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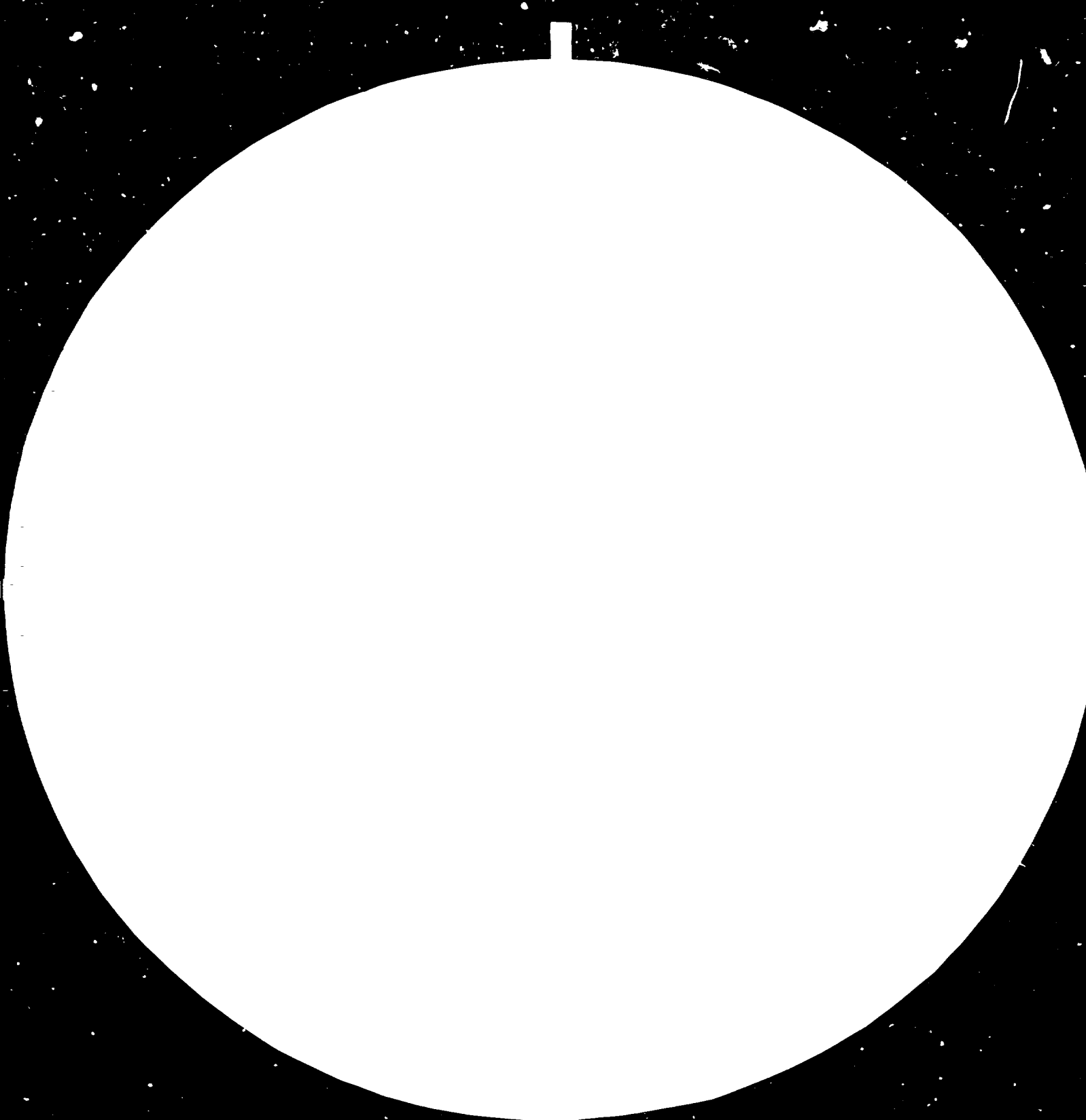
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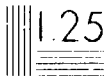
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PROGRAMMING MISSION TO DOMINICA*

29 Nov. to 4 Dec. 1982

by

The Secretariat of UNIDO

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I. INTRODUCTION

1. At the request of Honourable Eugenia Charles, the Prime Minister and Minister of Finance, Trade and External Affairs during her visit to UNIDO Headquarters in May 1982, a UNIDO programming mission was fielded to Dominica from 29 November to 4 December 1982 to discuss with the Government the possibilities of UNIDO technical assistance in the important areas of wood processing, food processing, hydroelectric energy development and export processing zone as identified by the Prime Minister. The mission consisted of the following UNIDO staff members:

Mr. K. Sepic, Head, Agro-Industries Branch, Division of Industrial Operations (team-leader)

Mr. R. Hallett, Agro-Industries Branch, Division of Industrial Operations

Mr. W. Kie, Programme Officer for Dominica, Division of Policy Co-ordination

2. The team arrived at Bridgetown, Barbados on Sunday evening, 28 November 1982. The next morning, the team was briefed by Mr. Gordon-Somers, the Resident Representative in Bridgetown and Mr. Bernard Yankey, Deputy Director, Caribbean Development Bank, on the present situation and economic development of Dominica.

