsula (L)	A	17-Sep-86	30-Sep-93	100%	100%	11,500	0	11,500	0	1	0	0	N/A	11,500	0	0																		
	IEMS - St. Kitts S.E. Peninsula (G)	A	17-Sep-86	30-Sep-93	100%	94%	1,144	0	1,144	0	20	7	3	43%	1,080	64	0																		
538-0138.02	IEMS - Grenada Infrastructure II	B	13-Mar-87	31-Mar-94	93%	96%	8,428	0	8,428	0	723	400	227	57%	8,125	301	200																		
538-0138.07	IEMS - St. Vincent Infrastruct. (L)	A	28-Aug-87	30-Sep-93	100%	100%	1,996 *	0	1,996	0	412	270	287	96%	1,996	0	0																		
	IEMS - St. Vincent Infrastruct. (G)	A	28-Aug-87	30-Sep-93	100%	100%	920 *	0	920	0	569	509	509	89%	940	0	0																		
538-0138.08	IEMS - Regional Utilities Maint.	A	31-Jul-88	30-Sep-95	72%	80%	5,000	0	5,000	0	1,124	220	275	125%	4,429	571	275																		
538-0140	Agricultural Venture Trust	B	20-Jul-88	15-Jul-93	100%	90%	18,707 *	0	18,707	0	2,502	500	1,107	221%	18,553	154	0																		
538-0148	Regional Management Training	C	28-Jul-88	31-Dec-95	76%	53%	5,924	0	5,924	0	3,000	200	123	82%	3,119	2,805	600																		
538-0163	West Indies Tropical Produce	B	29-Sep-89	31-Mar-96	62%	50%	8,300	1,500	8,300	0	3,284	600	962	160%	4,880	3,411	1,100																		
538-0164	Agricultural Research & Extension	B	31-Mar-89	31-Mar-94	90%	77%	5,000	0	5,000	0	1,840	400	410	103%	3,840	1,161	1,000																		
538-0166	Caribbean Law Institute	B	01-Aug-88	31-May-95	78%	64%	5,971	0	5,971	0	2,674	350	659	188%	3,840	2,122	700																		
538-0173	Caribbean Leadership Dev. Training	A	30-Jun-90	30-Sep-96	39%	37%	11,000	1,124	7,424	3,578	5,645	230	1,022	444%	2,700	4,655	400																		
538-0178	Dominica Agric. Sector Support	B	14-Aug-91	28-Sep-94	68%	50%	2,000	0	2,000	0	2,000	500	0	0%	1,000	1,000	1,000																		
538-0184	Caribbean Policy Project	B	21-Sep-92	31-Dec-97	19%	0%	12,000	1,878	4,730	7,270	2,852	300	17	6%	17	4,713	150																		
538-0198	Grenada Technical Assistance	A	30-Sep-92	30-Nov-93	88%	82%	500	0	500	0	500	475	412	87%	412	68	68																		
538-0645	Caribbean Justice Improvement	B	28-Aug-88	30-Sep-94	88%	70%	10,400	400	10,205	195	3,838	400	592	148%	7,133	3,072	700																		
SUBTOTAL STRATEGIC OBJECTIVE 1							81%	156,442	11,250	143,695	12,747	34,124	8,766	10,004	148%	115,738	27,957	9,545																	
STRATEGIC OBJECTIVE 2																																			
538-0171	Environment & Coastal Resources	C	28-Aug-91	30-Sep-97	34%	11%	11,000	2,100	8,000	2,940	5,828	240	391	163%	699	7,161	1,500																		
SUBTOTAL STRATEGIC OBJECTIVE 2							11%	11,000	2,100	8,000	2,940	5,828	240	391	163%	699	7,161	1,500																	
OTHERS																																			
538-0005	Special Development Activities	A	19-Nov-85	30-Sep-95	60%	95%	4,466	185	4,466	0	443	200	175	88%	4,283	203	150																		
538-0039	Population and Development	A	30-Jul-82	27-Jul-94	93%	93%	7,790 *	0	7,790	0	717	250	198	79%	7,276	523	500																		
538-0103	Basic Needs Trust Fund	A	28-Jun-84	28-Jun-94	93%	88%	19,700 *	0	19,700	0	2,737	300	25	8%	17,360	2,320	1,000																		
538-0181	AIDS/Communication & Tech. Asst.	B	30-Sep-88	30-Sep-95	71%	64%	6,998 *	128	6,998	0	2,888	500	137	27%	4,486	2,510	430																		
538-0181	Health Care Policy Planning & Mgt.	B	21-Sep-92	30-Sep-96	25%	2%	5,500	1,000	1,705	3,795	705	200	34	17%	34	1,671	200																		
538-0190	Drug Abuse Prevention & Education	B	31-Jul-92	31-Jul-94	58%	35%	450	0	450	0	450	200	154	77%	158	292	100																		
538-0640	Presidential Training Initiative	B	29-Aug-88	30-Sep-94	88%	98%	16,301 *	0	16,301	0	2,578	1,213	197	16%	16,038	263	0																		
538-0640.17	LAC Training Initiatives II	B	14-Feb-85	30-Sep-94	90%	100%	2,038 *	0	2,038	0	366	106	12	11%	2,026	10	0																		
SUBTOTAL OTHERS							87%	63,252	1,313	59,457	3,795	10,652	2,969	932	31%	51,855	7,792	2,360																	
SUBTOTAL ACTIVE PROJECTS							80%	230,694	14,653	211,212	19,482	50,614	9,075	11,327	114%	158,302	42,910	13,425																	
ACTIVE PROGRAM																																			
SUBTOTAL ACTIVE PROGRAM																																			
TERMINATED PROJECTS																																			
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0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																		

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

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

PROJECT NUMBER/TITLE	FY92				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	1	2	3	4
(538-0119) Investment Promotion and Export Development (IPED)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0133) Small Enterprise Assistance (SEAP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0138) Infrastructure Expansion & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0140) Agriculture Venture Trust (AVT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0148) Regional Management Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0163) West Indies Tropical Produce (TROPRO)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0164) Agriculture Research and Extension (AREP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0165) Caribbean Law Institute	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0173) Caribbean Leadership Development Training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0176) Dominica Agriculture Sector Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0184) Caribbean Policy Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0195) Grenada Technical Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0645) Caribbean Justice Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0171) Environment and Coastal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0039) Population and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0103) Basic Needs Trust Fund (BNTF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0161) AIDS Communication and Technical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0181) Health Care Policy Planning & Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0190) Drug Abuse Prevention & Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(538-0640) Presidential Training Initiative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTS (number) (end of FY 4th quarter)																								

^a IPED was extended six months solely to complete required final audits.

^b Regional Utilities Management Component can end nine months earlier than planned without adverse impact on results.

^c Long term CLASP training has been curtailed and all EC activities under the project will be completed by FY 1996.

^d The project requires extension only to complete St. Kitts Courthouse construction.

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TABLE 1
USAID/RDOC -- PORTFOLIO FIT WITH USAID STRATEGIES (\$ MILLION)
 (LOP AND MORTGAGE DATA AS OF END FY93)

I. Authorized Project Portfolio -- DA and ESF

ECON GROWTH				ENVIRONMENT			POP & HEALTH			DEMOCRACY			OTHER						
A) Strong Fit	LOP	MRTG	FY94	A) Strong Fit	LOP	MRTG	FY94	A) Strong Fit	LOP	MRTG	FY94	A) Strong Fit	LOP	MRTG	FY94				
(0119) IPED	17.54	0.00	0.00	(0171) ENCORE	11.00	2.94	0.00	(0181) Health Care	5.50	3.80	1.00		(0103) Basic Needs Trust Fund	19.70	0.00	0.00			
(0133) SEAP	20.81	1.51	1.51					(0039) Population & Dev.	7.80	0.00	0.00		(0161) AIDS Comm. & Tech. Services	7.00	0.00	0.00			
(0138) IEMS	17.71	0.00	0.00										(0190) Drug Abuse & Prevention	0.45	0.00	0.00			
(0144) Reg. Mgt. Training	5.92	0.00	0.00										(0640) Presidential Trng. Initiative	16.30	0.00	0.00			
(0163) TROPRO	8.50	0.00	1.00										(0005) SDAA	4.47	0.00	0.19			
(0164) AREP	5.00	0.00	0.00										(0000) PDAS			0.05			
(0165) Car. Law Institute	5.97	0.00	0.00																
(0173) Car. Lead. Dev. Trng.	11.00	3.58	0.00																
(0176) Dominca Ag. Sup.	2.00	0.00	0.00																
(0184) Car. Polky Project	12.00	7.27	0.00																
(0185) Granada TA	0.50	0.00	0.00																
(0645) Car. Justice Improv.	10.40	0.20	0.00																
Sub--Total	117.16	12.55	2.51	Sub--Total	11.00	2.94	0.00	Sub--Total	13.30	3.80	1.00	Sub--Total	0.00	0.00	0.00				
B) Secondary Fit				B) Secondary Fit				B) Secondary Fit				B) Secondary Fit							
Sub--Total	0.00	0.00	0.00	Sub--Total	0.00	0.00	0.00	Sub--Total	0.00	0.00	0.00	Sub--Total	0.00	0.00	0.00				
Total	117.2	12.5	2.5	Total	11.0	2.9	0.0	Total	13.3	3.8	1.0	Total	0.0	0.0	0.0	Total	47.91	0.00	0.24
Percent	62%	65%	67%	Percent	6%	15%	0%	Percent	7%	20%	27%	Percent	0%	0%	0%	Percent	25%	0%	7%

TOTAL PROJECT LOP DA AND ESF:	\$189.37
TOTAL MORTGAGE DA AND ESF:	\$19.28
TOTAL FY94 OBLIGATION DA AND ESF:	\$3.75
RATIO MORTGAGE TO FY94 OBLIGATION:	5.1

II. Projects Under Design

FY 94: NONE				
FY 95: NONE				

TABLE 2
USAID/RDOC – PORTFOLIO FIT WITH USAID STRATEGIES (\$ MILLION)
 (LOP AND PIPELINE DATA AS OF END FY93)

