



**DELEGATION OF THE EUROPEAN COMMISSION
in
BARBADOS AND THE EASTERN CARIBBEAN**

**COOPERATION
between
THE EUROPEAN UNION
and
ANTIGUA AND BARBUDA**

ANNUAL REPORT 2002

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1 Executive Summary

Real GDP is expected to have increased by 2.7 per cent in 2002. However, the fiscal position of the Government has deteriorated in recent years as a result of an expansionary fiscal policy, including a high public sector wage bill, increasing expenditure for post-hurricane rehabilitation, and a weaker performance in the tourism industry. The operations of the central government resulted in a slight reduction in the current account deficit in 2001, but the indicators point to a widening of the fiscal deficit for 2002. The Government is taking measures to address the economic and fiscal challenges, but the performance remains highly dependent on the recovery of the global - especially the US – economy and international peace and security.

The Country Support Strategy and National Indicative Programme for Antigua under the 9th EDF was signed on 28 November 2002 between Prime Minister, Mr. Lester Bird and the Head of the European Commission Delegation Mr. John Caloghirou. Under the 9th EDF, which amounts to €2.4 million for Antigua and Barbuda, EC funds have been concentrated in the education/human resources development area. Progress in the preparation and implementation of projects under the earlier EDFs has been slow. However, following the Country Review meeting 2002, measures were agreed to fasten the operations. Antigua and Barbuda was allocated a total of €12.5 million under the 6th, 7th and 8th EDF, but disbursement at end-2002 had only reached €6.38 million.

2 The Government's Policy Agenda

As reflected in the Medium Term Economic Strategy, the Government aims to create an effective and efficient economy through sustainable development with the main thrust being: achievement of economic growth rate of at least 2.5 per cent; reduction of the recurrent deficit to 0.5 per cent; enhancement of the country's planning culture; public sector reform; strengthened efforts to expand offshore financial services sector and tax reform to facilitate revenue generation. Enhancing safety and security, strengthening and diversifying the economy and improving social services are of special importance for the Government. The Government is also convinced that the key source of economic growth of a small state is in trained and educated human capital.

3. UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION

3.1 Millennium Development Indicators

Indicator	2000
1. Life expectancy at birth	73.9
2. Adult literacy rate (%)	86.6
3. Combined primary, secondary and tertiary gross enrolment ratio (%)	69
4. Maternal mortality ratio – per 100,000 live births	150
5. Underweight children under age five (%)	10
6. Immunization against measles – one year old (%)	99
7. Infant mortality rate – per 1,000 live births	13
8. Under five mortality rate – per 1,000 live births	15
9. Infants with low birth weight (%)	8
10. AIDS incidence rates (1998) per 100,000 population	7.5
11. Access to improved water sources (%)	91

Source: UNDP Human Development Report 2002, OECS Human Development report 2002

Indicators above are selected on the basis of their availability, importance and relevance to the EC cooperation under the 9th EDF, in which human resources development is the focal sector. No projections are available regarding the development of the Millennium Development Goal Indicators.

3.2 Political Situation

There are two main political parties, the ruling Antigua Labour Party (ALP) and the opposition United Progressive Party (UPP). The Prime Minister is the Honourable Lester Bird of the ALP who gained power in 1994 and is serving his second five-year term. The most recent elections were held in March 1999 with the ALP gaining 11 seats, the UPP secured 5 seats, and the Barbuda Peoples Movement won one seat. A Constitutional Review Commission was set up in December 1999 to make recommendations for reform. The Commission has submitted its report and it is due to be debated by Parliament in 2003, following which amendments to the Constitution could be proposed.

A Commission of Inquiry was established to examine allegations of fraud in the handling of the Medical Benefits Scheme (MBS). The report of the Commission released in August 2002 recommended the Government pay at least 50 per cent of an estimated EC\$ 120 million (US\$44 million) owed to the Scheme. Three Government ministers and the MBS board of directors were dismissed as a result of alleged wrongdoing relating to the MBS, while one other minister tendered his resignation during the inquiry.

Following the September 11th 2001 attacks, the Government has passed a Prevention of Terrorism Act in the Parliament to address the prevention of terrorist financing. The Government intends to introduce a bill to cover other matters specified by the United Nations Security Council relating to the criminalisation of terrorist activities, and has become a signatory to the Statute forming an International Criminal Court.