3. The first country programme for Dominica for 1982-1986 was approved by the UNDP Governing Council in May 1982. The total illustrative IPF during 1982-1986 period is US\$ 2.3 million, of which only US\$ 1,840,000 or 80 percent is available for programming (it may further reduce to US\$ 1,265,000 or 55 percent). In addition, about US\$ 220,000 from the programme reserve is being programmed for the first year of the third cycle. There are two projects included in the country programme for UNIDO execution. They are: DMI/81/004 Industrial Investment Promotion (US\$ 37,000), which has been approved; and DMI/81/005 Management Assistance to National Development Corporation (US\$ 84,000) which is still awaiting approval. Since the IPF for Dominica has been fully committed through 1983, the project DMI/81/005 may not be approved before 1984.

4. Dominica has been self-governing since 1967 and gained independence from Britain in November 1978. It is now known as the Commonwealth of Dominica. It is the largest of Windward Islands, lying midway between the French Islands of Guadeloupe to North and Martinique to the South. Dominica has an area of 753.4 square kilometers, 47 kilometers long and 26 kilometers wide. Like other

Windward Islands, Dominica is entirely volcanic in origin; its centre being largely composed of the round cones of extinct volcanoes including numerous thermal springs and a geyser known as the boiling lake. Dominica has a population of 74,000. Roseau is the capital and main port on the south-west coast with a population of 17,000. English is its official language. Dominica's climate is tropical with an average temperature of 27°C (80°F). Rainfall along the coast averages 1150 - 1800 mm (45-70 inches) annually but the interior rain forest receives between 3800 and 7100 mm (150 and 280 inches) of rain each year. There are 366 streams and rivers on the island. Dominica has considerable potential for development of hydro and geothermal energy. There are about 363 km² (140 square miles) of forests on the Island. Forests contain extensive reserves of gommier, a hardwood used for building and furniture.

5. Dominica's economy is largely dependent upon agriculture, with bananas as the main export crop, which contributes about 60 percent of the total value of export. However, the Government has made a great effort to diversify its productive base to expand the manufacturing sectors such as food processing, wood processing and other light industries to increase the opportunities for employment. But, recent economic development on the Island has been dominated by the effects of two devastating hurricanes, David and Allen, which destroyed productive capacity in consecutive years 1979 and 1980. Economic recovery began in 1981 and continues, but under tremendous constraints. Damaged houses could still be seen in Roseau and other areas.

6. The UNIDO team arrived at the Melville Hall airport of Dominica at 16.30 Monday, 29 November 1982, and was met at the airport by Mr. Alleyne, General Manager of Dominica Industrial Development Corporation (DIDC). The Melville Hall airport is about 60 kilometers away from Roseau across the Island. Because of the poor and narrow roads, it takes two hours by car.

7. The UNIDO mission had the first meeting with Mr. Nassief, Chairman of DIDC, Mr. Alleyne, General Manager of DIDC and Mr. Marie, Permanent Secretary for Trade, Industries and Tourism Regional Office, at 09.30 Tuesday, 30 November 1982 at DIDC Headquarters. They exchanged views on special industrial areas needed by the Government for UNIDO assistance and the possibilities of UNIDO technical assistance to Dominica.

8. Honourable Prime Minister, Mrs. Charles, met the UNIDO team at 16.00, Wednesday 1 December 1982 at the Prime Minister's office. She expressed her interest in UNIDO's assistance in wood processing and handi-craft. She pointed out that the top priority was wooden bridges.

9. The team had a discussion with Mr. Dyer, Minister of Communications, Works and Tourism, on Friday 3 December 1982, concerning UNIDO technical assistance in the fields of mini-hydro power and wooden bridges.

10. In recent years, there had been studies carried out by various organizations and agencies and their reports had been piled up on the shelves without any follow-up action. The Government, therefore, emphasized that it needed no more studies and reports. What it really required now was financial assistance and implementation of the recommended projects of the reports.

11. The UNIDO team also visited several factories and companies during their stay in Dominica such as sawmill and forest near Portsmouth; the agro-processing laboratory, Parry W. Bellot and Co., Ltd., and Dominica Coconut Products Ltd. A complete list of persons met during the mission is attached as Annex 1.

12. The UNIDO team left Dominica on Saturday morning, 4 December 1982, for Barbados. In Barbados, they had a de-briefing session with Mr. Dello-Strologo, the SIDFA in Bridgetown, on the findings and results of the mission.

II. WOOD INDUSTRIES SECTOR

13. The development of Dominica's sawnwood industry is essential before any meaningful assistance may be considered to the secondary wood products sector - furniture, joinery, bridges and semi-finished components for export. Visits were made by the mission to the two sawmill sites (Portsmouth and Roseau) and to several manufacturers in Roseau and discussions with owners, staff and international advisers plus Government officials resulted in the following summaries and conclusions.