I. Authorized Project Portfolio – DA and ESF

ECON GROWTH					ENVIRONMENT				POP & HEALTH				DEMOCRACY				OTHER									
A) Strong Fit	LOP	PIPE	EXP	RATE	A) Strong Fit	LOP	PIPE	EXP	RATE	A) Strong Fit	LOP	PIPE	EXP	RATE	A) Strong Fit	LOP	PIPE	EXP	RATE							
(0119) IFED	17.54	0.25	0.06	4.13	(0171) ENCORE	11.00	7.16	3.00	2.39	(0181) Health Care Pol.	5.50	1.67	0.40	4.18						ERR	(0103) Basic Needs Trust Fund	19.70	2.32	1.50	1.55	
(0133) SEAP	20.81	1.26	1.20	1.05						(0039) Population & Dev.	7.80	0.52	0.52	1.00							(0161) AIDS Com. & Tech. Services	7.00	2.51	0.86	2.92	
(0138) IEMS	17.71	0.88	0.48	1.83																(0190) Drug Abuse Prevention	0.45	0.29	0.20	1.46		
(0144) Reg. Mgt. Training	5.92	2.81	1.20	2.34																(0640) Presidential Trng. Initiative	16.30	0.26	0.10	2.63		
(0165) TROPRO	8.30	3.41	2.20	1.55																(0005) SDAAs	4.47	0.20	0.15	1.33		
(0164) AREP	5.00	1.15	1.00	1.15																(0000) PD&S						
(0165) Car. Law Institute	5.97	2.12	1.40	1.52																						
(0173) Car. Lead. Dev. Trng.	11.00	4.66	0.80	5.82																						
(0176) Dominica Ag. Sup.	2.00	1.00	1.00	1.00																						
(0184) Car. Policy Project	12.00	4.71	0.30	15.71																						
(0195) Grenada TA	0.30	0.09	0.07	1.33																						
(0645) Car. Justice Improv.	10.40	3.07	1.40	2.19																						
Sub-Total	117.16	25.40	11.11	2.29	Sub-Total	11.00	7.16	3.00	2.39	Sub-Total	13.30	2.19	0.92	2.38	Sub-Total	0.00	0.00	0.00	ERR							
B) Secondary Fit					B) Secondary Fit					B) Secondary Fit					B) Secondary Fit					ERR						
Sub-Total	0.00	0.00	0.00	ERR	Sub-Total	0.00	0.00	0.00	ERR	Sub-Total	0.00	0.00	0.00	ERR	Sub-Total	0.00	0.00	0.00	ERR							
Total	117.2	25.4	11.1	2.3	Total	11.0	7.2	3.0	2.4	Total	13.3	2.2	0.9	2.4	Total	0.0	0.0	0.0	ERR	Total	47.92	5.59	2.81	1.99		
Percent	62%	63%	62%			6%	18%	17%			7%	5%	5%			0%	0%	0%			25%	14%	16%			

TOTAL PROJECT LOP DA AND ESF:	\$189.37
TOTAL PIPELINE DA AND ESF:	\$40.35
TOTAL FY93 EXPEND RATE DA AND ESF	\$17.84
YEARS TO EXPEND PIPELINE:	2.3

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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

RDO/C

March 1, 1994

MEMORANDUM

TO: M/FA/PPE, J. D. Murphy
M/FA/B, R. C. Nygard
M/FA/OMS, B. A. Dotherow
M/FA/OP, F. A. Will
M/HR/WPS, J. Hummon
M/FA/FM, M. G. Usnick
M/FA/AS, T. E. Huggard
M/FA/IRM, B. D. Goldberg

FROM: M/FA/B, Caroline D. McGraw

SUBJECT: Mission Close-Out Policy/Program Plan - RDO/C

Attached for your review and participation at the upcoming meetings is a copy of the RDO/C Action/Close-out Plan for the Regional Development Office/Caribbean (RDO/C).

Attachment: a/s



February 28, 1994

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

MEMORANDUM

TO: See Distribution (attached)

FROM: LAC/DR, Eric Zallman *EZ*

SUBJECT: Review of Regional Development Office/Caribbean (RDO/C)
Action Plan for FY 1995-1996

ISSUES DUE	March 11	COB
STRATEGIC OBJECTIVE MEETING	March 21	10:30 a.m.
ISSUES MEETING	March 23	10:30 a.m.
DAEC REVIEW	March 25	2:00 p.m.

Attached for your review and comment is the Regional Development Office/Caribbean (RDO/C) Action Plan for FY 1995-1996. Additional copies may be obtained from LAC/DR/PSS, Room 2252 NS. **Please provide all Action Plan issues to Jeff Bakken, LAC/DR, Room 2252 NS, Extension 647-9163, preferably by e-mail attachment, or in writing (see instructions below).**

The Issues Meeting will be chaired by Eric Zallman, Director, LAC/DR, and the Action Plan (DAEC) Review will be chaired by Mark Schneider, AA/LAC. The Strategic Objective meeting is intended to be an informal exchange to discuss and clarify concerns relating to the strategic objective. Note that both meetings will be held in the conference room 2248 NS.

The Close-out/Action Plan review will provide an opportunity to discuss the Mission's plan for closing out the program and will focus on: (1) modified strategic objectives and what can reasonably be accomplished by the program completion date; and (2) management issues including OE, staffing and internal control.

Submission of issues is encouraged for inclusion in the Issues Paper and discussion at the Issues Meeting. To facilitate the preparation of the Issues Paper, use the following guidance:

1. The Issue should be stated in one or two sentences.
2. The issue statement should be followed by a Discussion of no more than one paragraph which provides an adequate, but not overlong, background for understanding the issue.

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3. The issue and discussion should be framed in a way which will facilitate its resolution in the Issues Meeting without predetermining the conclusion.
4. Requests for information, clarifications or conclusions about a subject should be made directly to mission representatives at the Strategic Objectives meeting, rather than formulated as issues.

NOTE: Also attached, for your information, is the schedule of remaining Action Plan reviews.

USAID/Regional Development Office/Caribbean (RDO/C)
 FY 1995-96 ACTION PLAN
 Distribution List

<u>OFFICE</u>	<u>AMOUNT</u>	<u>ROOM NO.</u>	<u>NAME OF PERSON</u>
AA/LAC	1	4529A NS	Mark Schneider
DAA/LAC	1	4529A NS	Norma Parker
DAA/LAC	1	4529A NS	Ramon Daubon
GC/LAC	1	3328 NS	Robert Meighan
LAC/EMS	1	3908 NS	Kay Harley
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M/OMS	1	1600B SA14	Mary Anne Epley
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ARA/ECP	2	3234 NS	Leslie Wilson
INM/P	2	7811 NS	Daniel Strasser
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A-DAA/G	1	4942 NS	Duff Gillespie
G/R&D/PO	6	709 SA 18	Garland Standrod
G/PRE/DP	2	550 SA 2	Hank Merrill
BHR/FFP/DP	2	313 SA 8	Jaime Correa
BHR/PPE	1	353 SA 8	John Grant
ANE/ASIA/DR	1	3214 NS	Kerri Ann Jones
AFR/DP	1	2495 NS	James Govan
ENI/EUR/PDP	1	6644 NS	Debbie Prindle
GC/ASIA	1	6951 NS	Pat Ramsey
IG/A	1	5756 NS	Jim Durnil
LAC/DR	15	2248 NS	Zallman, Carduner, DR Tech Divs.(2-EHR, 2- HPN, 3-RD, 1-E), Finance Division (2), Bugg, Francis (2 for file)
RIG-Unit 2901	1		Tom Golla, RIG 2901, USAID Honduras
OMB	1	395-4595 (Phone#)	Mr. Ron Silberman Office of Management & Budget New Executive Office Building Room 8235 725 17th Street, N.W. Washington, D.C. 20503
Peace Corps	1	606-3337 (Phone#)	Mr. Victor Johnson Regional Director Peace Corps 1990 K Street, N.W. Washington, D.C. 20526
LAC/DR/PSS	BAL.	2252 NS	
LAC/DR:AP.RDO/C			

LAC ACTION PLAN SCHEDULE
(REVISED ON 1/31/94)

The current schedule for the 1994 Action Plan Reviews is shown below. Distribution of each action plan will occur approximately one week after the submission due date shown below. The duration of the review process or "program week", when Mission representatives will be in USAID/W, is either one or two weeks. A detailed calendar of meeting dates and times will be distributed separately. Generally key dates will be as follows:

For one week reviews:

- Issues due to LAC/DR: One week prior to start date of program week
- Issues Meeting: Tuesday of program week
- DAEC Meeting: Thursday of program week

For two week reviews:

- Issues due to LAC/DR: One week prior to start date of program week
- Issues Meeting: Thursday of program week 1
- DAEC Meeting: Tuesday of program week 2

For copies of the detailed meeting schedule, contact Constance Robinson, LAC/DR (7-9148). For additional copies of individual Action Plans, contact Dorothy High, LAC/DR (7-9180).

<u>Country</u>	<u>AP Due Date</u>	<u>Program Week(s)</u>
Uruguay/Argentina	1/10	Jan 31 - Feb 4
Chile	1/10	Feb 7 - Feb 11
Belize	1/24	Feb 22 - Feb 25
Costa Rica	1/31	Feb 28 - Mar 4
Mexico	2/7	Mar 7 - Mar 11
Jamaica	2/14	Mar 7 - 18
RDO/C	2/21	Mar 21 - Mar 25
Paraguay	2/21	Mar 21 - Mar 25
Panama	2/28	Mar 28 - Apr 1
Brazil	3/7	Apr 4 - 8
El Salvador	3/7	Apr 4 - 15
Nicaragua	3/14	Apr 11 - 22
Ecuador	3/21	Apr 18 - 29
Honduras	3/28	Apr 25 - May 6
Colombia	4/11	May 9 - 13
LAC Regional	4/11	May 9 - 20
Bolivia	4/18	May 16 - 27
Haiti	4/25	May 23 - Jun 3
Peru	5/2	May 30 - Jun 10
Dominican Republic	5/9	Jun 6 - Jun 17
Guyana	5/23	Jun 20 - Jun 24
Guatemala	5/23	Jun 20 - Jul 1

U:\DRPUB\HQ\APSCHEd:

United States Agency for International Development



Regional Office for the Caribbean

Eastern Caribbean Program

Action Plan

FY 1995-96

February 18, 1994

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**FY 1995-96 ACTION PLAN
REGIONAL DEVELOPMENT OFFICE FOR THE CARIBBEAN (RDO/C)
EASTERN CARIBBEAN PROGRAM**

I. OVERVIEW

This Action Plan covers RDO/C's Eastern Caribbean program. For the program in Guyana, also currently managed by RDO/C, a new Program Objectives Document (POD) and Action Plan will be submitted in May of this year.

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.**

A year later, in its FY 1994-95 Action Plan, the mission proposed to end its Eastern Caribbean program at the end of the 1992-97 strategy period. The phase-down process was already well underway by November 1993 when the Agency announced plans to close RDO/C in FY 1996. An important consideration in this process has been to protect the gains already made, maintain U.S. credibility in the region, and achieve as much as possible toward the strategic objectives.