3.3 Economic Performance

Real GDP in Antigua and Barbuda increased in 2002 by 2.7% compared with 1.5% in 2001. The earlier weakened economic growth evident in 2000 and 2001 was partly due to the effects of hurricanes, the September 11th attack and the global economic slowdown. The fiscal position of the government has steadily deteriorated since 1995 largely as a result of repeated borrowing for post-hurricane rehabilitation and reconstruction works, and exacerbated by expansionary fiscal policies. The operations of the central government in 2001 resulted in a slight reduction in the current account deficit, but indicators point to a widened fiscal deficit for 2002. The crucial drain on the budget continues to be the maintenance of a large public service, which with civil servants and elected officials alone, accounts for 30% of national employment and represents 56.6% of current expenditure. The wage bill was estimated at 74% of recurrent revenue in 2002 as the Government absorbed workers laid off by the private sector, and the Government has faced problems in paying the public sector wage bill on time in early 2003. The Government's revenue policy is being revised to facilitate enterprise and to encourage compliance with tax laws. The Government is also to actively pursue a policy of privatization of publicly held assets so as to help to reduce the fiscal deficit.

The level of external debt, including arrears, continues to be a significant burden on the finances of the Government and has affected the Government's access to external and domestic sources of funds. Public sector debt at end 2002 was EC\$1.7 billion, of which

EC\$1.4 billion was external debt. Public debt servicing represented 23 per cent of the budgeted recurrent expenditure in 2002.

Tourism dominates the economy in Antigua and Barbuda, accounting for more than 55 % of the GDP. The most important markets for Antigua and Barbuda are the US and UK, and there was a notable increase of 6.7 per cent in UK visitors in 2002. Antigua and Barbuda suffers from a lack of airline seats from important markets such as Canada and some major population areas in the USA, Europe and South America. The Government is now attempting to attract additional air carriers to boost the airlift capacity into Antigua and Barbuda. It is also amending the Tourism Development Corporation Act to stimulate new investment in the industry.

International Financial Services is the second biggest source of revenue and seen as the main area of economic diversification. International trade and transactions grew 13 % in 2002, representing 60% of total tax revenues and partly compensating for the modest performance of taxes on domestic goods and services. Compared to other countries in the region, Antigua and Barbuda has a significant number of banks in the offshore sector. A significant set back in the development of the sector was experienced in 2000 when Antigua and Barbuda was placed on the black list of countries regarded as tax havens by the OECD. Since then, the Government has completed updates of the legislative framework for the sector and improved the management of the offshore financial sector and domestic non-bank financial services sector. Antigua and Barbuda has passed the criteria of the Caribbean Financial Action Task Force regarding regulation and supervision in the fight against money laundering. It is in the process of completing the implementation of a single regulatory body for both the offshore financial services sector and the domestic non-bank financial services sector.

3.4 Regional Integration and Trade Policy

Antigua and Barbuda is a member of CARICOM (the Caribbean Community) and the Association of Caribbean States (ACS). CARICOM members are in the process of establishing a Common Single Market and Economy (CSME) that will include not only a fully functioning common market, but also the harmonisation of macroeconomic policies and eventual monetary integration. The Government is committed to the CSME and plans to update its legislation to facilitate its integration into the CSME. The new regional trade arrangements are expected to be finally in place by 2005 alongside those of the FTAA and WTO.

Within the context of liberalisation, Antigua and Barbuda's national trade policy, largely guided by that of CARICOM and the OECS, focuses on forward looking, outward oriented trade policy reform programmes geared towards the gradual removal of protectionist measures. The Government has made considerable progress in liberalising its trade regime by reducing both tariff and non-tariff barriers. A trade policy review was conducted by the WTO in June 2001.

In order to secure markets for its exports, the Government's strategy is to negotiate CSME/WTO compatible agreements with its trading partners. The country's main trading partners are the OECS and CARICOM, the United States, Japan, and the European Union countries, the main traded items being commodities, agricultural produce and beverages.

3.5 Achievements in the social sectors

According to the UNDP Human Development Report 2002, Antigua and Barbuda is ranked 52 among 173 countries on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita Gross Domestic Product (GDP). There has been no recent assessment to determine the extent of poverty in Antigua and Barbuda. However, the situation is likely to be exacerbated by increased unemployment affected partly by the Government's plans to freeze its employment.

