



**DELEGATION OF THE EUROPEAN COMMISSION
IN
BARBADOS AND THE EASTERN CARIBBEAN
OFFICE OF THE NATIONAL AUTHORISING OFFICER
IN
ST. KITTS AND NEVIS**

**COOPERATION
BETWEEN
THE EUROPEAN UNION
AND
ST. KITTS AND NEVIS**

JOINT ANNUAL REPORT 2003

In conformity with Article 81 of
The Cotonou Agreement

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1. EXECUTIVE SUMMARY*

The economic outlook for St. Kitts and Nevis (SKN) has been significantly affected by a range of factors that demonstrate the country's extreme vulnerability to exogenous shocks. In the late 1990's, St. Kitts and Nevis was recovering from the damage caused by a number of serious hurricanes. The subsequent rehabilitation efforts resulted in increasing fiscal and debt difficulties. The real GDP growth dropped to 2.3% in 2001 and to 0.8 % in 2002 from a peak of 7.3% in 1997. As a consequence, the overall fiscal deficit went from 3.7% of GDP in 1997 to 12.4% in 2001 and to 16.2% in 2002, and resulted in increased debt-to-GDP ratio. Economic forecasts indicate better economic performance for 2003 than earlier projected with an improved fiscal position. The Government recurrent revenue is estimated to have increased by 11.2%, while the increase in expenditure was estimated at 3%. The Government has embarked on a programme of fiscal consolidation, a new debt management strategy, public sector reform, disaster preparedness, promotion of private investment and the creation of an enabling environment, particularly in the services sector.

EC cooperation with St. Kitts and Nevis has been highly satisfactory. The total active portfolio of St. Kitts and Nevis in 2003, including 6th, 7th and 8th EDF funds and the support from the regional programme, is € 17.3 million. Global commitments in 2003 amounted € 3.18 million and payments €288,424.

In furtherance of the economic diversification strategy of the Government, it has been agreed that education will be the focal sector for the National Indicative Programme under the 9th EDF (amounting to €3.4 million), with special emphasis on skills development in the area of information technology, focusing in particular on adults. The Financing Agreement for this programme was signed in December 2003.

2. THE GOVERNMENT'S POLICY AGENDA

The major immediate objectives of the Government are to reduce the fiscal deficit and debt by establishing an appropriate macroeconomic environment for economic growth. Economic restructuring, specifically diversification of the output base of the productive sectors, has been a long-term development strategy of SKN and is the cornerstone of its entire development programme. The Government aims for an optimal use of available resources to generate sustainable growth, while ensuring the benefits of such growth is widespread. In order to achieve this, the Government intends to: use the capital investment programme and regulatory framework to provide an enabling environment for private sector led growth; improve the fiscal position in an effort to generate adequate public sector savings to finance the capital programme; reform the public sector to increase efficiency; engage in appropriate human resources development; adequately provide public goods and services while not compromising the optimal use of resources; and reducing economic vulnerability by encouraging economic diversification and increased investment by domestic and foreign economic agents and by incorporating disaster mitigation in the development process. The Government is

* The exchange rate as at December 2003 was 1 € = 3.21 XCD

committed to protect the poor through its social safety net programmes and the pro poor emphasis is evident in a historical analysis of the public sector capital investment programme (PSIP). Government is now in the process of formulating a Poverty Reduction Strategy using the national human development approach.

The Government, through its membership of the Organisation of the Eastern Caribbean States (OECS), the Caribbean Community (CARICOM) and other regional and international institutions, continues to collaborate in the formulation of policies and strategies to stabilize the domestic economy, stimulate growth and transform the regional economies to be better placed to confront the challenges of globalization.

3. UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION

3.1 Millennium Development Indicators

Indicator	2000	2001	2002	2003
1. Life expectancy years *	72F68M			
2. Maternal mortality rate * (per 100,0 live births)	0	0	0	
3. Under-five mortality rate (2000) * (per 1,000 live births)	16.7	19.9	27.7	
4. Infant mortality rate (per 1000 live births) *	14.32	12.50	22.4	
5. Proportion of Population below National Poverty Line (US\$3,7 per day)	31.2%			
6. Proportion of 1 year old children immunised against measles	98%	98%	98%	
7. Ratio of girls to boys* in				
- primary education	0.93	0.95	0.93	
- secondary education	1.04	1.001	1.03	
- tertiary education	1.96	2.28	N/A	
8. Population with access to water	100%	100%	100%	
9. Education Expenditure as % of GDP (98-2000)*	5.6	6.2		
10. Public Health Expenditure as % of GDP*	3.5	5.1		
11. Private Health Expenditure as % of GDP	2.7%			
12. Births attended by skilled health staff*	99%	98.8%		

Source: UNDP Human Development Report 2002 and 2003, OECS Human Development Report 2002

*Statistics Division, The Planning Unit, St. Kitts and Nevis

Indicators in the table are selected on the basis of their availability, importance and relevancy to the EC cooperation under the 9th EDF, in which Education is the focal sector.

3.2 Political Situation

The unicameral parliament has 14 members, with 11 elected members and 3 nominated members. The election of 6 March 2000 gave eight seats to the ruling St. Kitts-Nevis

Labour Party, and the remaining three seats going to the Nevis opposition parties [Concerned Citizens Movement (CCM) won two and the Nevis Reformation Party (NRP), one]. In the Nevis Island Assembly, CCM holds three seats and NRP two. The Prime Minister is the Hon. Dr. Denzil Douglas (since 6 July 1995), leader of the SKN Labour Party.

A major political issue in the Federation is the relationship between the two islands. The Nevis Island Administration is pursuing plans for a referendum in 2004 on secession from the Federation and presented a draft constitution for Nevis in August 2003. The Federal administration voted against the secession in September 2003. Nevis exercises autonomy in most areas with the exception of foreign affairs, defense and certain aspects of economic policy, and has a constitutional right to independence if two thirds of the population votes for it in a referendum.

3.3 Economic Performance

According to estimates real GDP growth declined to 0.8 % in 2002 compared with a growth rate of 2.3% in 2001. Economic activity in 2002 was affected by the weak global economy and the impact on tourism of the September 11th terrorist attacks. Compared with 2001, the balance of payments recorded a surplus of 2.6% of GDP and the revenue collection increased by 10.3% in 2002 reflecting increased capacity in revenue collection. However, the external account deficit widened by 33.5% of GDP with increased debt service payments and recurrent expenditure being at EC\$ 316.2 million, 3.2% higher than a year earlier. The economic infrastructure projects financed during the year in the areas of water, electricity, waste management and Telecommunications accounted for the increase in expenditure. Estimates for 2003 indicate better economic performance than earlier projected, the Government indicators pointing to 11.2% increase in Government recurrent revenue and 3% increase in expenditure.

The fiscal deficit worsened as the Government directed resources to infrastructure development and human resources development, with a view to enhancing long-term economic development. The decline in fiscal savings was met by an increase in Government borrowing so as to allow the capital programme to proceed as planned. The overall result was a worsening of the fiscal deficit from 3.7% of GDP in 1997 to 12.4% in 2001 and 16.2 % in 2002. The high Government deficits and the losses of the sugar company have resulted in a sharp increase in public debt, close to 160% of GDP, and a consequent sharp increase in the debt service ratio as a percentage of GDP. According to the Government estimations, the fiscal position improved during 2003 along with estimated improved balance of payments and implementation of the key economic reforms.

3.4 Regional Integration and Trade Policy

The framework for policy objectives of St. Kitts and Nevis is dominated by the following regional and global initiatives: the establishment of the CARICOM Single market and Economy (CSME); CARICOM-EU Partnership Agreements; the World Trade Organisation (WTO) rules and agreements and global trends. The major trade policy objectives of St. Kitts and Nevis include: facilitation of the creation of the

regional single market and economy, integration in the world economy, trade promotion, especially export and investment promotion; economic diversification into non-traditional areas and services; and private sector expansion and inclusion in the trade policy formulation process. Harmonized regional positions are critical in the negotiations of FTAA and Economic Partnership Agreement (EPA) with the EU. The Caribbean specific EPA negotiations are expected to be launched in the course of second quarter in 2004.