Sawmilling

14. This is the responsibility of FAO within the UN but considerable assistance has been given by the UK Government (British Development Division), the Canadian

Government (CIDA) and by the Rotary Club of Canada in the form of equipment and expert services. Dominica Timbers Ltd., is now building a sawmill at Portsmouth which will have a capacity of 5000 to 10000 board feet per day. Italian and British de-humidifying kiln equipment has been delivered to the site and will be run-in by the suppliers (CEAF, Italy) as soon as the structure is up.

15. Plans are underway to relocate the main equipment from the former Dominican Forest Industries Development Corporation site in Roseau to Portsmouth and to leave the Roseau site as a sales point with only basic machinery for order preparation - radial arm saw, thickness planer and possibly a table resaw. The saw-doctoring equipment and sawdoctor will be moved to Portsmouth.

16. During the mission, negotiations were underway with a foreign party for investment of new plant and management/marketing services in return for a controlling interest and majority profit but guaranteeing a certain yield to the present owners. If this does not work out, Dominica Timbers Ltd. will need assistance in the form of management, accounting and marketing as well as mechanic services to ensure profitability.

17. It is generally accepted that sufficient timber resources are available and that the species are worth exploiting. What is lacking is managerial and production experience.

Furniture and Joinery

18. There are several small to medium-sized enterprises in Roseau (15 to 30 employees) making furniture and joinery items for the local market with the occasional export success. Of wood species, Gommier predominates but Courbaril (Coubawee), Laurier poivre, Red Cedar and Mahogany are also commonly used. Quality control is poor and matching for colour and grain not usually done. Designs are traditional with some innovation, but not suited to industrial production - hand fitting/finishing is practised throughout. Varnish provides a glossy finish but is often rough and uneven. Difficulties of planing and turning necessitate much patching and filling although considering the cramped and unorganized work places, some very nice products are made. Wood is widely appreciated and has been used in houses for ages.

19. Supply of sawnwood is largely from small sawmillers using chain-saws (singly or double-ended "Alaskans") which requires heavy planing and consequent

waste. Drying is irregular and done by stacking in the rafters or basements and waiting for time to do the job. A 15% moisture content is normally accepted.

20. Gommier is used extensively for rafters and railings, floors and furniture. Courbaril is preferred for turned bedsteads (traditional prestige) since its durability makes items family heirlooms.

21. The DIDC is encouraging several entrepreneurs to locate in an industrial area at Canefield Airport which will concentrate this sector's activities in the north of Roseau since E.H. Charles and Co. (doors, hardware, building supplies) is near the deep water port and J. Astaphan and Co. is already situated with new buildings in this area. Applications have been received for factory spaces of from 140 - 460 m² (1500-5000 sq.ft) from three firms^{1/} and two more are expected (Thomas Moreau Joinery and Martin Alleyne).

22. A project concept for "Assistance to the Woodworking Industry" was agreed during the mission whose objective would be to assist the furniture and joinery firms either already located near Canefield or moving to the new industrial area there, to improve design and production of wood products, advise on quality control and export marketing and assist in the selection of machinery and equipment suited to the new locations and product lines. An expert would be provided for one year who would give this ad hoc assistance as well as study the viability of setting up common facilities, at Canefield, for technical advice, cutting tool and machine maintenance and for kiln drying of sawnwood (possibly using solar energy).

23. The cost of UNIDO inputs is estimated at US\$ 80,000 - US\$ 90,000 for the expert and sundry associated costs. A further US\$ 15,000 - US\$ 20,000 should be envisaged for equipment and materials should the expert recommend the common facilities. In this case, the Government would be expected to provide land and locally available building materials for the office/library/maintenance building and for the (solar) kiln. Furthermore, a technician counterpart would have to be nominated by the Government to operate the centre.

24. As a prerequisite, the agreement of the woodworking firms involved, to co-operate and accept the expert, must be obtained.

^{1/} Home Improvements Cooperative, The Cheapside Furniture Store, Julius Williams

Wooden Bridges

25. The road network was severely damaged by the two hurricanes in 1979 and 1980 and reconstruction work is concentrating on the main roads, especially the surfaces. The country's terrain requires numerous bridges, especially to provide access for agricultural products to processing plants and markets. The Ministry of Communications, Works and Tourism (Public Works Department) has identified six bridges^{2/} in a "Project Profile" needing replacement although not all of these are suitable for UNIDO's bridge system. Officials were definite that many other sites existed and that such a bridge system would suit the country.

26. A project concept "Wooden Bridge Construction" was agreed during the mission and, following an official request, a project document will be prepared that would assist the Government in introducing such bridges into the country. It is suggested that the prototype be erected at Copt Hall near Roseau. The present bridge is 21 m long and abutments exist which only need minor adjustments to accept the prefabricated bridge.