Antigua and Barbuda is cooperating with regional and international agencies to prevent its borders from being a transshipment point for narcotics bound for the US and Europe. The problem of drugs has however spread within the country, being linked to wider social phenomena such as rising crime and violence, unemployment and poverty. The prisons have become overcrowded and the Government plans to address the problem through penal system reform, as well as measures to strengthen the role of the Police and the Defense Force.

Education: Free education at primary and secondary levels is provided for the citizens of Antigua and Barbuda. The Government reports however that its objectives in education are not fully achieved yet, especially in the areas of participation in the post primary programme, curriculum development, curriculum evaluation and regarding repetition and dropout rates versus attendance rates. Teaching methods and the curriculum in general are in need of modernization to adequately fill the needs of the society. Government is developing a comprehensive education programme for all three education levels.

Health: The health profile of Antigua and Barbuda has shown marked improvements in recent years as major emphasis continues to be placed on health promotion, protection and prevention strategies as well as improved sanitation. However, there is still cause for concern since diseases related to lifestyle practices abound - HIV/AIDS, obesity, and other chronic non-communicable diseases. Non-communicable diseases are the leading causes of death while accidents and AIDS are the leading causes of death among young people. It is anticipated that the Government will commence also a comprehensive health reform process including a re-orientation of the Medical Benefits Scheme. Antigua and Barbuda is concerned with the problem of HIV/AIDS infection and is launching a National Strategic Plan against HIV/AIDS.

3.6 Future Challenges and Prospects

The Government aims to achieve real GDP growth of 3.2 per cent for 2003 and 4 per cent in 2004. The global economic slowdown and uncertainty are however expected to have adverse effects on economic prospects. Antigua and Barbuda's indebtedness continues to grow as revenue declines and expenditure increases. The main challenge of Antigua and Barbuda is address the overall fiscal situation and high levels of external debt.

These issues, linked to the expenditure burden of a large civil service are being addressed through the National Strategic Development Plan and Public Sector Modernisation Programme. The Government intends to address the economic and fiscal problems by improving tax collection through tax reform; renegotiating loans; supporting provision of an enabling environment for private sector to attract investment and create employment and pursuing a policy of privatization of publicly held assets. Economic diversification and sustainable development are the tools being used by Government to prepare the country for the opportunities and challenges presented by globalisation and trade liberalisation.

4. Overview of past and ongoing EC co-operation

Generally, EC aid has helped in tackling major capital projects, which the government was unable to undertake. The release by the Government of counterpart resources remains a concern and often results in delays in project completion, as in the case of the Hospitality Training Institute (HTI), the Science Block at the Antigua State College and in the case of a number of EIB funded projects. It is a significant explanatory factor for the low disbursement rates under Lome III and IV

4.1 European Development Fund – Focal Sectors

4.1.1 9th EDF EUR 2.4 million – Focal Sector: Human Resources Development

Under the 9th EDF, 90% of the “A envelope” amounting to €2.34million will be concentrated on the education sector, at the tertiary level. Part of the allocation may be utilised for accompanying measures under the education reform process initiated by the Government in the sector. The overall objective of the EC intervention is to upgrade the level of trained human resources in the labour market in the context of a changing economic, social and cultural environment. Priority sectors, such as business, tourism, financial services and information technology, shall be given special attention. The Antigua State College, the premier tertiary level institution in Antigua, is to be the beneficiary under this project. The upgrading of facilities is likely to be a potential area for support. The Government in 2003 will introduce the University College of Antigua and Barbuda Act, which will bring the State College, the Institute of Technology and the Hotel Training School under one administrative umbrella. Indicators building on those in the current intervention framework at Annex 1 will be expanded in the light of the development plan for State College, and in the preparation of the Financing Proposal for this EU intervention. A feasibility study will commence in early 2003, but a formal financing proposal must await the design study and should be available by mid-2004.

4.1.2 The 8th EDF NIP € 4.5 million – Focal Sector: Human Resources Development

The human resources development programme focuses on vocational training and in particular, the expansion of the Technical Vocational Centre at Tomlinson and the provision of equipment. The object of the programme is to lessen social disparities, widen employment access and opportunities, while providing sufficient human capital to diversify the economy. Major delays were experienced in putting forward a satisfactory financing proposal for the Technical Vocational Centre partly due to organizational changes in the Ministry of Education. A Financing Proposal for €4.3 million should, however be presented to the EDF Committee in mid-2003.