In parallel with the wider CARICOM level integration, St. Kitts and Nevis is in the process of regional integration within the Organisation of Eastern Caribbean States (OECS), which aims to deepen the economic integration by creating a single OECS Economic Union within which products, labor and capital moves freely, and which would allow diversified economic growth, increased employment, and position the OECS to interface more effectively with the wider CARICOM Single Market and Economy initiative. In 2002, an agreement was reached among the OECS member states on the measures that would allow free movement of labour, introduction of an OECS passport and further strengthening of the economic integration.

Within the context of liberalisation, St Kitts and Nevis'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 liberalizing its trade regime by reducing both tariff and non-tariff barriers. In keeping with its obligations to CARICOM, the Government introduced the third phase of the Common External Tariff (CET) in July 2001. This measure will bring the Customs tariff down from a maximum of 30% for all imported goods, except in a few special cases, to a maximum of 25%. A trade policy review of the OECS countries was conducted by the WTO in June 2001.

3.5 Achievements in the social sector

According to the UNDP Human Development Report for 2003, St. Kitts and Nevis is ranked 51 among 175 countries on the basis of adult literacy, school enrollment, life expectancy at birth, and per capita Gross Domestic Product (GDP). There has been a high level of investment in the social sectors such as education, housing and community development, yet despite this there are growing pockets of poverty in SKN especially among vulnerable groups such as female-headed households, children, the elderly and young people. It is important to ensure that in the current fiscal crisis, the social dividend, vital to the country's service led development strategy, is not lost but is secured probably through more effective targeting of resources. St. Kitts and Nevis faces also a challenge of ageing population with increasing dependency rates that are expected to put pressure on Government budgets and the existing public national insurance scheme.

Health: Over the 1995-1998 period the Government instituted a health reform programme for St. Kitts and Nevis. The health sector continues to face numerous challenges including high rates of infant and neonatal mortality, a high incidence of teenage pregnancy, the re-emergence of tuberculosis along with the threat of HIV/AIDS, and resource limitations both in the private and public sectors. The Government has placed special emphasis on primary health care services, particularly

those targeted toward the prevention of illness and the promotion of healthy lifestyle habits.

Education: The present system of education guarantees universal access to the present cohorts of the school going age. However many in the current work force have not had the opportunities for education and training that are required in more dynamic areas of the employment market. According to the Country Poverty Assessment Report, as many as 55% of the poor engaged in the labour market did not possess any educational certification. Adult and continuing education is essential, especially in the light of the rapid technological transformations taking place at a global level and more specifically advancements in information technology. The Government has set forth the future orientation of educational policy in St Kitts and Nevis in the comprehensive Long Term Education Plan 1998-2011. The plan sets down clear goals and objectives for the education system as a whole and for each sub-sector, identifying targets and strategies, programmes and projects, implementation schedules, costs and sources of financing and the establishment of structures for implementing the proposed plan.

Gender differentials: As noted in the OECS Human Development Report 2002, the Caribbean region is considered peculiar in terms of gender inequalities. Females are more often likely to be unemployed, have lower labour force participation rates and are to be found in specific sectors of employment which do not have high level of remuneration, but the economic differences in population as well as poverty and consumption levels are not considered consistent or necessarily gender-biased. The gender differentials are not necessarily against women or in one direction only. The legal and constitutional rights of females are reasonably well established while indications of wide spread domestic violence exist.

Migration: Migration is the major force contributing to the variations in population change in the St. Kitts and Nevis, which has reached the final stages of the demographic transition, demonstrating low fertility and mortality rates. The emigration in St. Kitts and Nevis has decreased from -9.8 migrants/1000 population in 1990 to estimated -8,3 migrants/1000 in 2003. The main destinations for emigration are British Virgin Islands, UK, USA. The established OECS Economic Union is expected to have further influence on intra regional migration flows. Loss of the skilled labour force needed for economic growth is a challenge for the OECS countries experiencing heavy emigration.