All seven new project starts proposed in 1992 have been abandoned. While we are also stressing rigorous adherence to planned schedules for completion of ongoing activities, we have found some project extensions necessary to carry the activity to a stage of greater pay-off or sustainability. We have scaled back some recently initiated activities and modified others to be less management intensive, while seeking to avoid aborting projects already underway just to accelerate the phase-down. The result will be a dramatic drop in the number of active projects--from 20 at the end of FY 1992 to six by the end of FY 1995.

We have not abandoned our strategic objectives; both are fully consistent with Agency priorities and needs of the sub-region. However, with dramatically reduced resources and a shorter time horizon, we believe it appropriate to focus our performance management efforts at the Program Output (PO) level. Our SO teams have reviewed and refined the POs and their related indicators (Annex 1 discusses the revisions). The information we can report, for 1993, is only a little over a year into the strategic planning period, and some delays have been encountered. However, we are pleased to be able to show evidence of progress.

The strategy and performance indicators do not adequately reflect current Agency emphases on poverty reduction and participation. This does not mean that they are absent from our program. However, since the mission is closing, we are not able to add new indicators and data collection processes to address them. Instead, we will rely on narrative and anecdotal reporting.

The Action Plan format for reporting performance by strategic objective may lead us to overlook activities falling outside the mission's strategic focus. While the strategic objectives are covered more fully in section II, RDO/C has significant ongoing projects in the "other" category, especially relating to the Agency's priority area of population growth and health. For example, our Drug Abuse Prevention and Education pilot project supports NGO efforts to focus greater public attention on drug and alcohol abuse through community-based public education campaigns and small grants to local partnerships. The Population and Development project has strengthened the Caribbean Family Planning Affiliation and contributed to an increase in contraceptive prevalence in the region from just over 30% to nearly 55% over the last ten years. The Basic Needs Trust Fund, implemented through the Caribbean Development Bank, has funded some 250 local projects in such areas as education, health, water supply, roads and day care centers in 11 small countries of the Caribbean. In addition to their continuing benefits to the communities, these projects have generated an estimated 110,000 person-weeks of employment.

RDO/C's Eastern Caribbean program is closely coordinated with other agencies and donors. In the trade area, all significant donors in the Eastern Caribbean are stressing market-oriented economic policy reforms. UNDP has been active in getting donors together, often two-three times per quarter, for general coordination and on specific issues. One recent example was a meeting requested by USAID which led to a joint donor effort to encourage the countries to pursue a macro-economic framework developed by the Eastern Caribbean Central Bank.

Other coordination groups are also active. A special donor group on crop diversification formed in 1993 will hold its third meeting in March 1994. RDO/C is a lead player because of our West Indies Tropical Produce project (TROPRO). For natural resource management, the Environmental Inter-Agency Coordinating Committee meets two-three times a year. This group includes about a dozen donors and an equal number of regional institutions and NGOs. A smaller sub-committee meets as required to exchange information and coordinate activities, especially those related to the Global Environmental Facility (GEF) projects, including our Environment and Coastal Resources (ENCORE) project. A third group worth noting is the Eastern Caribbean Donor Group for Disaster Management, which coordinates disaster preparedness and response activities. One of the most important and effective donor groups in the region, it includes UNDP (as chair), the UK, Canada, European Union, RDO/C, PAHO, the OAS, the Caribbean Disaster Emergency Relief Agency and the Regional Security System.

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.

II. PROGRAM PERFORMANCE

A. SO-1, Increased and Diversified Trade

RDO/C's first SO fits directly within the first of USAID's four development goals, **achieving broad-based economic growth**. The SO addresses the region's reliance on highly protected single crop agriculture and tourism as primary foreign exchange earners. Recent developments with regard to the islands' market for bananas, passage of NAFTA, and successful conclusion of the Uruguay round of GATT make the objective even more timely.

It has only been 18 months since the strategy was approved and the only available data is for the first full year of activity since the baseline. While there have been significant delays in key activities, the data generally indicate progress consistent with the targets set.

We have reviewed the planned Program Outputs and refined the indicators, as explained in Annex 1. A weakness we could not address is the lack of explicit attention to the impact on the poor. As a close-out mission, we cannot develop additional data collection processes to remedy this. We should also note that, besides the gap in performance indicators, there is a real gap in substance. Again, as a close-out mission, we cannot propose new projects that might directly address impact of policy changes on the poor or expand the participatory process. Indeed, one of the new starts planned for FY 1993 but dropped due to program contraction was geared to do so.

This is not to say that our activities in support of the SO ignore poverty and participation. The Caribbean Policy Project, our main instrument for achieving this SO, will include attention to impact on the poor in all policy analyses undertaken. Furthermore, the project will be able to fund activities to mitigate the poverty impacts of policy and structural changes.

The West Indies Tropical Produce (TROPRO) project, focused on crop diversification, is helping alleviate some of the displacement in small farm agriculture as the banana industry undergoes major contraction/reorganization due to changes in the European banana regime, increased competition from "dollar" bananas and currency fluctuations in the United Kingdom. Small farms provide the vast majority of banana exports from all four main producers in the OECS (St. Lucia, St. Vincent, Grenada and Dominica). TROPRO is reducing their dependence on banana monoculture through crop diversification, quality control and penetration of new regional and extra-regional markets.

The Small Enterprise Assistance Project (SEAP) is helping small and micro-enterprises in the region to respond to opportunities for growth. Through National Development Foundations in each country, the project has provided resources for the start-up or expansion of over 4,700 micro and small businesses, which created or sustained some 12,000 jobs, 37% of which were for women.

Activities in support of the strategic objective are closely coordinated with other donors. As noted in section I, all significant donors in the Eastern Caribbean are stressing market-oriented economic policy reforms. Our Caribbean Policy Project was developed in consultation with other key donors and meshes with their efforts. For example, it will support implementation of reforms coming out of the diagnostics now being completed by the Caribbean Development Bank with partial funding from the InterAmerican Development Bank and USAID. Implementation of the Automated System for Customs Data and Management (ASYCUDA) is another example of expected CPP support of activity involving other donors.

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	
Sources: World Bank Reports and Eastern Caribbean Central Bank Statistical Office	Baseline	1992	(A)	(B)	(A)	(B)
<p>Comments: The annual rate of change in non-traditional exports is projected to be positive through 1997, with an annual average growth rate of 7.4%.</p> <p>1992 (baseline year) data is the latest data available. Planned figures have been adjusted to reflect more accurate baseline data.</p>		1993	1,252	7.0	(not avail.)	
		1994	1,352	8.0		
		1995	1,460	8.0		
		1996	1,562	7.0		
	Target	1997	1,670	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	
Sources: Same as above	Baseline	1992	(A)	(B)	(A)	(B)
<p>Comments: The value of non-traditional exports excluding tourism is projected to increase through 1997 using a conservative average annual growth estimate of 13%. The percentage increase through 1997 is projected to be greater when tourism is excluded from non-traditionals, reflecting the large share of non-traditional export receipts which tourism already claims in the region, and the relative potential for other sectors to expand.</p>		1993	649	14%	(not avail.)	
		1994	733	14%		
		1995	829	13%		
		1996	936	12%		
	Target	1997	1,058	11%		

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Indicator 3: (A) Improved trade balance; (B) Annual rate of change in trade balance						
Unit: (A) US\$ Million; (B) Annual percentage change		Year	Planned		Actual	
Sources: Same as above			(A)	(B)	(A)	(B)
	Baseline	1992			-690	
<p>Comments: Though continued trade deficits are expected through 1997, they are projected to decline each year.</p> <p>A positive rate of change is projected in the trade balance, between 12% and 18% each year through 1997. The average annual positive rate of change projected through 1997 is 14.7%</p>		1993	-589	14.7%	(not avail.)	
		1994	-502	14.7%		
		1995	-426	14.7%		
		1996	-362	14.7%		
	Target	1997	-307	14.7%		

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TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

STRATEGIC OBJECTIVE NO. 1: 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	Baseline	1992		0
Comments: Diagnostics now underway will provide the OECS countries with a set of recommendations dealing with investment sector constraints, including, e.g., rationalization of tariffs, harmonization of regional trade policies, stabilization of revenues and expenditures in light of tariff modifications. *Completion of diagnostics delayed to March 1994. Interim Benchmarks: BM1: Diagnostics completed (3/94) BM2: Related proposals funded under CPP (9/94)		1993	0	0*
		1994	BM1, BM2, 10%	
		1995	30%	
		1996	50%	
	Target	1997	75%	
Indicator 2: Implemented reductions in level of Common External Tariff				
Unit: Average ceiling rate (%) for OECS countries		Year	Planned	Actual
Source: CARICOM Secretariat	Baseline	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%	
		1995	30%	
		1996	25%	
	Target	1997	20%	

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 files	Baseline	1992	(A)	(B)	(A)	(B)
<p>Comments: Six model acts have been developed or are in process. The need for a separate model small business act will be determined through a series of national workshops.</p> <p>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 (potentially 36 enactments; 6 acts x 6 countries).</p> <p>* Three Parliaments were considering enactments based on models at the end of 1993; one was passed in early 1994.</p>		1993	4	2	5	0*
		1994	6	4		
		1995	6	6		
		1996	6	6		
	Target	1997	6	9		
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	Baseline	1992				0
<p>Comments:</p> <p>* Registry improvements were underway in 3 countries by the end of 1993.</p>		1993		2		0*
	Target	1994		6		

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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	Baseline	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	
		1995	2	
		1996	4	
	Target	1997	6	

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TABLE 1: 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	1991		5
Comments: Includes extra and intra-regional agricultural trade.		1992	6	8
		1993	7	(Est.) 7
		1994	8	
		1995	9	
		1996	10	
		Target	1997	11
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	1992		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).		1993	5	7
		1994	8	
		1995	12	
		1996	15	
		Target	1997	18

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TABLE 1: 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							
Unit: Persons trained per year		Year		Planned		Actual	
		Males	Females	Males	Females	Males	Females
Source: Policy, RMT, SEAP, CLDT	Baseline	1992	ST LT			479 12	574 2
<p>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.</p> <p>Training programs supporting this strategic objective were postponed when all advances to the Grantee were withheld for several months due to problems being experienced with a planned audit. These activities have all been rescheduled for FY 94.</p>		1993	ST LT	372 21	515 14	486 21	372 7
		1994	ST LT	300 36	401 24		
		1995	ST LT	71 36	48 24		
		1996	ST LT	30 8	30 6		
Indicator 2: Number of key personnel in targeted public sector institutions trained							
Unit: Persons trained per year		Year		Planned		Actual	
		Males	Females	Males	Females	Males	Females
Source: Regional Management Training, Caribbean Policy, Caribbean Leadership Development Training	Baseline	1992	ST LT			18 15	6 29
<p>Comments: Training programs supporting this SO were postponed when all advances to the Grantee were withheld for several months due to problems being experienced with a planned audit. These activities have all been rescheduled for FY 94.</p>		1993	ST LT	44 13	28 7	17 22	13 14
		1994	ST LT	35 23	23 12		
		1995	ST LT	30 23	35 12		
		1996	ST LT	20 12	10 8		

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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)	Projects (Number/Title)	Projects (Number/Title)	Projects (Number/Title)
(538-0184) Caribbean Policy Project	(538-0184) Caribbean Policy Project	(538-0184) Caribbean Policy Project	(538-0184) Caribbean Policy Project
(538-0163) West Indies Tropical Produce	(538-0645) Caribbean Justice Improvement Project	(538-0163) West Indies Tropical Produce	(538-0148) Regional Management Training
	(538-0165) Caribbean Law Institute	(538-0164) Agricultural Research & Extension	(538-0165) Caribbean Law Institute
			(538-0173) Caribbean Leadership Development Training

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B. SO-2, Improved Natural Resource Management

RDO/C's second SO also fits closely with the Agency's second development goal--**protecting the environment**--and addresses a critical concern in the subregion. These small island states depend on agriculture and tourism, which, in turn, rely on the health of very vulnerable physical environments. As in the case of SO-1, we have reviewed the POs and the SO & PO level indicators and made some refinements, described in Annex 1.