4.1.3 7th EDF NIP € 3.5 million Focal Sector: Human Resources Development

Upgrading and Expansion of the Hotel Training Centre (EUR 2.64 million): The objective of the programme is to improve the level of service and increase the levels of incomes for the growing number of persons employed in hotels, restaurants and hospitality enterprises. The project consists of the construction and equipping of the hotel training centre, and curriculum development through training existing staff in managerial and pedagogical skills, and the recruitment of new staff. The works have been completed and the building is furnished. The formal opening will be in June 2003. Financial closure of the project is awaited.

4.2. Projects and Programmes outside focal sectors

9th EDF

10% of the indicative programme (€0.26) has been earmarked for studies, audits and technical support in the area of regional integration, disaster prevention and monitoring. The B-allocation for Antigua and Barbuda to cover unforeseen needs is €0.4 million.

8th EDF

Drugs control programme (€360,000): intended to look specifically at the issue of demand reduction targeting young persons. A proposal has been prepared for four countries to be included in one Financial Proposal with the EC Delegation playing the role of coordinator and each country implementing its own individual Work Programme. The relevant Financing Agreement will be signed in early 2003. A separate work programme for the Antiguan component is being prepared by the Antiguan authorities.

7th EDF

4.3 Utilisation of resources for non-state actors under 9th EDF

Given the size of the 9th EDF “A allocation” for Antigua and Barbuda, and taking into account the recommendation that for countries with an indicative envelope under EUR 10 million there should be one focal sector and one project within that sector, no funds were set aside specifically for non-state actors from the 9th EDF allocation. However, it has been agreed with the Government of Antigua and Barbuda that non-state actors should as far as possible be involved at all levels in the activities to be carried out both in the focal sector and non-focal sector.

4.4. Other Instruments

4.4.1 European Investment Bank (EIB)

The EIB has provided Antigua and Barbuda with a total of EUR 8.15 million in financial assistance since 1979. EIB loans have been utilised for a road rehabilitation programme, an airport navigational system at V. C. Bird Airport, the improvement of the North Shore Water Distribution System and a livestock development programme. The EIB also participates in the funding of the Antigua and Barbuda component of the OECS waste management project.

4.4.2 Caribbean Regional Indicative Programmes (CRIP)

Antigua and Barbuda, a member of CARICOM/Cariforum, is a beneficiary of the many regional programmes funded through the EDF. The 7th EDF RIP has a global envelope of EUR 105 million, while the 8th EDF RIP has EUR 90 million available. Discussions on the programming of the 9th EDF RIP have led to the decision that the focal sector for support will be regional economic integration and integration into the world economy, for which an envelope of EUR 57 million is available.

Under the Caribbean Regional Indicative Programme (CRIP), Antigua is benefiting from the construction of a three storey Science Block at the Antigua State College as part of the

OECS Human Resources development - Tertiary level programme. A project (€1,998.000) for the rehabilitation of the Nelson Dockyard seawall has been approved from CRIP financing and the relevant Financing Agreement was signed in October 2002. The project is expected to better maintain the Nelson's Dockyard site - which was badly damaged in hurricanes in 1995 and 1999 – and increase visitors, and commercial activities at the Dockyard site. The 7th & 8th EDF CRIP projects that Antigua and Barbuda benefit from are presented in Annex VII.

5. Programming Perspective for the following years

The following elements are the principle factors for consideration in EC programming for the forthcoming years:

- a National Strategic Development Plan in which tourism is the lead sector with efforts to diversify the economy being pursued through the offshore financial services sector, and information technology and telecommunications;
- the enhancement of education and human resource development as a central element in the pursuit of economic diversification and sustainable development;
- the challenges and opportunities presented by globalisation and trade liberalisation and the need to adapt a country of limited natural resources to these new realities;
- the vulnerability of the country to natural disasters and the need to ensure that effective disaster preparedness and emergency response arrangements are in place, particularly in view of the frequency with which natural disasters have struck the country.
- the need to reform the public sector and improve the overall public finances, including debt reduction;
- Poverty alleviation (despite the classification of the country as a high middle-income country, pockets of poverty do exist).