27. The total cost would be about US\$ 50,000 - US\$ 60,000 and would involve an expert for 5 months plus certain expenditures on special launching and testing equipment plus imported steel and cement. The workshop could well be located at the Roseau site of Dominica Timbers Ltd. and steel parts could be made (cut, drilled, welded) at the nearby Public Works Garage which is well equipped for such work.

28. It was ascertained that ample supplies of Carapite (*Amanoa caribaea*) existed and no problems were foreseen in sawing the required sizes (basically 2" x 10", 8", 6" and 4" with maximum lengths of 10 ft for the larger sections and up to 16 ft for the smaller, which are for bridge decking) provided the Portsmouth sawmill of Dominica Timbers Ltd. is properly run-in. Prices were expected to be ECS 2.00/board foot (US\$ 320/m³) ex mill for carapite.

29. Of other sites listed in the "Project Profile" the mission visited the Tarou site, which, because it is on the main Roseau-Portsmouth road, would not

<u>2/</u> Geneva - 103 ft-span.....	ECS 1,545,000	<u>Costs estimated</u>
Copt Hall - 102 ft-span (70 ft; UNIDO estimate)	1,530,000	<u>in Project Profile</u>
Cuffy River - 70 ft-span.....	1,050,000	
La Ronde River - 100 ft-span.....	1,500,000	
Tarou - 20 ft-span.....	400,000	
North River - 40 ft-span.....	<u>600,000</u>	

ECS 6,625,000

be suitable; and the Cuffy River site near Melville Hall. The latter would be well suited and would open up a valuable plantation area now served by a bridge capable only of bearing small hand carts.

30. The expert would be expected to assist the Ministry in preparing a longer term wooden bridge building programme with cost estimates.

Low-Cost Housing

31. The Government places high priority on low-cost housing and building components for construction of public buildings. ILO and Habitat are both involved in this area - models for low-income housing exist, and a Woodwork Training Centre has been established to train people in basic woodworking skills.

32. Once a regular and reliable supply of sawnwood is put on the market, it is expected that the private sector will produce standard roof trusses, doors, windows and frames. Preservative treatment will be needed if non-durable species are used but it must be pointed out that imported Douglas Fir, Grade 1, costs EC\$ 2.25/board foot (US\$ 350/m³) and local costs must be less to compete.

33. The possibility of importing pre-fabricated building kits from Guyana for assembly and erection in Dominica should be investigated since sawnwood in Guyana sells for G\$ 1.10/board foot (US\$ 150/m³ approx.) and various enterprises there are interested in such business. (This was determined the following week during a visit made by Mr. Hallett to Guyana).

Timber Engineering Workshop

34. The DIDC and other appropriate officials were informed that UNIDO will organize a specialized training course in Timber Engineering in Australia, 2-20 May 1983. This workshop will accept 20 qualified structural and civil engineers who are familiar with design procedures in concrete and steel and present them with basic wood technology and design methods which will encourage the use of timber in construction. Dominica has been invited and it was suggested that an engineer from the Ministry of Communication, Works and Tourism might be nominated.

Assistance in Upholstery Foam Manufacture

35. The mission visited the factory of J. Astaphan and Co., (1970) Ltd. Canefield, where equipment had been installed a few years before for making polyurethane flexible foam. The machinery suppliers have not been able to solve the technical problems and have given up trying. It was agreed that the firm should request that an engineer be provided for one or two weeks (under SIS financing) to recommend appropriate action so that foam may be produced on the island for this company as well as others.

36. It was learned later, that a British Executive Services Overseas (BESO) engineer who was assisting the Dominica Coconut Products Ltd. was also familiar with foam technology. The mission recommends that his advice be sought in this connection before requesting further technical assistance. (A list of chemicals used was given to the mission for reference).

III. FOOD INDUSTRY SECTOR

37. The diversification of agro-industries was listed as one of the priority areas. Mention was made specifically of citrus processing which had already been dealt with by UNIDO in 1979/1980. The Food Processing project (DMI/80/002/A/01 and DMI/80/002/A/15) was formulated in 1979 and the project document signed by the Dominican Government on 10 July 1980. The project, however, has never been approved. The project inputs were expected to be both from the Programme Reserve (US\$ 240,000) and IPF (US\$ 82,100) for a total of US\$ 322,100. The main objectives of this project were to establish a multi-purpose food processing plant, including laboratory, to be used for diversification and promotion of food processing through proper selection of equipment, processing techniques, packaging materials and products, quality control, etc. No confirmation from the Dominican officials could be obtained that this project concept was still valid in view of recent developments. They emphasized, however, that the main problem, at present, is processing grapefruit into segments which, it was believed, would be a profitable venture.

38. There are relatively large areas growing grapefruit but since there are no processing facilities in the same area and transportation costs to the existing facilities at Roseau are prohibitive, large quantities of fruits are just not harvested at all. There is an idea that grapefruit may be pre-processed in the growing area and then transported to Roseau for final processing. The viability of this proposal, however, would have to be checked very carefully.