RDO/C had almost no environment and natural resources (ENR) activity in its program until the ENCORE project was initiated at the end of FY 1991. While it is still early to expect measurable results, positive progress can be reported for several program output level indicators. In particular, we would point to the indicators reflecting community and NGO involvement in ENR activities. We are also pleased to have some "success stories" already:

- o A training course on Environmental Impact Assessments (EIA) for Agricultural Development Projects held in Grenada used a local banana development project as a case study. The participants found several major problems that could have been mitigated by use of EIA in the project design and submitted a report to the Government of Grenada (GOG). The GOG was impressed and has requested further assistance for a full-scale EIA of the project and has nominated the project manager and several farmers for training in safe-use and handling of pesticides.
- o In Dominica, the "Jetty Boys" used to be notorious, unemployed young men harassing tourists. Now they have gone respectable as the Indian River Tour Guides Association (IRTGA), a legally established association with contracts with major tour and cruise ship operators. On one day in December they took 350 tourists up the Indian River, at US\$8.00 each. IRTGA is now working to have the Indian River declared a legally protected area, pushing for a multiple-use management plan for the area, and wants to ban use of outboard motors because of damage to the fragile mangroves that line the river. Their success is a model for a group of laborers constructing a nature trail system at the sulphur springs, who want to form an association to maintain the trail and serve as guides for tourists who will use the system.

Donor coordination for ENR activities in the region is extensive, as described in section I. We expect this to continue with an increasingly active role for international and emerging local environmental NGOs.

Tropical Forests and Biodiversity

The past year has seen both progress and setbacks in conservation of tropical forests and biological diversity. The Eastern Caribbean region, like much of the developing world, continues to face increasing pressure on its limited natural resource base. With ever increasing frequency, the demand for economic development comes into conflict with the rational use of natural resources, as do the twin trends of population growth and urbanization. Deforestation

and loss of tropical forests is not the major environmental concern that it is elsewhere, but remains a localized concern, especially in the Windward Islands, due to pressures from agriculture, increased tourism development and population growth. Biodiversity is threatened in both the terrestrial and marine ecosystems due to development and population pressures leading to loss or degradation of critical habitat. Finally, it is becoming increasingly difficult in the small island ecosystems of the region to distinguish between purely "green" and "brown" environmental problems.

Progress is being made. Regional institutions such as the OECS and member states have made a good start towards preparing and enacting new legislation and regulations for the rational use and conservation of tropical forests and biological diversity. Likewise, they have begun to give greater attention to the problems confronting the natural resource base, and in many cases are forging partnerships with NGOs and local community interests, thus fostering a greater emphasis on community participation in decisions regarding use and management of natural resources. This has gone forward hand-in-hand with expanded support from the international donor community, which, by a dedicated effort at coordination both with the regional governments and institutions and among the donors themselves, has been able (for the most part) to speak and act as a united front while avoiding duplication or dilution of efforts in the region.

RDO/C has expanded its efforts in support of the conservation of tropical forests and biological diversity through the ENCORE project. In collaboration with the Natural Resources Management Unit of the OECS and other donors, we are supporting the Tropical Forestry Action Plan and National Environmental Action Plan processes currently underway in the region. The ENCORE project is also supporting an ongoing process of review related to the legislative framework in the region, and has increased project activities in training and environmental awareness, with a special focus on training in the use of the environmental assessment as a management tool. Finally, within the ENCORE Project Local Sites, we are attempting to draw together and address the interconnected concerns of traditional "green" issues such as deforestation and habitat loss and more "brown" issues such as solid and liquid waste management. This new initiative has come about both by necessity and as a result of increased donor coordination between the two Global Environmental Facility (GEF) projects active in the region--the USAID/OECS ENCORE project and the World Bank/OECS Solid Waste Management project.

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 expected to begin incorporating 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	
		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 will assist 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 will be established and data collection implemented by CEHI by early 1994.		1992	0	0
		1993	0	0
		1994	2	
		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				
Source: ENCORE: OECS Secretariat	Baseline	1992		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. One committee each has already been established in Dominica and St. Lucia. The incentives and priorities to establish similar committees in the remaining four OECS countries are low, therefore it is expected that several years of training, workshops and demonstration efforts will be required in order to document progress in other countries.		1993	2	2
		1994	4	
		1995	4	
		1996	4	
	Target	1997	6	

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TABLE 1: 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
Source: ENCORE/CLI/PPP: OECS Secretariat	Baseline	1992		0
Comments: The drafting of environmental regulations can take up to three years, therefore documentable progress is not expected for several years. However, we would note that a model environmental law for Barbados has been drafted for review and approval by Parliament.		1993	0	0
		1994	2	
		1995	2	
		1996	6	
	Target	1997	6	
Indicator 2: Cumulative number of OECS countries with environmental plans				
Unit: Cumulative number of countries		Year	Planned	Actual
Source: ENCORE: OECS Secretariat	Baseline	1992		0
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.		1993	0	0
		1994	2	
		1995	4	
		1996	6	
	Target	1997	6	

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TABLE 1: 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	Actual
Source: TROPRO/AREP: OECS/ADCU, CARDI	Baseline	1992		0
Comments: Development of environmentally sound practices includes ensuring sustainable production without damage to the resource base.		1993	5	4
		1994	10	
		1995	15	
	Target	1996	20	
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	Actual
Source: TROPRO/AREP: OECS/ADCU, CARDI	Baseline	1992		0
Comments:		1993	10	10
		1994	20	
		1995	35	
		1996	50	
	Target	1997	70	

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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)				
Unit: Cumulative number of systems		Year	Planned	Actual
Source: ENCORE: CEHI	Baseline	1992		0
Comments: Data to be gathered by an ENCORE project sub-grant to the Caribbean Environmental Health Institute (CEHI) which has not yet been signed. Actual development of baseline and target data may take up to one year. A minimum of 3 years' data will be required to begin to identify trends and draw conclusions.		1993	0	0
		1994	2	
		1995	3	
		1996	3	
	Target	1997	3	

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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	Baseline	1992		7
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.		1993	20	10
		1994	40	
		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	Baeline			0
Comments: Local environmental advisory committees will be composed of representatives from local government and local community as well as others of local influence and trust. Committees will serve as sounding board for proposed development projects, act as first-line approval bodies, and resolve local conflicts regarding use of scarce natural resources.		1992	4	5
		1993	4	6
		1994	9	
	Target	1995	11	

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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	1992				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.		1993		2		2	
		1994		4			
		1995		6			
		1996		8			
	Target	1997		12			
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		Actual		
			Males	Females	Males	Females	
Source: CLDT/ENCORE/TROPRO	Baseline	1992	ST LT		150 -	50 -	
Comments: Includes short-term and long term training		1993	ST LT	223 9	130 6	250 11	140 4
		1994	ST LT	343 2	140 2		
		1995	ST LT	323 0	150 0		
	Target	1996	ST LT	300 0	150 0		

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)	Projects (Number/Title)
(538-0171) Environment and Coastal Resources	(538-0163) West Indies Tropical Produce	(538-0171) Environment and Coastal Resources	(538-0171) Environment and Coastal Resources
(538-0163) West Indies Tropical Produce	(538-0171) Environment and Coastal Resources	(538-0184) Caribbean Policy Project	(538-0163) West Indies Tropical Produce
(538-0184) Caribbean Policy Project	(538-0164) Agricultural Research & Extension	(538-0163) West Indies Tropical Produce	(538-0173) Caribbean Leadership Development Training
(538-0165) Caribbean Law Institute			

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III. CLOSE-OUT PLANS

Although the official decision to close the mission was only made in November 1993, RDO/C had begun a process of rapid phase-down by the end of FY 1992. This process has been guided by three basic concerns:

- o that the close-out be managed in a way that protects the investments and gains already made and maintains U.S. credibility in the region;
- o that staff reductions be coordinated with the phase-out of program activities; and
- o that phase-out planning and staff reductions be done in a proactive, consultative and caring manner.

A. Status of Portfolio

The first step in the phase-down process was to adjust program planning. Ultimately, all seven new starts proposed in the FY 1993-94 Action Plan were abandoned. In addition, RDO/C stressed rigorous adherence to planned schedules for completion of ongoing activities, permitting only those extensions 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). 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.

We are planning to significantly shorten the completion dates for two projects:

- o The Regional Utilities Maintenance component of the Infrastructure Expansion and Maintenance project now has a PACD of September 30, 1995. Although needing further analysis, we believe the activity can be successfully completed by December 31, 1994.
- 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 Eastern Caribbean activity can be completed by the end of 1995. RDO/C recently amended this project to include Guyana-specific training as part of the program build-up there. Assuming an alternative Guyana training activity can be developed in the interim, we propose to shorten the project to December 31, 1995.

Table 3 (Project Timeline) shows the rapid reduction in the mission's portfolio. We expect to complete 9 of our 19 projects in FY 1994, four more in FY 1995, and another three in the first half of FY 1996. We believe the remaining three projects should continue to their current planned completion dates beyond the closure of RDO/C and would transfer residual responsibilities, as proposed below, so that the Mission can close in June 1996.