The 7th EDF programme provided significant support to the tourism sector through the provision of a Hotel Training Institute and the 8th EDF Programme, once the Financing Agreement is in place, will benefit vocational training. Under the 9th EDF programming, it was agreed to support the Government in its efforts to broaden the country's production base which at present is constrained by the shortage of skilled labour at the middle and managerial levels in key sectors such as construction, tourism, manufacturing and business and commerce. Taking these factors into account, the focal sector for the forthcoming five years for EC support is to continue to be in human resources development, focusing in particular on the development of the Antigua State College.

Besides the focal sector, assistance in the form of studies or technical support may be given to institutional strengthening and the regional integration process. Under institutional strengthening, assistance may be provided to enhance the Government's capacity to plan, implement and monitor projects and programmes.

Wherever relevant, EC policies in cross-cutting issues such as human rights and democratisation, gender and environment have been taken into account. This includes building strategic and operational links between related development aspects.

6. 2003 Annual Operational Review – Specific Themes

6.1 The speeding up of the use of old EDF resources

Progress has been made in closing down, financially, completed projects. It is intended that the resources released from closure of projects under the 6th 7th and 8th EDF, as well as uncommitted balances under these EDFs, will be used in the context of the EU intervention in the sector of Human Resources Development.

6.2 Setting indicators and targets for measuring results

The EU intervention under the 9th EDF will be focussed on Human Resources Development. A framework for this intervention is set out at Annex I, but more precise indicators for this intervention will be elaborated during the ongoing process for the preparation of a financing proposal, which should be available in the first half of 2004.

The Government needs to formulate an analysis on shifting the paradigm at the Antigua State College, including the issue of the required physical infrastructure of the College. The design study for the EDF funded structure at State College should be completed by February 2004. At sectoral level, the Government must finalise the new Education policy document and enact the appropriate legislation. Furthermore, the Budget should provide for the maintenance costs for education facilities.

6.3 Dialogue in country with the NAO and non-state actors

Dialogue is facilitated through the Country Portfolio Review meetings between the office of the NAO and relevant ministries and the staff of the EC Delegation to review projects and programmes, and generally speed up project implementation. These meetings also focus on the need to close financially projects, which have been physically completed.

7. Concluding Comments

EC cooperation with Antigua and Barbuda under the 8th EDF has been rather slow. While the 6th and 7th EDF NIPs are virtually used up, the 8th EDF has been delayed. However, 90% of the 8th EDF represents only one project, the Technical and Vocational Training Project expected to go to the EDF Committee in June 2003. Once this project is under way, the financial performance indicators should rapidly improve. The closure of the Commission's Sub-office in Antigua and the elimination of the Resident Adviser's post have reduced the effective support that the Delegation has traditionally provided to the local Administration. A small EDF funded project to strengthen the NAOs office capacity has been recently approved and is expected to assist in speeding up the 8th EDF and the 9th EDF mobilisation. It will also assist in developing greater synergies between the office of the National Authorising Officer and the Line Ministries to expedite the submission of relevant projects, including a more focused approach to developing policy in the various sectors. The Government will introduce innovative means to provide for counterpart resources for incorporation in EC financed projects, which is an important condition for the long-term sustainability of projects. At the wider economic level, the Government is also set to tackle the fiscal imbalances and the high levels of external debts.