39. The existing plant L. Rose + Co. Ltd. at Roseau, visited by the mission, is practically only processing lime juice concentrate for export (for lime cordials) and lime oil. Whole limes are crushed-squeezed and the juice kept for about three weeks in large wooden vats for settling and separation. Decanted juice is then concentrated 1:6 and exported as such, while separated oil is distilled into lime oil. The Mission was informed that the plant, formerly belonging to Cadbury-Schweppes, belonged now to the Government but since negotiations for privatisation had not yet been completed, it was advisable to consider possible technical assistance to the plant only once the situation had been fully clarified. The plant appeared to operate without any major technical problems and there seemed to be only a question of production diversification, particularly by introducing grapefruit segments production. It was noted that one consultant had been engaged (in 1982) in Dominica, through CFTC of the Commonwealth Secretariat (U.K.), to make an appraisal of lime juice processing, formulation of proposals for diversification, market appraisal, to study financial viability etc. At the time of the mission he was also experimenting with canning of grapefruit segments in syrup.

40. The mission noted the existence of a study on the "Re-organization of the Citrus Fruit Industry with Primary Focus on L. Rose + Co. Ltd., Dominica", (final draft dated April 1981), prepared by the U.N. Centre on Transnational Corporations. This study represented quite a comprehensive document covering:

- Lime and Grapefruit Agricultural Production
- Ancillary Crops for Processing
- L. Rose Processing Plant (with detailed description of the plant, layout, etc.)
- Financial Analysis of L. Rose Plant
 - lime production
 - processing of grapefruit juice
- Potential of L. Rose Plant and Multi-Purpose Processing Plant
 - processing of grapefruit segments
- Marketing
- Analysis of Offer and Negotiating Strategy
- Summary and Recommendations.

41. The subject study was prepared by a UNCTC team of four consultants who visited Dominica from 16 to 28 March 1981, and with whom Mr. W. Millager, UNIDO SIDFA at that time, co-operated as well.

The mission also noted several other documents on similar subjects:

Project on Phase One of a Multipurpose Processing Plant (by E. Lambert and P. Marie).

Towards a Multi-Purpose Processing Complex for Dominica (by E. Lambert)

Feasibility of a Fruit Cannery in Dominica.

42. Keeping in mind the existence of all these studies, one can fully understand the view expressed by DIDC officials that there was no need for any more studies, reports and missions. What was now needed was concrete implementation which would obviously involve some investment expenditures for the establishment of new or for the expansion of the existing facilities. For this reason it was not clear what kind of technical assistance could be envisaged by UNIDO, at least, at this stage.

43. This was somehow in contradiction with the fact that the BELLO plant (P.W. Bellot + Co. Ltd.), also visited by the mission, operated at some 50 percent of its production capacity. The plant produces hot pepper sauce, lime juice, guava jelly, passion-fruit syrup, guava nectar, etc. Its capacity was for example, for hot pepper sauce 64,800 gallons (producing 37,800 gallons) passion-fruit syrup 9,000 gallons (produced 2,500), jams and jellies 1,500 cartons (produced 450), citrus juices 100,000 cartons (produced 13,000), etc. It appears that there are two main problems of the plant; marketing promotion and high cost of packaging materials. As an example, hot pepper sauce costs 7 cents while the glass bottle in which it is packed costs 30 cents, more than four times the amount of the content. The managing director of the company (private limited, established in 1938) indicated that they would need technical assistance, primarily one food processing technologist for a one year period to improve production technology, to introduce some cheaper packaging methods and to train one technician who should become capable to take full responsibility for technical management duties. The plant employs 24 permanent staff and 15 seasonal for a period of five months. Of the total sales, 50 percent represents hot pepper sauce, 15 percent jams and jellies and 35 percent juices and syrups.

44. Another plant visited by the mission, was Dominica Coconut Products Ltd., Which appeared to be operating efficiently. Copra is collected from farmers who do harvesting and drying; oil is extracted by a screw press and used partly for its own soap manufacture and partly for sale as cooking oil in plastic bottles made in the plant itself. According to the information obtained more than 90 percent of the soap produced is exported to various Caribbean islands where it is well accepted due to its fragrances which are preferred in the area. The remaining cake after oil extraction is milled and sold for animal feed. No need for any technical assistance to the plant was indicated.

45. There are regular shipments of fresh bananas to the U.K. every two weeks, however, there are still some quantities of bananas and banana waste which could be utilized for other purposes. Farmers are apparently using them for animal feed, however, without any processing or treatment. There was an interest in using the surplus bananas for other products, for example; banana puree or powder for baby food; banana wine and vinegar, animal feed, etc. The main problem appeared to be the profitability of such operations, economy of scale and marketing. Drying of macerated bananas for animal feed mixtures was of definite interest, however, there was no clear picture of how this could be done in practice, particularly since there are no organized livestock development and fattening facilities. Possible silage of bananas, to avoid high drying costs, was discussed.