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

PROJECT NUMBER/TITLE	FY92				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	1	2	3	4
(538-0119) Investment Promotion and Export Development (IPED)									->	->	T ^a													
(538-0133) Small Enterprise Assistance (SEAP)											T													
(538-0138) Infrastructure Expansion & Maintenance													T ^b	<	<	<	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 ^c	<	<	<	<
(538-0176) Dominica Agriculture Sector Support												T												
(538-0184) Caribbean Policy Project				S																				
(538-0195) Grenada Technical Assistance				S							T													
(538-0645) Caribbean Justice Improvement												T	->	T ^d										
(538-0171) Environment and Coastal Resources																								T
(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				S																				T
(538-0190) Drug Abuse Prevention & Education			S									T												
(538-0640) Presidential Training Initiative																T								
TOTAL PROJECTS (number) (end of FY 4th quarter)				20				19				10				6				3				1

^a IPED was extended six months solely to complete required final audits.

^b Regional Utilities Management Component can end nine months earlier than planned without adverse impact on results.

^c Long term CLASP training has been curtailed and all EC activities under the project will be completed by FY 1996.

^d The project requires extension only to complete St. Kitts Courthouse construction.

As shown in Table 3, we have kept PACD extensions to a minimum consistent with the policy stated above. We have not yet fully resolved all concerns regarding sustainability. For example, the Caribbean Law Institute is performing a valuable service to the region which should continue beyond the USAID project PACD, but no source of continued support has yet been identified. We plan to give a great deal of attention to sustainability of this activity and others over the coming months.

B. Planned Activities during the Final Program Year

RDO/C will enter FY 1996 with six active projects (five, if residual responsibility for one can be transferred early as proposed below). Three will end during the first half of that fiscal year:

- o Regional Management Training, will end in the first quarter, with the return of the last participant from long-term training.
- o Caribbean Leadership Development Training (CLDT), is being shortened to also end in the first quarter of FY 1996, as discussed above.
- o West Indies Tropical Produce (TROPRO) will end in the second quarter of FY 1996. This project is an important activity in support of our first SO and of regional efforts to diversify away from dependence on monocrop agriculture. A follow-on TROPRO II project was one of the new starts which had to be abandoned due to the close of RDO/C. However, we are optimistic that the effort will continue with support from other donors. There is significant coordination among donors in the diversification effort, as described in section II.A. The United Kingdom (UK) and European Union have special interest because of their involvement in the banana issue, and we believe that both are likely to support follow-on efforts after TROPRO ends.

RDO/C proposes that three projects continue beyond the close of the mission. All are activities of great importance to the Eastern Caribbean. All are FY 1991 or 1992 starts and involve significant policy reform processes not amenable to shortcuts. All three have been or can be configured to minimize the residual management burden. Although we are not aware of any formal decision as to where residual responsibilities for the Eastern Caribbean program are to be located, we have suggestions for management of these three projects through their completion dates.

- o The Caribbean Policy Project (CPP) (PACD 12/31/97) is a centerpiece of our strategic objective of helping the region increase and diversify its trade. Implementation arrangements for the project have already been modified to have the technical assistance contractor take on most of the management burden. Due both to the modification and other technical contracting issues, the technical assistance team is just arriving on site at the beginning of March 1994. A significant number of proposals are already under

consideration in the Economic Affairs Secretariat of the OECS so funding and implementation of proposals will move quickly once the contract team arrives. Since the new Guyana mission will also be managing activity in the area of policy and regulatory reform to stimulate private sector business activity, RDO/C proposes to transfer residual responsibility for CPP to that mission by the last quarter of FY 1995.

- o The Environment and Coastal Resources Project (ENCORE) (PACD 9/30/97) is the major activity supporting RDO/C's natural resources strategic objective. Currently planned LOP funding is fully obligated from earlier environment earmarks and represents a U.S. contribution to the Global Environment Facility. Implementation arrangements for this project have been modified to give major responsibility to a U.S. PVO, World Wildlife Fund (WWF). Certain regional activities remain the responsibility of the OECS Natural Resource Management Unit; we are continuing negotiations to transfer some of these to WWF and accelerate or pare back the rest to minimize USAID management requirements after mid-FY 1996. Since plans for the Guyana program over the next two-three years do not include environmental activities, it may be preferable to transfer residual responsibility to a mission with staff capability in that area (e.g., USAID/Jamaica) or to LAC/W or the Global Bureau.
- o The Health Care Policy Planning and Management Project (PACD 9/30/97) has generated great enthusiasm from leaders in the Eastern Caribbean over the prospect of rationalizing and increasing efficiency in financing health care. RDO/C expects to negotiate modifications in the implementation arrangements similar to those in effect for the Caribbean Policy Project so that the residual management burden on USAID will be minimal. As in the case of ENCORE, since the Guyana mission is not likely to have a program or staff in the area of health, we propose transfer of responsibility for the final 18 months of implementation to USAID/Jamaica, LAC or the Global Bureau.

There have not been many centrally funded activities in the Eastern Caribbean, although we still occasionally discover them. RDO/C no longer manages any active centrally funded activities. We have not been advised of any centrally funded activities planned for the region in FY 1996 or beyond.

C. Evaluation of Program Accomplishments

As noted above, a key concern in our close-out planning has been the protection of gains already made and achievement of planned program results to the maximum extent possible. Consistent with this effort, we are continuing to use the monitoring and evaluation (M&E) system established for our strategic objectives. Our ability to show impact at the SO level will be limited by the constraints of close-out, and our M&E efforts will be focused at the program outcome level. In addition, we plan to carry out most project-level final evaluations as planned, to the extent that resources are already provided for evaluation in the projects.

We also believe that a broad retrospective evaluation of USAID assistance to the Eastern Caribbean over the last 16 years would be of great benefit in lessons learned for the Agency. USAID assistance to the subregion has been substantial and it would be useful to document its extent and impact, not just for ourselves but for the leaders of the subregion, as that assistance is phased out. One of the key lessons from such a retrospective would come from an examination of the degree to which the assistance was or was not conducive to graduation from dependence on aid flows.

With its severe reductions in funding levels and heavy mortgage requirements, RDO/C is not in a position to fund such a retrospective evaluation. LAC/CAR has already approached CDIE on our behalf on this matter and RDO/C strongly supports the proposal. We would urge that the effort be undertaken quickly, before most of our staff and their "institutional memories" are gone.

D. Operational Plan

As part of the concern for bringing ongoing activities to a successful conclusion instead of aborting or abandoning them, and for our commitment to accountability, RDO/C has given careful attention in its close-out planning to linking staff reductions to the portfolio reductions. The reductions cannot be directly proportional since critical functions must be maintained even as the staff shrinks, and we must retain the personnel needed to close out accounts, handle personnel actions, travel and transportation for departing personnel, and dispose of documents and property. Also, at least well into FY 1995, RDO/C expects to have significant backstopping responsibilities for the program in Guyana. Nevertheless, there is a clear correlation between our personnel and portfolio levels.

As we began to reduce the program, we also began a process of organizational consolidation. In FY 1993, seven offices in RDO/C were merged into three. Three Offices--Program, Economics, and Project Development--became a single Office of Program Development (PDO); the Agriculture and Private Sector Offices became the Office of Trade Development (TDO); and the Engineering and Energy Office and the Health, Population and Education Office became the General Development Office (GDO). As a result, fewer office chiefs and technical officers were needed and positions were deleted as the USDH employees left post. In FY 1994, we are continuing this process by merging TDO and GDO and the remaining staff of the Legal Office. Our Contracts Office and Executive Office are already working as one unit. We plan to eliminate the Program Development Office by the end of FY 1995 and absorb its residual functions in the Director's Office.

While USDH employees can go on to new assignments when their positions are eliminated, FSN reductions mean termination of employment, at a time when local unemployment rates are very high. Consequently, mission management is giving high priority to insuring that the process is fair and transparent but responds to the extent possible to individual needs and preferences, and to preparing its FSN employees for departure and helping them market their skills.

During FY 1993, a total of seven USDH positions were vacated and abolished and 13 ESN employees were given separation notices. In FY 1994, five additional USDH employees will depart and 19 more non-USDH (FSN/TCN/USPSC) employees will be separated. In FY 1995, three more USDH and 16 non-USDH employees will leave. The remaining four USDH and 19 non-USDH employees will leave during FY 1996, when the mission closes. Annex 2 is a table showing planned departure dates by position.

RDO/C has already begun the process of space consolidation and disposition of property and records as well. Controller staff were moved to the second floor in February and the first floor office space is being returned to the landlord in March. Excess furniture and equipment not suitable for redistribution to other missions will be sold at auction; four sales are scheduled for FY 1994 (to avoid a glut of used USAID property on the local market). A list of items suitable for redistribution to other missions is being prepared and will be submitted to USAID/Washington for action. Excess computer equipment will be disposed of in accordance with STATE 170841. Communications and Records (C&R) staff helped the Controller's office retire files before their move and are working on disposal of retired files from the warehouse and, in consultation with technical staff, on culling non-essential reference materials.

These processes will continue as the mission continues to phase down. The Mission Director's residence is our only USG leased housing and that lease will be terminated with her departure. Our warehouse is divided into four sections and we will terminate the lease by section as we wind down. We expect to complete project close-out actions, transfer all residual project and controller responsibilities and close the office on Broad Street in the third quarter of FY 96. We would use the modest office space in the warehouse for the small core staff who must stay on for approximately six weeks to complete the final shipping, disposal and reporting actions.

LQA

IV. RESOURCE REQUIREMENTS

A. Program Resource Requirements

As a close-out mission, RDO/C is in the awkward position of requiring an increase in program funding over its FY 1994 level, which was cut drastically, from \$8 million requested in last year's Action Plan to \$3.75 million now expected. That amount can make only a dent in our mortgages. We need at least \$4.5 million to meet minimal mortgage requirements in FY 1995 and nearly that amount in FY 1996. The bulk of these funds are needed for three projects--West Indies Tropical Produce (TROPRO), Caribbean Policy Project and Health Care Policy Planning and Management (HCPPM). The importance of each and rationale for continuing the latter two past FY 1996 are discussed in section III.B above.

At the end of FY 1993, RDO/C's Eastern Caribbean pipeline was about \$40 million in 19 active projects, a level in line with normal program expectations and the higher budgets of previous years. We expect the pipeline to be reduced by nearly half in FY 1994, to about \$21 million in ten projects that will still be active. The three projects mentioned above will have a substantial part of this pipeline, but, in each case, the amount will not carry the project through the following year.

With the severe cut in our FY 1994 OYB and prospects for very tight budgets through the close of the mission, we have reviewed our project mortgages to determine realistic minimum funding requirements. For example, although the TROPRO project authorization amendment approved last year is for \$2.5 million, we believe the project can be successfully completed with just \$2 million in new funds. HCPPM was approved with a \$6.5 million LOP funding level just two years ago, but has been reduced to \$5.5 million LOP, the minimum level with which we believe its basic purposes can be achieved. The largest requirement for additional DA resources is the Caribbean Policy Project, the major instrument for achieving our first SO. With the technical assistance team just arriving on site, there is a backlog of proposals already accumulated and another \$4.7 million is needed to achieve the most important planned results.