3.6 Environment

The biological resources in St. Kitts and Nevis, as in the other small OECS islands are under pressure caused by economic interests (tourism, agriculture and fisheries) and factors such as concentration of population and high frequency of disasters. Further degradation of the natural resources greatly influences to the prospects of the country for social and economic development.

3.7 Future Challenges and Prospects

The Government is anticipating an optimistic 5% economic growth in 2004 stemming from increased economic activity and recovery in the global economy. The tourism sector is expected to strengthen as a result of increased air routes to United States and

the recovery of the US economy – the main market of St. Kitts and Nevis tourism industry.

However, the fiscal situation remains vulnerable. To reverse the recent deterioration of the public finances and the public-debt ratios, the Government has developed a stabilization programme with assistance from the Caribbean Regional Technical Assistance Centre and the IMF. It is essential that the Authorities reverse the rapid increase in the debt stock and debt servicing that has occurred in recent years. The Government has instituted fiscal policy restraint, which in turn necessitates reform of the public sector. In addition, measures have been put in place to further increase revenue collection through strengthening tax administration and enforcement, and expenditure control with tighter control over the wage bill and government procurement. Additional issues to be addressed include the losses of the sugar production and the viability of the industry, the need for greater accountability by other state enterprises, and the viability of the social security system.

St. Kitts and Nevis is a member of the Eastern Caribbean Currency Union (ECCU). A major objective is to create a single financial space that will allow for the ‘freer’ play of market forces under an effective regulatory regime. Furthermore, the fixed exchange rate is used as a means to achieve price stability, a crucial precondition for sustained growth in economic activity. There is a need for an improved debt management strategy, which includes institutional reorganization and debt restructuring.

In the context of International Trade Policy, and in order to re-orient the economy to deal with the challenges posed by globalisation and trade liberalization, the Government will pursue economic diversification, particularly in the services sector, and provide the enabling environment for the development of information technology, call centers and international financial services. The Government has sought to make the tax regime more favourable to private sector development by reducing in phases the corporation tax rate, and by promoting private sector investment through the fiscal incentives. The Government is investigating options to develop alternative sustainable economic possibilities to counter dependence on the Sugar Industry.

4. OVERVIEW OF PAST AND ONGOING EC CO-OPERATION

On the whole, cooperation with the Community has yielded satisfactory results. Maintenance and use of the facilities financed has been good. Concentration of funding largely on a single sector has proved to be an effective form of cooperation. Some €5,6 million has been used to fund the rehabilitation and upgrading of the St. Kitts and Nevis hospitals. The Prime Minister Dr. Denzil Douglas and the Head of Delegation John Caloghirou signed the County Support Strategy and National Indicative Programme for 2002 – 2007, in August 2002.

EC cooperation with St. Kitts and Nevis has been highly satisfactory. The total active portfolio of St. Kitts and Nevis in 2003, including 6th, 7th and 8th EDF funds and the support from the regional programme, is € 17.3 million. Global commitments in 2003 amounted € 3.18 million and payments €288,424.

4.1 European Development Fund – Focal Sectors

9th EDF- NIP € 3.4 million – Focal Sector: Human Resources Development

As the NIP stipulates, 85% of the A envelope (€2.89million) concentrate on the education sector with special emphasis on skills development in the area of Information Technology, and focusing in particular on adults. The Financing Agreement for the programme was signed in December 2003 and the implementation of the will start during the first quarter of 2004.

8th EDF-NIP € 3.0 million and 7th EDF-NIP €2,5 million

Focal Sector: Health Sector Development (€ 2.7 million). Under Lomé IV and Lomé IV bis, health was identified as the focal sector and 90% of the NIP funds was allocated for that period (7th and 8th EDF). The amount of the Financing Agreement is € 5.6 million. The main objective, to improve the capital stock of the health sector, is currently being achieved through the rehabilitation and extension of the two main hospitals in the Federation, the J.N. France Hospital in Basseterre, St Kitts and the Alexandra Hospital in Charlestown. The project is completed and funds have been practically fully disbursed.