46. The Produce Chemist Laboratory also visited by the mission, operates under the Division of Agriculture, Ministry of Agriculture, with the main function to:

- resolve problems related to post harvest losses of agricultural products
- carry out research on essential oils and other products
- stimulate agro-industry development in general
- carry out laboratory analyses of food products, plants, soil, etc.

47. The laboratory is equipped with some testing instruments and pilot plant equipment and is carrying out various research activities on banana wine and vinegar, packaging herbal teas, etc. The laboratory is expected to move to new larger facilities and would need additional equipment for its future activities.

IV. EXPORT PROCESSING ZONE

48. According to the interest expressed before the mission took place, the Export Processing Zone was considered as one of the priority subjects. Through all the discussions it was evident that the interest still existed to establish such a zone at the Melville Hall Airport, some 60 kms from Roseau. The timing, however, is uncertain.

49. Very close to Roseau is another airport at Canefield, however, its landing strip is too short for even medium size planes and it is used only for small ones. The Canefield airport is expected to be extended and enlarged making it capable to accept larger planes and thus to become the main airport of the island for regular passenger traffic. The construction works have not started yet and it will obviously take some time before the main air traffic from Melville Hall is transferred to the Canefield airport. It is then intended to develop the area around the Melville Hall airport as an industrial free zone for processing and export of various products made from imported raw and semi-processed materials. The old airport would then be used primarily for cargo planes. No information was obtained on any concrete projects in this respect and it appears that the whole concept is yet to be developed, particularly concerning the selection of products to be produced, investments required, marketing, etc.

50. The mission provided DIDC with the UNIDO publication Handbook on Export Free Zones (UNIDO/IOD 31) and the suggestion was made to study it before taking any action. It appears that similar zones which exist on some other islands in the Caribbean have some appeal to Dominican authorities as well.

V. MINI-HYDRO ELECTRIC POWER

51. The expansion of hydro electric power plants was identified by the Prime Minister during her visit to UNIDO, as a priority. This subject was discussed during the mission with both the DIDC and the Minister of Communication, Works and Tourism; in particular the application of mini-hydro plants due to the high rainfall, the cost of power distribution and the import cost of oil. Many rural areas were not connected to the grid.

52. The Government was most anxious to avoid further studies and made it clear that projects already existed and that the pressing need was for financial assistance for construction. The UNIDO mission pointed out that a staff member from the Engineering Industries Section was to be travelling to Cuba soon and could stop-over in Dominica at no cost to the country, to review the three apparently bankable projects already prepared and possibly suggest means whereby UNIDO might assist - for example in seeking funds and in providing technical consultancy services to help oversee the construction programme.

53. It was pointed out that for this and for assistance in other areas, an official request was required before UNIDO could consider using its own funds or seeking funds from elsewhere.

VI. HANDICRAFT INDUSTRY

54. The Government had requested UNIDO technical assistance to the handicraft industries and this was discussed during the recent UNIDO mission. There are two main handicraft companies in Roseau, Tropicrafts and Dominica Handicraft Company, which produce very good grass mats, straw bags, hats and dolls, baskets. However, they have some problems and constraints such as the lack of fresh ideas about designs, styling and innovative product lines responding to current demand, and limited market outlets and inaccessibility to new markets. Therefore, their production has been going down and UNIDO was requested to provide consultancy services in organizing market outlets as well as advising on design, product development, and modern market strategies.

55. A project proposal SI/DMI/82/296 Assistance in upgrading the productivity of tourist and export-oriented small craft industries has been prepared by Mr. Antonio, DIO/INFR, and already submitted to UNIDO's Project Review Committee for consideration. UNIDO would provide a service of three man/month consultant, totalling US\$ 23,000 under SIS programme. A copy of the project proposal is attached for easy reference (Annex 2).

VII. RECOMMENDATIONS AND CONCLUSIONS

56. Management Assistance to the National Development Corporation (DP/DMI/81/005) is in the Country Programme but the DNDC is only in process of being formed (from the Dominica Industrial Development Corporation and the National Development Bank). Accountancy and budgeting assistance is needed and the original project document submitted 16 October 1981, may not meet the current needs. Action: SIDFA to clarify needs and confirm Government request - updating the project document as necessary.

57. Wooden Bridge Construction. A project concept was agreed and a project document drafted during the mission for a cost of US\$ 50-60,000 to build one prototype bridge and establish a workshop. Action: SIDFA to obtain official request so that UNIDO may complete and submit the project document.

58. Assistance to the Woodworking Industry. A project concept was agreed involving one year of expert services to help furniture and joinery firms in the Canefield/Roseau area at a cost of US\$ 90-110,000. Action: SIDFA to obtain official request to enable project document to be drafted and submitted.

59. Assistance to Upholstery Foam Production. If the existing (BESO) expert does not solve the problems of J. Astaphan and Co. a request for SIS assistance for a two week consultant's mission should be made. Action: SIDFA to follow up.

60. Food Processing project (DMI/80/002) formulated in 1979, approved by Government but no funds made available. Action: SIDFA to clarify with UNDP and the Government on the final position in respect to this project.