It is also awkward to be requesting DA funds in FY 1996, our close-out year. A mission issue raised in section V below is the possibility of additional funding this year to fully pay off our mortgages. The OYB levels we have been given mean we must obligate final increments for two projects in FY 1996. With the requirements for FY 1995-96 focused on so few ongoing projects, we cannot accommodate cuts by delaying new starts, spreading cuts among several projects, or simply stretching out the projects and extending completion dates.

We have heard that ESF funds may be made available for the Eastern Caribbean, but have no firm information and are not requesting ESF funds in this Action Plan unless they can be used in lieu of DA funds to buy down project mortgages.

We have no food aid programs in the Eastern Caribbean and are not requesting any PL-480 funding.

CPP
 ENCORE
 HCPPM
 CAR
 Part FY 9

TABLE 4
RDO/C EASTERN CARIBBEAN PROGRAM
SUMMARY PROGRAM FUNDING TABLE
Dollar Program (\$000)

Funding Category	FY94 Estimated	FY95 Requested	FY96 Requested	
			75% FY95	100% FY95
Development Assistance				
Mission Strategic Objective #1				
538-0133 SEAP	1,506			
538-0163 TROPRO	700	700		
538-0173 CLDT		250		
538-0184 Caribbean Policy		1,300	1,624	2,400
Subtotal	2,206	2,250	1,624	2,400
Mission Strategic Objective #2				
538-0163 TROPRO	300	300		
538-0171 ENCORE				
538-0184 Caribbean Policy		400	406	600
Subtotal	300	700	406	600
Other Activities				
538-0000 PD&S	50	50	50	50
538-0005 Spec. Dev. Act.	194			
538-0181 Health Care Policy	1,000	1,500	1,295	1,295
Subtotal DA	3,750	4,500	3,375	4,345
Economic Support Funds				
Subtotal ESF				
P.L. 480 Title III				
P.L. 480 Title II				
Subtotal P.L. 480				
PROGRAM TOTAL	3,750	4,500	3,375	4,345

B. Program Management Requirements

RDO/C staffing requirements through FY 1996 are discussed in section III in the context of close-out planning. Our current close-out plans and schedule for departures requires 11.4 USDH FTEs in FY 1994, 5.9 FTEs in FY 1995 and 3 FTEs in FY 1996. USAID/Washington has allocated RDO/C just 10 FTEs for FY 1994 and 4 FTEs in FY 1995. Even with one additional FTE in FY 1995 for the Deputy Controller position which will remain in Barbados instead of moving to Jamaica, our requirements exceed the allocations. We have repeatedly refined our close-out planning to advance departures and bring the numbers down as much as possible. We recognize the tight FTE constraints faced by the Bureau, but cannot go further to meet the allotted levels and raise the matter again in section V, below, as a mission issue.

Our operating expense (OE) requirements have been carefully reviewed in consultation with the LAC/DPP Controller. We have made significant progress in reducing our OE requirements from \$3.1 million in FY 1993 to \$1.9 million in FY 1994, including downsizing costs. With our efforts to further reduce FTE levels, we are also able to show further OE savings. Our total OE requirements go down to \$1.7 million in FY 1995 and \$.908 million FY 1996. We would note, however, that having cut back everywhere possible, we do not have built-in flexibility to accommodate even minor budget cuts or unanticipated costs.

TABLE 5
RDO/C EASTERN CARIBBEAN PROGRAM
OE FUNDING REQUIREMENTS
(\$000)

OE/TRUST FUNDED LEVELS By Major Function Code	FY94			FY95			FY96		
	OE	T/F	Total	OE	T/F	Total	OE	T/F	Total
U100 U.S. Direct Hire	127		127	98		98	53		53
U200 F.N. Direct Hire	578		578	459		459	189		189
U300 Contract Personnel	329		329	314		314	162		162
U400 Housing	179		179	142		142	3		3
U500 Office Operation	547		547	511		511	335		335
U600 NXP Procurement			0			0			0
Sub - Total (Core Costs)	1,760	0	1,760	1,523	0	1,523	742	0	742
Downsizing Costs: U100	52		52	26		26	62		62
U200	58		58	109		109	78		78
U300	21		21	40		40	26		26
U500	9		9			0			0
Sub - Total Downsizing Costs	140	0	140	175	0	175	166	0	166
Total OE/TF Costs	1,900	0	1,900	1,699	0	1,699	908	0	908

Mission Staffing Requirements												
	FY94				FY95				FY96			
	USDH	USPSC	FSN	Other*	USDH	USPSC	FSN	Other*	USDH	USPSC	FSN	Other*
Total FTE's or Workyear	11.4	5.6	40.4	3.0	5.9	4.0	26.0	2.0	3.0	3.0	11.0	0.8
of which Program Funded		2.0	2.0	3.0		2.0	1.0	2.0		0.8	0.3	0.8
of which Guyana funded	1.0		2.0		0.8		2.0					

* Other = TCNs

V. MISSION AND AID/W INITIATED ISSUES

A. USDH FTE Levels for Close-Out Period

RDO/C has been advised that the Bureau Budget Submission included 10 USDH FTEs for RDO/C in FY 1994 and 4 USDH FTEs for FY 1995. We recognize the severe constraints faced by the Bureau, but these levels, established on the assumption that RDO/C would close by the end of FY 1995, are simply not possible to achieve.

In the first quarter of FY 1994, we had 12 USDH employees on board, responsible for an Eastern Caribbean portfolio of 19 projects with LOP funding of over \$225 million and a \$40 million pipeline, and with additional responsibility for the Guyana program. While five USDH employees will leave in FY 1994, they would have to all depart in the third quarter to meet the 10 FTE level. This is not possible. Ordering an abrupt departure of 40 percent of our USDH staff would be unfair to them and disrupt our orderly phase-out plans, while not reducing overall Agency staffing levels since they would have to be assigned elsewhere. With the termination of half our Eastern Caribbean portfolio during the fiscal year and transfer of some Guyana responsibility to the new mission there, we can be down to seven USDH employees by the end of the fiscal year. However, the departures will take place during the last four months, resulting in a USDH FTE level of 11.4 for the year.

Similarly, with seven USDH on board at the beginning of FY 1995, all would have to leave by the third quarter if we are not to exceed the 4 FTE level. At the start of the year our remaining portfolio of nine projects will still have an LOP value of over \$70 million and an estimated pipeline of about \$20 million. We will be down to four USDH employees on board by the end of the year, but will require 5.9 USDH FTEs for FY 1995.

B. USAID Plans for the Eastern Caribbean Post-RDO/C

The transfer of residual responsibility for the Eastern Caribbean to the new mission in Guyana has been mentioned and reported in the press during the Miami Conference in December and again after the CG meeting in Guyana the end of January. However, RDO/C is not aware of any formal decision on this matter, nor of plans to augment the very small staff approved so far for the new Guyana mission to take on this extra responsibility. There are indeed two issues regarding post-RDO/C responsibility for Eastern Caribbean activity that must be addressed as soon as possible:

- o In Section III of this Action Plan, RDO/C has proposed that three projects continue to their planned completion dates, after RDO/C closes. Based on expected staff capability, we suggest that residual responsibility for only one, the Caribbean Policy Project, be passed to Guyana. We believe the other two, ENCORE and Health Care Policy Planning and Management, would best be handled from Jamaica, where the larger technical and

Controller staff will be better able to take on the added responsibility. Alternatives exist, such as residual management from Washington, but a decision is needed soon.

- o The second part of this issue regards planning for USAID involvement in the Eastern Caribbean beyond the completion of these three projects. The designation of "non-presence" countries implies an expectation that USAID will continue to do something in or for those countries. We strongly believe that the vulnerability of the small nations of the Eastern Caribbean and their proximity to the U.S. warrant a continued program presence, if not a physical mission presence. Building on a paper prepared for RDO/C on this issue and our own knowledge of the region, Annex 3 offers a suggested approach.

C. Special Development Activities Funds

As part of its close-out process, RDO/C advised the U.S. Embassies in the Eastern Caribbean that we did not expect to make Special Development Activities (SDA) funds available after FY 1994. Since the program has been highly regarded, we suggested they might wish to pursue alternative arrangements through Washington. The U.S. Embassy in Bridgetown has responded to that suggestion by asking RDO/C to assist in making such an alternative arrangement.

D. OYB to Pay Off Mortgages

After obligating our expected FY 1994 OYB, RDO/C will have an effective mortgage of \$9 million. This amount is for four projects--West Indies Tropical Produce, Caribbean Policy Project, Caribbean Leadership Development Training, and Health Care Policy Planning and Management--and is adjusted down from the official mortgage based on authorized levels to more realistic current planning levels. It would facilitate the close-out process if funds could be made available in FY 1994 to completely pay off this mortgage, thus freeing the mission to concentrate on completing projects and closing out operations.

E. Deob-Reob Authority

The LAC Bureau and USAID/W in general should give serious consideration to adopting a clear policy which would grant priority for reobligating funds to the mission or other USAID management unit offering the deobligation, provided the proposed reobligation was in accord with the mission's strategic objectives and Agency priorities. Such a policy would go a long way to improving the management of USAID resources.

RDO/C PROGRAM PERFORMANCE ASSESSMENT SYSTEM UPDATE

Three developments prompted RDO/C to review and refine its performance measurement system.

- o In our November 1993 portfolio review, we encountered difficulties in linking project performance in the semi-annual reports (SARs) to strategic objective (SO) and program output (PO) level performance indicators. A key weakness was that the strategy, approved in the fall of 1992, lacked short-term indicators or benchmarks against which project progress in the early years could be compared.
- o About the same time, USAID/Washington distributed draft strategies which reflected significant changes in Agency priorities, especially with regard to emphasis on poverty reduction and participatory approaches to development. RDO/C's strategy and performance indicators developed a year earlier were weak in addressing these new Agency emphases.
- o The decision to close RDO/C before the end of the strategic planning period was also formally announced in November 1993. This decision meant that: (a) we needed to review our SOs and POs to determine if they were still valid and attainable; and (b) we would not have resources to expand our performance data collection efforts.

An initial decision in RDO/C's response was that, with our shorter time-horizon, we should determine generally whether the SOs remained valid (they do), but, because of their longer-term nature and our reduced ability to influence them, to focus our revision efforts at the PO level.