Annex I Intervention Framework for the 9th EDF

Sector – Human Resources Development	Performance indicators	Sources of verification	Assumptions
<p>National Sector Target 1. To increase competitiveness in global and regional markets. 2. To provide sufficient human capital to diversify the economy.</p> <p>Sector commitment Government commitment to develop education sector</p> <p>Project Purpose 1. Improved and more effective tertiary level education 2. Increase in number of trained teachers</p>	<ul style="list-style-type: none"> • Increased employment amongst young people • Increased diversification of the economy • Improved economic performance within the region. • Documentation on the education sector development plans, namely on the Analysis of shifting the paradigm on the sector. • Government analysis on the required physical infrastructure of the College • Increase in number of students being admitted to tertiary level education (150 per annum) • Curriculum monitored, reviewed and revised periodically • Tertiary education data available annually • ASC Development Plan executed 	<ul style="list-style-type: none"> • Economic Indicators – Statistics Division, Ministry of Finance • Survey of public and private sectors to determine the increase in the number of Antiguan and Barbudans holding middle-senior level posts • Ministry of Education Documentation on the education sector policy and legislation • Student enrolment figures • Numbers of teachers trained • Exam Results • Survey of teachers, students and parents 	<ul style="list-style-type: none"> • GOAB expands its economic base to create more job opportunities • Trained persons remain and work within Antigua • Increased opportunities to pursue higher education • Regular review of policies and programmes • Effective system of monitoring and school supervision operational • Adequate number of teachers/supervisors to cater for increased student numbers
<p>Results Fully operational, upgraded, purpose built facilities Systems for enhanced management are in place</p>	<p>Expanded facilities – physical and institutional</p> <p>Functioning Board of Management in place</p>	<p>Reports 1. Architects certificate and completion reports 2. Site visits and interviews 3. Project monitoring reports; 4. Ministry of Education officials monitoring project; 5. EDF annual reviews.</p>	<p>Recurrent costs of additional facilities and management structure will be met by Government</p>
<p>Activities Design Tender for Works Contractor Supervision of Construction Furniture & Equipment Establishment of National Training Agency (2004-05) Expansion of YSTP (2004-06) Establishment of linkages between employers, trade unions and consultation mechanisms (2004-08) Training of teachers on pedagogical, technical, remedial and counseling skills (2004-08) Widening, developing and implementing new TVET curriculum (2005-08)</p>	<p><u>Budget</u></p> <p>Design Site Development Civil Works Supervision Furniture & Equipment</p> <p>Total</p>	<p>EUR</p> <p>50.000 35.000 (Government*) 1.995.000 50.000 <u>250.000</u></p> <p>2.375.000</p>	<ul style="list-style-type: none"> • Timely recruitment of consultants • Compliance with EDF guidelines for the procurement of goods and services • Land for new development at the State College provided by Government • Possibility to access an additional EUR 0.4 million under the B envelope.

* It is proposed to utilise government workers from the public works department to work along with the contractor and site manager on the project thereby avoiding delays on account of scarce resources at the Treasury. The government will handle site preparation and will grant the requisite parcel of land to undertake the project

ANNEX III: FINANCIAL SITUATION FOR 8TH EDF
STATUS AS AT 31.12.02

4,500,000

Project Account Number	Project Title	Date of Financing Agreement	Primary Commitments (A)	Secondary Commitments (B)	(B)/(A) %	Payments as at 31.12.02 (C)	(C)/(A) %	Status	Payments During 01/02-12/02
8 ACP AB 01	Design Brief Learning Resource Centre	06.11.02	5,000		-		-	On going	-
8 ACP AB 02	TA to the NAO	18.11.02	298,000		-		-	On going	-
Programmable	Totals		303,000	-		-			-
	Reserve/Balance		4,197,000						
	GRAND TOTAL		303,000	-		-			-

ANNEX IV: FINANCIAL SITUATION FOR 7TH EDF

STATUS AS AT 31.12.02

EUR	3,500,000	NIP
	228,872	Allocated amounts transferred from Lome II
	<u>407</u>	Reserve from Lome II
	<u>3,729,279</u>	

Project Account Number	Project Title	Date of Financing Agreement	Primary Commitments (A)	Secondary Commitments (B)	(B)/(A) %	Payments as at 31.12.02 (C)	(C)/(A) %	Status	Payments During 01/02-12/02
7 ACP AB 001	Livestock Development	18.12.91	142,395	142,395	100	142,395	100	Closed	-
7 ACP AB 002	Antigua Hotel Training Centre	19.05.92	52,159	52,159	100	52,159	100	Closed	-
7 ACP AB 003	Trade Fair-Top Resa '92 Deauville	09.06.92	6,800	6,800	100	6,800	100	Closed	-
7 ACP AB 004	Trade Fair - BTF Brussels '92	02.02.92	9,547	9,547	100	9,547	100	Closed	-
7 ACP AB 005	Livestock Development -Phase II	28.09.92	125,452	125,452	100	125,452	100	On-going	-
7 ACP AB 006	Livestock Development-Ex Lomell	03.12.93	45,563	45,563	100	45,563	100	On-going	31,586
7 ACP AB 007	Livestock Development (L)-Ex Lome II	03.12.93	-	-	-	-	-	Closed	-
7 ACP AB 008	Upgrading & Exps of Hotel Training Ctr	13.10.94	2,640,000	2,633,690	100	2,543,605	96	On-going	83,332
7 ACP AB 010	Education & Training Sector Study	25.03.98	40,636	40,636	100	40,636	100	Closed	-
7 ACP AB 011	9th EDF Programming Study	08.01.01	15,218	15,218	100	15,218	100	On-going	3,866
Programmable	Totals		3,077,770	3,071,460	100	2,981,375	97		114,918
	Reserve/Balance		651,509						
7 ACP AB 009	Hum. Aid - British Red Cross	21.10.997	657,811	657,811	100	657,811	100	Closed	-
Non-Prog.	Totals		657,811	657,811	100	657,811	100		-
	GRAND TOTAL		3,735,582	3,729,272	100	3,639,187	97		114,918