61. Grapefruit Processing. Two project ideas were under consideration; production of canned grapefruit segments and pre-processing fruit in the field with final processing in a central plant. Action: SIDFA to obtain an official request for assistance, three to six months expert services may be envisaged.

62. Bello plant was interested in technical management assistance, including fruit processing and marketing, packaging and training of counterpart technical staff. Action: SIDFA to pursue the matter further and find out whether the Government would support a request for six months to one year expert services.

63. Banana Utilization for Animal Feed either by drying or silage or any other method which might be suitable under local conditions. Action: UNIDO (IO/AGRO)

to provide technical information on this subject.

64. Export Processing Zone. Although this was seen as a priority, the mission recommends postponing the action until the Canefield Airport has been extended and the Melville Hall Airport is in a position to be adapted to freight traffic.

65. Mini-Hydro Plants. An official request is needed to permit the UNIDO staff member visiting Cuba in early 1983 to stopover in Dominica to discuss UNIDO's role at no cost to the country. Action: SIDFA to obtain official request.

66. Assistance in Upgrading the Productivity of Tourist and Export-oriented Small Scale Craft Industries: (SI/DMI/82/296) has been submitted to UNIDO's Project Review Committee and a decision is expected soon.

LIST OF PERSONS MET

ANNEX 1.

Hon. Eugenia CHARLES, Prime Minister
Hon. Henry DYER, Minister of Communications, Works and Tourism.
Mr. Philip NASSIEF, Chairman, DIDC and President, Dominica Coconut Products Ltd.
Mr. Percival MARIE, Permanent Secretary, Trade, Industry, Tourism, Regional Affairs
Mr. W. Ken ALLEYNE, General Manager, DIDC
Mr. Peter AZILLE, Sr. Marketing + Promotion Officer, DIDC
Mr. P.R. BELLOT, DIDC
Mr. L. Peter CORREIA, DIDC
Ms. Claudia BELLOT, Produce Chemist, Division of Agriculture, Ministry of Agriculture
Ms. Sylvia CHARLES, Economic Development Unit
Mr. Cecil BELLOT, Managing Director, P.W. Bellot and Co.Ltd.
Mr. Dermot SOUTHWELL, Chairman, Dominica Timbers Ltd.
Mr. Urban PEMBERTON, Deputy Manager Operations; Dominica Timbers Ltd.
Mr. Cecil BANKS, Canadian Sawmilling Expert, DT Ltd.
Mr. Egbert CHARLES, E.H. Charles + Co.Ltd. (Contractors)
Mr. Hiram ATTIDORE, Manager, The Cheapside Furniture Store
Mr. J. ASTAPHAN, J. Astaphan + Co. (1970) Ltd.
Mr. Foued ISSA, Managing Director, J. Astaphan + Co. (1970) Ltd.
Mr. Vernon MARTIN, Deputy Chief Technical Officer, Min.Comm, Works + Hg.
Mr. Arthur NESTEY, Public Works Department, Min. C.W. + H.
Mr. Ben THOLEM, ILO, Woodworking Expert
Mr. Bernard YANKEY, Deputy Director (Agriculture) Caribbean Development Bank, Barbados
Mr. Trevor GORDON-SOMERS, UNDP Res.Rep. Barbados
Ms. Nancy L. YATES, UNDP Deputy Res.Rep., Barbados
Mr. S. Dello STROLOGO, SIDFA

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

PROJECT PROPOSAL

No: SI/DMI/82/296

PART A - BASIC DATA

COUNTRY/REGION	:	DOMINICA
PROJECT NUMBER	:	
PROJECT TITLE	:	Assistance in Upgrading the Productivity of Tourist and Export-Oriented Small Craft Industries
SCHEDULED START	:	ca. 2,5 months after approval
SCHEDULED COMPLETION	:	3 months after commencement
ORIGIN AND DATE OF OFFICIAL REQUEST	:	ResReps cable MISC-877 dated 8 October 1982
GOVERNMENT COUNTERPART AGENCY	:	National Planning Office and Small Industries and Handicrafts Authority
UNIDO CONTRIBUTION	:	US\$ 23,100 (excl. overhead costs)
GOVERNMENT CONTRIBUTION	:	n.a.
CURRENCY REQUIRED	:	
FOR UNIDO INPUT	:	US\$ 23,100
CONVERTIBLE	:	US\$ 23,100
OTHER	:	
UNIOD SUBSTANTIVE BACKSTOPPING SECTION	:	Institutional Infrastructure Branch
PROGRAMME COMPONENT CODE	:	31.3.L

PART B - NARRATIVE

1. Objectives

(a) Development objective:

To support Government efforts in stimulating the economy and in diversifying Dominica's productive base by developing a range of labour-intensive and natural resource-based small industrial ventures.

(b) Project objective:

This project will assist the Government in defining requirements (policies, strategies and institutional support mechanisms) to upgrade the economic activities of craft producers and to improve the market potential of craft-products.