RDO/C's SO Teams and subteams then undertook an intensive review of the program outputs and their performance indicators. In addition to the developments noted above, the teams took into account comments from LAC/W after its review of our monitoring and evaluation plan in June of 1993. All of the POs were validated, but a number of indicators were modified and several were dropped. Some targets were modified to reflect corrected baseline information or more realistic expectations. In addition, benchmarks were added for several indicators, to reflect progress in the interim before the basic performance data is available.

The results of this review and revision exercise were:

SO-1, Increased and Diversified Trade

The strategic objective and all four program outputs were found to be still valid and achievable and are thus retained. Minor revisions at the PO level were made as follows:

PO-1.1, Improved policy framework.

- o Indicator 1, EAI diagnostic recommendations implemented. Interim benchmarks were added and the 1994 target revised from 20% to 10%.
- o Indicator 2, Implemented reductions in level of Common External Tariff. The LAC Bureau suggestion to use a range for CET was considered but not accepted. The OECS countries have chosen to use a ceiling, therefore we will do likewise to facilitate monitoring .
- o Indicator 3, Reductions in prohibitive licensing procedures. Eliminated as redundant. If work permits, etc. are impediments to trade and investment, they will appear as recommendations in the diagnostics (Indicator 1).

PO-1.2, Improved regulatory framework.

- o Indicator 1, Enabling business legislation developed/enacted. Reference to specific acts removed from the indicator. Units changed to cumulative. Comments add clarification that "enacted" means passed into law by Parliament. Timetable expanded from 1994 to 1996.
- o Indicator 2, Court registries operations streamlined and modernized. Unit changed to cumulative. Timetable shortened from 1997 to 1994 consistent with CJIP PACD.
- o Indicator 3, Customs regime streamlined and modernized. Unit changed to cumulative. Interim benchmarks added. Comments expanded to clarify ASYCUDA system.

PO-1.3, Competitive products and markets developed.

- o Indicator 1, Increased value of AID-assisted non-traditional agricultural exports. Wording of indicator changed for greater precision. Comments expanded to clarify that both extra- and intra-regional trade are included. Baseline figure corrected and target revised accordingly.
- o Indicator 2, Increased number of products and services penetrating markets. No change.

PO-1.4, Improved managerial/technical base. No change in indicators.**SO-2, Improved natural resource management**

This strategic objective and all four program outputs were also found to be still valid and achievable. The second SO level indicator was corrected to show "number of systems" as the unit of measurement. Revisions to indicators at the PO level were as follows:

PO-2.1, Natural resource policies and regulations developed and accepted.

- o Indicator 1, Cumulative number of OECS countries with existing environmental laws translated into regulations. No change.
- o Indicator 2, Cumulative number of OECS countries with environmental plans. No change.
- o Indicator 3, Cumulative number of national and regional policies that reflect consideration of environmental implications. This indicator dropped due to definition and tracking difficulties and overlap with indicator 1.
- o Indicator 4, Cumulative number of OECS countries with documented lines of authority for natural resource decision making. This indicator dropped as not adding significantly to indicator 1.

PO-2.2, Environmentally sound agricultural products and practices developed.

- o Indicator 1, Cumulative number of environmentally sound agricultural systems/practices developed and disseminated. No change.
- o Indicator 2, Percentage of farmers in selected areas who are using agricultural practices or adopting new crops with continued positive economic returns. No change
- o Indicator 3, Monitoring system developed to ensure environmental quality is not degraded (water quality, biodiversity and soil erosion at ENCORE sites). Unit of measurement corrected to "number of systems."

PO-2.3, Increased local participation in the management and use of natural resources.

- o Indicator 1, Cumulative number of environmentally sound activities developed and implemented through community management. No change.
- o Indicator 2, Cumulative number of environmental advisory committees operating at local levels. Time frame expanded and additional target established for 1996 and 1997.
- o Indicator 3, Cumulative number of government contracts awarded to locally based NGOs/PVOs for environmental improvements. This indicator dropped as outside of RDO/C manageable interest and too difficult to track.

PO-2.4, Improved public and private sector capacity to manage natural resources.

- o Indicator 1, Cumulative number of NGOs/PVOs and quasi-private organizations actively involved in environmental activities. No change.
- o Number of people in public and private formal training and workshops to increase environmental understanding and related implementation capabilities. Long-term training targets reduced to reflect reprogramming under the ENCORE project.

RDO/C STAFFING - CLOSE-OUT PLANS

<u>POSITION</u>	<u>TYPE</u>	<u>PROP. DD</u>	<u>POSITION</u>	<u>TYPE</u>	<u>PROP. DD</u>
DIR	USDH	Jan-95	RCO	USDH	Jun-96 ✓
D DIR	USDH	Jul-94	Secty/Proc	FSN	Aug-96
Sp Asst	FSN	Sep-95	D EXO	US PSC	Aug-96
Secty	FSN	Jun-96	PERS	US PSC	Jul-96
Secty	FSN	Apr-94	Secty(rec/sb)	FSN	Apr-95
C/PDO	USDH	Jun-96 ✓	Recep SB	FSN	Sep-95
PDO	USDH	Jun-95	C&R Spv	FSN	Jun-96
ECON	USDH	Jun-94	C&R Clerk	FSN	Apr-94
Prog Spec	FSN	Jun-96	Clas C&R	US PSC	Jun-94
Prog Spec	FSN	Sep-95	Purch Agt	FSN	Aug-94
Secty	FSN	Sep-95	Clerk/Prop	FSN	Apr-94
Secty	FSN	Apr-94	Mail clk/driver	FSN	Jul-96
C/GDO	USDH	Jun-96 ✓	Driver/Mess	FSN	Jul-96
C/TDO	USDH	Jul-94	Driver	FSN	Jan-95
Nat Res Off	USDH	Jul-95	Maint Fman	FSN	Apr-94
Trd Dev Off	USDH	Aug-94	Warehouse	FSN	Jul-96
DI Adv	US PSC	Jul-94	Comp Oper	FSN	Mar-95
Secty	FSN	Sep-95	CONT	USDH	Sep-94
Secty	FSN	Jun-96	D CONT	USDH	Jun-96 ✓
Secty	FSN	Feb-94	Secty	FSN	Jun-96
Secty	FSN	Apr-94	Secty	FSN	Sep-94
Secty	FSN	Apr-94	Chf Fin Anl	FSN	Jun-96
PM Trng	FSN	Apr-96	Fin Anl	FSN	Mar-94
PM Trade	TCN	Jun-96	Fin Anl	FSN	Aug-94
PM Priv S	FSN	Sep-94	Chf Acctnt	FSN	Sep-95
PM Pop	US PSC	Jul-94	Sr Acctnt	FSN	Jun-96
PM Legal	TCN	Jul-95	Proj Acctnt	FSN	Sep-94
PM Health	US PSC	Jun-96	Proj Acctnt	FSN	Mar-95
PM Health	TCN	Mar-94	Acctg Tech	FSN	Apr-95
PM Educ	FSN	Sep-95	Budget Anlst	FSN	Jun-96
Engineer	FSN	Sep-94	Spv Vchr Ex	FSN	Jun-96
Engineer	FSN	Jan-95	Vchr Ex	FSN	Jun-96
			Vchr Ex	FSN	Sep-95
			Vchr Ex	FSN	Apr-94
			Cashier	FSN	Sep-95

FUTURE USAID ASSISTANCE TO THE EASTERN CARIBBEAN

USAID's Regional Development Office for the Caribbean (RDO/C) in Barbados has provided \$633 million in economic development assistance to the Eastern Caribbean since 1976. (Most of this came in the mid-1980s, in the aftermath of U.S. military intervention in Grenada.) The primary beneficiaries of this assistance have been six small island nations: Antigua and Barbuda, St. Kitts and Nevis, St. Vincent and the Grenadines, St. Lucia, Grenada, and Dominica.

In November 1993, USAID announced the decision to close RDO/C by the end of FY 1996. This decision leaves open the questions of whether the United States will continue to provide any economic development assistance to the Eastern Caribbean subregion and, if so, what are its likely level and content, and how it will be delivered. The decision to close RDO/C was in the context of major revisions to the Agency's program focus and organization. In this process, USAID has identified three categories of countries to be assisted--crisis, sustainable development, and non-presence (or limited presence). The latter category would receive limited assistance through NGOs or to address global problems, but without a USAID staffed field mission.

These categories reflect elements of both country circumstances and USAID management arrangement, but do not totally replace earlier distinctions based on relative levels of development. Certain special provisions apply to "least developed" countries (e.g., waiver of requirements for host country contributions) which could come under any of the three current categories. USAID has also attempted to devise special ways of dealing with "advanced developing countries" or "more developed countries" (MDCs), often involving a limited presence. These distinctions remain relevant if economic assistance is viewed in a temporal perspective, i.e., as helping a country progress to a point where assistance is no longer needed.

Although the Eastern Caribbean countries are at or approaching MDC status they remain vulnerable--small domestic economy and narrow export base, thin layer of managerial and technical skills, fragile physical environment, etc. This vulnerability is exposed in actions taken by the United States, for example, in NAFTA and in negotiations on European banana imports, while poverty, political instability, and environmental degradation in these close neighbors threaten U.S. well-being even more than when they occur in more remote parts of the world. Consequently, future U.S. assistance to the subregion merits serious consideration.

The decision to close RDO/C also left open questions regarding USAID's approach to the broader Caribbean region. A regional strategy document was prepared in draft in 1992 but never finalized. USAID decisions on future assistance to the Eastern Caribbean subregion should be made in the broader Caribbean context. RDO/C is submitting separately for LAC/W consideration a paper presenting this broader context, entitled "Caribbean 2000: Strategic Program and Management Options for Future A.I.D. Assistance to the Caribbean."

This Action Plan annex will not repeat the elaborate presentation of factors shaping a strategy and options presented in that paper. Instead, we present a specific proposal for the Eastern Caribbean, which may also be applicable to other Caribbean countries as they move to MCD and "limited presence" status.

An MDC "limited-presence" strategy for the Eastern Caribbean must address both U.S. interests and objectives in the subregion and its development status, needs and aspirations. It must also fit the resources available for the subregion.

The United States is interested in a democratic and economically, socially and politically stable Caribbean, with which the U.S. can enjoy strong and cordial economic, social and political ties. U.S. objectives in the region are: to strengthen the international economic integration of the nations there; to preserve democracy and other important global public values and goods; and to transform U.S.-Caribbean relationships into increasingly mature, peer-to-peer type linkages. In pursuing U.S. interests and objectives, the strategy will also reflect the values of the U.S. Administration as indicated in the Agency's commitment to participation, partnership and integration in planning and carrying out its programs in its four priority areas.