ANNEX V: FINANCIAL SITUATION FOR 6TH EDF

STATUS AS AT 31.12.02

EUR 4,500,000 NIP

Project Account Number	Project Title	Date of Financing Agreement	Primary Commitments (A)	Secondary Commitments (B)	(B)/(A) %	Payments as at 31.12.02 (C)	(C)/(A) %	Status	Payments During 01/02-12/02
6 ACP AB 001	Road Improvements Study	26.02.88	176,509	176,509	100	176,509	100	Closed	-
6 ACP AB 002	Trade Fairs (OECS) Exposition	11.10.88	1,470	1,470	100	1,470	100	Closed	-
6 ACP AB 003	Trade Fairs (Madrid & Paris 1989)	23.01.89	13,446	13,446	100	13,446	100	Closed	-
6 ACP AB 004	T A Statistical Adviser	03.02.89	470,904	470,904	100	470,904	100	Closed	-
6 ACP AB 006	Trade Fairs (Madrid & Paris '90	22.01.90	6,740	6,740	100	6,740	100	Closed	-
6 ACP AB 007	Airport Management Services	12.11.90	51,603	51,603	100	51,603	100	Closed	-
6 ACP AB 008	Trade Fair - ITIX Chicago	19.04.91	11,675	11,675	100	11,675	100	Closed	-
6 ACP AB 009	Road Rehabilitation-Phase II (G)	04.11.92	2,088,718	2,088,718	100	2,088,718	100	Closed	-
6 ACP AB 010	Road Rehabilitation-Phase III (L)	04.11.92	975,076	975,076	100	975,076	100	Closed	-
6 ACP AB 011	Scholarship Award-Sorhaindo	02.02.93	10,104	10,104	100	10,104	100	Closed	-
6 ACP AB 012	Air Traffic Control Radar Operation	19.06.96	690,000	690,000	100	610,879	89	On-going	-
Programmable	Totals		4,496,245	4,496,245	100	4,417,124	98		-
	Reserve/Balance		3,755						
6 ACP AB 005	EIB - Airport Nav. System	26.04.89	1,500,000	1,500,000	100	1,500,000	100	Closed	-
Non-Prog.	Totals		1,500,000	1,500,000	100	1,500,000	100		
	GRAND TOTAL		5,996,245	5,996,245	100	5,917,124	99		-

Annex VI European Investment Bank

Project Name	Status	Convention	Contract number	Amount signed (m)		Date of signature	Amount outstanding (m)		Beginning Repayment
				OR	RC		OR	RC	
AIR NAVIGATION SYSTEM	Disbursed	Lome - 3	70788		1,500,000.00	19/9/89		923250.00	15/9/97
OECS WASTE DISPOSAL	Signed	Lome - 4	71016		3,400,000.00	10/10/95		2,835,592.83	31/3/03
OECS Waste Disposal	Signed	Lome – 4- bis	71016		1,300,000.00	10/10/95		1,084,197.26	31/03/03
Total					6,200,000.00			4,843,040.09	