2. Special Considerations

This project will enhance the island's export potential and provide increased opportunities for employment and income to craftsmen and artisans. About 500 families are reported to be engaged in the handicraft sector, e.g. vegetable-fibre processing and small-scale manufacturing of wood products. Women constitute about 70 % of the total work force; a large number of out-of-school youth and rural people are involved.

3. Background and Justification

Dominica is considered the poorest among the English-speaking Caribbean by economic standards and is, under the circumstances, a de-facto LDC.

Recent economic developments on the island have been dominated by the effects of two devastating hurricanes in 1979 and 1980 which also damaged productive capacity. Economic recovery began in 1981 and continues but under tremendous constraints.

A recently completed World Bank report (May 1982) makes recommendations to restore the island's productive capacity by stimulating production and exports. The Government recognizes the pivotal role of the private sector and has created mechanisms to support its development, especially in export-oriented ventures. However, current problems of entrepreneurship, management, technology and marketing need to be resolved to develop the island's potential for resource-based manufacturing. Prospects for the medium-term lie in the Government's ability to stimulate and establish small-scale manufacturing in agro-processing, forestry products, and handicrafts. Dominica's principal resource for industrial development is the pool of relatively low cost labour. Yet unemployment is registered at over 30%.

All over the Caribbean, there is a growing need for increased output in craft production to cater to tourist requirements and market demand abroad. In Dominica, the challenge is to exploit the economic potential of craft-based activities so that benefits can be distributed easily and quickly. Present practices are unproductive and wasteful of resources. During visits made by the SIDFA and JPO in May and June, discussions with Government officials were held to improve the sector. Among the major problems and constraints identified were: a) lack of knowledge and information about the market on a scale required to identify business opportunities and to make good decisions about potential investments; b) lack of fresh ideas about designs, styling and innovative product lines responding to current demands; c) lack of entrepreneurs able to develop bankable projects or knowledgeable in modern business practices, sound production processes and marketing strategies; d) lack of adequate and reliable suppliers and transport facilities; and e) limited market outlets and inaccessibility to new markets.

The Government of Dominica is establishing a Small Industries and Handicraft Authority able to stimulate the sector and to assist entrepreneurs overcome the afore-mentioned handicaps. UNIDO assistance is requested to provide consultancy especially in organizing market outlets as well as advising on design, product development, and modern market strategies.

4. Project Outputs

The expert's final report will include: a) Practical recommendations for the establishment of a Warehouse - Craft Shop Complex that can function as a clearing house for sales and export contacts; b) Guidelines for the immediate implementation of designs and contemporary styling for improved or new product lines; and c) Suggestions on long-range plans for a craft-based Women's Industrial Project utilizing bi-lateral grants and multilateral assistance.

5. Project Activities and Modalities of Implementation

A consultant will be assigned for a period of 3 man/months:

- (a) to conduct thorough investigations in-situ on the state of crafts production and to assess the quality of products in light of market demands and export potential;
- (b) to discuss with Government officials, entrepreneurs and craftsmen specific problems and remedial action required on institutional requirements to open up new marketing outlets and embark on new or improved product lines;
- (c) to give ad-hoc advice and on-the-spot assistance as appropriate especially on materials handling, design, finishing and merchandising strategies.

En route to Dominica, the consultant will be visiting Barbados and Antigua for market orientation and familiarization (one-week). Another week will be required for market testing abroad of a sample line of products at the end of the expert's mission.

6. Project Inputs

(a) Government Inputs

A national counterpart for the Consultant, administrative/secretarial support staff and office facilities, and, if possible, transport to facilitate travel in rural areas.

(b) UNIDO Inputs

The UNIDO inputs will be as follows:

	<u>US.\$</u>
bl 11-50 3 m/m Consultant in Craft Production (with extensive experience in design, product development and marketing of a wide range of craft objects) at the standard rate of US\$ 6,700 p/m.	20,100
bl 15-00 Travel within Dominica	500
bl 53-00 Sundries to cover reporting costs, unforeseen direct-support expenses and purchase and transport of a sample line of products for test marketing.	2,500
Total	<u>23,100</u> =====

7. Evaluation Plans

The results of the project will be evaluated jointly by the Government, UNDP/UNIDO field staff and the UNIDO substantive section concerned. The report and recommendations will be cleared by the Government and UNDP/UNIDO prior to the departure of the consultant, and will be studied by UNIDO on his return.

8. Envisaged Follow-up

This will depend on the findings and recommendations of the expert.

PART C - CLEARANCE AND APPROVAL

PROPOSAL SUBMITTED BY : C. Antonio, IDO, *C. Antonio* Date: 11.11.82
IO/INFR

IN CO-OPERATION WITH: Date: _____

CLEARED BY: Mr. A. G. Evstafiev, Head, Date: _____
IO/INFR

Mr. D. A. Butaev, Director Date: _____
DIO

APPROVED BY: Date: _____

CONVERTIBLE CURRENCY:

OTHER:

SOURCE OF FUNDS :

DATE PAD REQUESTED :