Countries in the Caribbean range in levels of development from high to very low. Although there are also disparities among countries of the Eastern Caribbean, they are not so great and the subregion is more susceptible to a single program and management approach. They provide an opportunity to develop a model program and management strategy for MDC countries approaching graduation. In doing so, there is also an opportunity to learn lessons about what might have been better done that will be relevant to "sustainable development" programs in other regions as well as in the Caribbean, which should all be moving in the direction of graduation, if over a longer time frame.

One characteristic of MDCs should be an increase in supportive and cooperative relationships between stronger institutions in those countries and counterpart organizations in the U.S. and elsewhere. The countries of the Eastern Caribbean have made some progress in this direction, but there remain gaps and weaknesses both in the local institutions and in their international linkages. Future assistance to the region should address these gaps and weaknesses.

A second characteristic should be decreased reliance on resource transfers. The countries of the Eastern Caribbean remain vulnerable to external shocks. However, USAID's program in the region is already reflecting the shift from resource transfers (e.g., infrastructure projects) to projects focusing on structural and institutional change. This trend should continue in future assistance to the region.

A third characteristic should be that the stronger and more self-reliant public and private entities take greater initiative and management responsibility in implementing development activities. This should also be reflected in management arrangements for future assistance.

Among the program options proposed in the Caribbean 2000 paper are one regional project in each of USAID's four priority areas or a single regional program in one of the areas. Management options presented for "limited presence" countries were Regional Office for the Caribbean (ROC) or a Caribbean Foundation (CF). This annex proposes a combination/variant of these options, i.e.:

- o a development fund, managed by the Caribbean Development Bank, to finance proposals submitted by public and private entities in the region in one or two of the Agency's priority areas; and
- o a regional USAID Affairs Officer, stationed within the U.S. Embassy, to concentrate on building helpful linkages between public and private entities in the region and counterpart U.S. organizations.

The Caribbean Development Bank (CDB) is proposed for delivery of program assistance instead of a Caribbean Foundation. The CDB already exists. It has shown itself able to effectively manage USAID funds under the Basic Needs Trust Fund and several other activities. It is a respected institution in the region which has taken a leadership role in such areas as economic and trade related policy reform. It will be implementing the Multilateral Investment Fund (MIF) on behalf of the InterAmerican Development Bank in the Eastern Caribbean, and is developing new poverty reduction and environment capability and programs with support from Canada, UNDP and others. Depending on the funds USAID can make available for the region, the CDB managed program might operate in up to three areas: economic and trade policy and related poverty alleviation; site specific environmental protection projects; and/or basic needs projects.

The arrangement would shift management from USAID to the regional organization (CDB) and the local recipient entities. After agreeing with the CDB on procedures and criteria, USAID would not have an active management role other than broad periodic review. The CDB would make grants to partially finance initiatives from the countries and local organizations in the subregion, within the priority areas agreed upon with USAID. The recipients would be responsible for design/proposal development, partial funding, and management of implementation.

This element of our proposed "limited presence" strategy for the Eastern Caribbean could readily channel almost any level of resources likely to be available from USAID. Obviously, the arrangement would not be worth maintaining below some minimum annual level, but even, for example, \$2 million/year, focused on helping alleviate specific negative impacts of structural reforms needed to improve regional trade competitiveness, could make a significant difference.

The second element, the regional USAID Affairs Office, would be essentially a communication service focused on establishing linkages for cooperation between Caribbean and U.S. institutions that can be effective without other USAID intervention or support. The office would be located in the Embassy because many of these links would be to other U.S. Government agencies, e.g.,



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

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MEMORANDUM

DATE: January 14, 1994

TO: Ms. Mosina Jordan, Director
RDO/C Barbados

FROM: Douglas Robbins, Controller
LAC/DPP, USAID *[Signature]*

SUBJECT: Report on TDY Visit

The primary purpose for this visit was to review, first hand, operating and workforce requirements for RDO/C and Guyana in conjunction with the phase-out plan for RDO/C and expansion plans for USAID/Guyana. Also of importance was to underscore the Bureau's intent to use the upcoming Action Plan review to facilitate formal approval of the RDO/C phase-out plan by both the LAC Bureau and other Agency authorities.

Operating Budget: Significant progress has been made by Mission management in reducing the FY 94 Operating Expense requirements to a level the Bureau can more readily accommodate. At this point the Controller and I agree that \$1.9 million will be sufficient to meet all known requirements. When you consider that the FY 93 level was \$3.1 million this kind of reduction is indeed remarkable and a credit to all involved. You should be aware that the \$1.9 includes Severance Pay requirements for the fiscal year and also allows us to forward fund the FY 95 LQA. The FY 95 budget forward funds the FY 96 LQA and only minimal funds are budgeted for housing in FY 96. This way the trend line is more impressive and you will have some flexibility if the need arises. The only equipment needed has been budgeted under supplies, leaving NXP nil for all three years. The Operating Expense and Staffing table (Table 5 of the Action Plan) has been prepared

along with the back-up detail tables and I plan to use this presentation as a model for other missions. A copy is attached for your reference.

Action Plan: Bureau guidance calls for preparation of an Operational Plan under the Close Out section. You might want to consider expanding the "RDO/C Phase-Out Experience" narrative to include plans for reducing office space and eventually terminating the lease, disposition of office and household furniture and equipment, computers, vehicles, etc. Disposition of project funded property should likewise be addressed. I spent several hours with EXO staff reviewing these requirements. Also while the Action Plan instructions specifically exclude the need for RDO/C to submit a personnel listing showing planned departure and/or severance dates, it may be useful to update the earlier listing and have it available for our sessions with HRDM, M/BUD and others having responsibilities in this area.

FTE Issue: There is some concern in my view over the level of FTEs to be shown in the Action Plan. The instructions call for Missions to consider their assigned FTE levels for FY 94 and FY 95. In the Bureau Budget Submission (BBS) the levels were 10.0 and 4.0 for Barbados and 0.7 and 2.0 for Guyana for FY 94 and FY 95 respectively.

Considering that the Deputy Controller position may have to remain at post well into FY 95 and possibly FY 96 per our discussion, the 4.0 in FY 95 should be considered 5.0 as we had allocated that position (and FTE) to Jamaica for FY 95. Therefore, you have 8 USDHs (7.7 FTEs) on board going into FY 95 and the Bureau's current allocation from M contains only 4 plus the 1 (Jamaica) FTEs (read workyears) for Barbados. Clearly something has to give. I suggest you go in with your real needs planning level in the Action Plan and we will have to sort it out at the review. Keep in mind though, if we have to increase the Barbados FTE level it will most likely have to come out of some other LAC Mission's present level.

For Guyana in FY 94 there will be 0.5 FTE available for the GDO position - which allows for posting in March/April, and 0.2 FTE for assignment of the second position toward the end of the fiscal year. Guyana's O.E. budget provides funding in FY 94 for two postings consistent with the above FTE distribution. For FY 95 there are 2.0 FTEs and that presents no problem to the best of my knowledge at this time.

Project Activity: The Action Plan guidance calls for a time line chart depicting the fiscal year and quarter each project will close out. Please note that the close out date is a PACD and not the terminal disbursement date (TDD) which normally runs nine months beyond the final date of cessation of project activities for submission of payment requests and documentation.

One item not covered by the Action Plan guidance is LAC/DPP's willingness to attempt to find funds to finance your entire close out portfolio mortgage in FY 94. If this approach would help facilitate close out please include it in your Action Plan as an option for discussion.

Retirement Fund: I intend to pursue in USAID/W the issue between the Embassy and RDO/C on the FSN retirement fund contributions. As I understand it, USAID will have contributed approximately \$130,000 since the plan's inception and our employees will receive nothing out of it - by Embassy rules - because no one is yet vested under the system. Seems a bit one-sided; and if we truly have a single FSN system for all USG agencies at Post, why wasn't there a system-wide RIF invoked? These matters need to be called to the attention of the M Bureau as they may have worldwide implications.

Grenada NXP: Apparently the Agency is still maintaining an NXP inventory for Grenada despite the Embassy's agreement to reimburse USAID for fair-market value. I will direct this issue to the appropriate authorities in USAID/W for resolution. Probably we will have to have an offset at the Agency-level FAAS Agreement.

It has been my pleasure to be here and I hope my presence has been beneficial to you and your staff. I will make every effort to obtain the resources you need to complete this difficult task. If I can be of further assistance, please let me know.

Attachments: a/s

CC: Norma Parker, DAA/LAC
Joe Stepanek, LAC/DPP
Eric Zallman, LAC/DR
Marcia Bernbaum, LAC/CAR
Carol McGraw, M/BUD
John Koehring, M/MCS ✓
Mike Usnick, M/CONT

MISSION CLOSE OUT - BUREAU PLANS

LATIN AMERICA

CARIBBEAN REGIONAL

<u>OFFICE</u>	<u>PROJECT NO. AND TITLE</u>	<u>CONTRACTOR(S) AND/OR GRANTEE(S)</u>	<u>PRIORITY OF ACTIVITY</u>	<u>RATIONALE FOR ACTIVITY IF CONTINUED BEYOND CLOSE OUT</u>
<u>PRE/H</u>	940-1008 - Caribbean Disaster Mitigation Project			PACD 1998, but no rationale given.
<u>AGR</u>	936-4048 - Peanut CRSP	Univ. of Georgia	1	Activity important to achieve regional/global objectives.

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**TABLE 5
USAID/(RDO/C)
OE Funding Requirements
(000)**

OE /TRUST FUNDED LEVELS By Major Function Code:	FY94			FY95			FY96		
	OE	T/F	Total	OE	T/F	Total	OE	T/F	Total
U100 U.S. Direct Hire	127		127	96		96	36		36
U200 F.N. Direct Hire	578		578	508		508	359		359
U300 Contract Personnel	329		329	382		382	251		251
U400 Housing	179		179	160		160	3		3
U500 Office Operation	555		555	522		522	346		346
U600 NXP Procurement			0			0			0
Sub-Total (Core Costs)	1,768	0	1,768	1,668	0	1,668	995	0	995
Downsizing Cost: U100	52		52	69		69	83		83
U200	58		58	59		59	135		135
U300	21		21	44		44	45		45
U500	9		9			0	29		29
Sub-Total Downsizing Costs	140	0	140	172	0	172	292	0	292
Total OE/TF Costs	1,908	0	1,908	1,840	0	1,840	1,287	0	1,287

	Mission Staffing Requirements											
	FY 94				FY 95				FY 96			
	USDH	USPSC	FSN	Other*	USDH	USPSC	FSN	Other*	USDH	USPSC	FSN	Other*
Total FTE's or Workyear	12	5	44.4	3	8	4	30	3	4	2.5	20.3	0.5
of which Program funded		2	3	3		1	1	3		0.5		0.5
of which Guyana OE funded	1		2		1		2				2	

* Other = TCN's