ANNEX VII: CARIBBEAN REGIONAL INDICATIVE PROGRAMMES

All ACP 8 th EDF Programme for Caribbean Rum Industry -	€70,000,000
All ACP 8 th EDF Programme to strengthening Fishery products -	€ 44,860,000
7 th EDF Caribbean Regional Trade Sector Programme -	€ 14,000,000
8 th EDF Caribbean Regional Trade Sector Programme -	€ 11,200,000
7 th EDF OECS Export Enhancement Programme -	€ 1,180,000
7 th EDF Caribbean Telecommunications Union project -	€ 750,000
7 th EDF Caribbean Broadcasting Union /News Agency project -	€ 3,500,000
8 th EDF Strategic Planning for Public Services -	€ 1,300,000
7 th EDF Establishment of a Caribbean Postal Union (CBU) -	€ 640,000
8 th EDF Caribbean Tourism Sector Development Programme -	€ 8,000,000
7 th EDF Caribbean Tourism Sector Development Programme -	€ 12,800,000
7 th EDF Integrated Caribbean Regional Agriculture and Fisheries Development Programme (T&T) -	€ 22,200,000
7 th and 6 th EDF CARIFORUM University Level Programme (CULP) -	€ 25,200,000
7 th EDF OECS Human Resources Development Programme -	€ 5,950,000
8 th EDF Strengthening of Medical Laboratories Services -	€ 7,500,000
8 th EDF Strengthening the Institutional Response to HIV/AIDS/STI -	€ 6,950,000
8 th EDF Caribbean Anti-money-laundering Programme -	€ 4,000,000
8 th EDF Epidemiological Surveillance Programme -	€ 1,300,000
7 th Caribbean Regional Environment Programme -	€ 9,150,000
8 th EDF Radar Warning System (managed by T &T) -	€13,200,000
7 th EDF CARIFORUM Secretariat Programming Unit -	€ 6,950,000

ANNEX VIII: PROJECT SHEETS

Antigua & Barbuda

Project title: Air Traffic Control Radar
Accounting number: 6 ACP AB 012
Implementing agency: Ministry of Works and International Transport
Date of financing agreement: 01/06/95
Date financing agreement expires: 01/06/98
Value of financing agreement: € 690,000

Accounting Situation as 31.12.02 (All figures in Euro)

Primary commitment in €	Secondary commitment in €	Disbursed in €	% Disbursed
690,000	690,000	610,878	88.5%

Project overview:

The aim of this project is to provide the airport of Antigua with an air traffic control radar.

The Government of Antigua and Barbuda has approached the European Investment Bank for financial assistance for the purchase of a radar system in order to improve the efficiency and safety of the air traffic control at the country's V C Bird International Airport. Complementing these activities, the aim of this project is to provide funding for the training of staff who will be operating the system.

The training courses to be performed are the following:

- A) Procedural Air Traffic Controller Course.
- B) Radar Approach Air Traffic Controller Courses.
- C) ATC Radar Instructor and Examiner Course.
- D) Local Validation of ATC Radar Instructors and Examiners.

Progress:

Training is nearly complete, except for the training of 3 radar operators on the installed system. This should be accomplished. Radar equipment has been installed and is being put into operation. NAO is requested to complete the financial closure of this project.

Antigua & Barbuda

Project title:	Upgrading and Expansion of Antigua Hotel Training
Accounting number:	7 ACP AB 008
Implementing agency:	Ministry of Economic Development, Industry and Tourism
Date of financing agreement:	16/11/95
Date financing agreement expires:	01/12/02
Value of financing agreement:	€ 2,640,000

Accounting Situation as 31.12.02 (All figures in Euro)

Primary commitment in €	Secondary commitment in €	Disbursed in €	% Disbursed
2,640,000	2,633,690	2,543,605	96.6%

Project overview:

The aim of this project is to assist with the construction of a hotel training centre.

The overall objective of this project is to contribute to the sustainable growth of income derived from the tourism sector, thereby supporting the Government's primary development objectives. In particular, the project purpose is to contribute to increased levels of income for the growing number of people employed in hotels, restaurants and hospitality enterprises as well as those private sector operations comprising the industry.

The project consists of the following activities:

- Construction and equipment. This involves providing construction of and equipment for, partly new and partly upgraded facilities on the present site of the AHTC.
- Staff, Organisation and Curriculum Development. This involves the training of existing staff both in managerial and pedagogical skills and the recruitment of new staff. It will also upgrade and modernise curricula with a view to minimising drop out rates.

Progress:

College building works are complete and the building has been furnished. The NAO has been requested to complete financial closure of this project.