4.2 Projects and Programmes outside focal sectors

9th EDF: About 15% of the A-allocation (€ 0.43m) is to be used for studies, audits and technical support under the Technical Cooperation Facility (TCF). Financing proposal for the TCF was prepared in December 2003 and the Facility is expected to be operational by May 2004. The B- allocation for St. Kitts and Nevis for unforeseen needs is € 0.6 m.

4.3 Utilisation of resources for non-state actors

Given the size of the 9th EDF “A allocation” for St Kitts and Nevis, and taking into account the recommendation that for countries with an indicative envelope under € 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 St Kitts and Nevis that non-state actors should as far as possible be involved at all levels in the activities to be carried out under the 9th EDF.

4.4 Other Instruments

Caribbean Regional Indicative Programmes (CRIP)

St Kitts and Nevis, 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 € 105 million, while the 8th EDF RIP has € 90 million available. The focal sector for the 9th EDF RIP support will be regional economic integration and integration into the world economy, for which an envelope of € 57 million is available. The programme

portfolio of the Delegation in Barbados and the Eastern Caribbean included 17 regional programmes amounting € 153,266,093 million in 2003.

Through the regional OECS Tertiary Education Level Project support has been provided to the Clarence Fitzroy Byrant College to strengthen its capacity through the provision of new physical facilities and funding for the introduction of a greater range of courses. Also the Nevis airport extension project has received support from 7th EDF regional funds to the tune of € 2.2 million in an effort to increase tourist arrivals in Nevis through accommodating larger aircraft. Other 7th & 8th EDF CRIP projects that St Kitts and Nevis benefits from are presented in Annex VII.

Thematic Budget Lines

St Kitts and Nevis continues to benefit from the sugar protocol. While the theoretical advantage for St Kitts and Nevis derived from the sugar protocol is estimated (difference between the guaranteed quota price and average world market prices) is € 5.8 million, in practice the average cost of production is above the EU intervention price. The subsidy provided by the Government to the sugar sector is estimated to be about 3 per cent of GDP.

The EC approved in May 2003 € 1.1 million in favor of Penal Reform International (UK) from a budget line B7-701 (Human Rights Development) to further restrict the implementation of the death penalty in the Commonwealth Caribbean, with a view to its eventual abolition. Those sentenced to death in the region are the immediate target group. The main activities of this project include: (i) the provision of assistance and free legal representation to those on death row; (ii) strategic litigation at both the national level in criminal and constitutional proceedings and at the international level in individual and group applications to international human rights bodies such as the UN Human Rights Committee and the Inter-American Commission and Court of Human Rights; (iii) consultation and dialogue with governments, judges, lawyers and human rights workers in the region; and (iv) the provision of inter-active training, backed up with high level publications and to conduct criminological and legal analysis.

Support from All ACP funds

The EC approved € 50 million all ACP Trade.Com programme in August 2003, which is aimed at reinforcing the analytical and research capacities for trade policy formulation in; providing immediate assistance for ongoing negotiation and promoting activities for institutional support in the area of trade support services ACP counties. A specific project has been designed for the Caribbean region, which is expected to commence early 2004. In addition, €1.4 million has been provided for the OECS and Pacific regions to establish a Mission to the WTO Geneva. Further € 0.76 million from the all ACP support was approved to support Caribbean Negotiating Machinery to participate in EPA negotiations. Other All ACP programmes in the Caribbean region are presented in Annex VIII.

European Commission Humanitarian Aid Office (ECHO)

The ECHO launched its first Disaster Preparedness (DIPECHO) Programme for the Caribbean in 1998, making available some € 6 million for the activities to prepare for and mitigate against disaster and also, to a lesser degree, for disaster prevention. The 4th DIPECHO plan for the Caribbean was approved by the EC in 2003. The amount of the new plan is € 2.5 million and it covers activities in Haiti, Cuba, Dominican Republic, Jamaica, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

European Investment Bank (EIB)

The EIB has provided St Kitts and Nevis with a total of €8.5million in financial assistance since 1983. Among EIB financed initiatives are a two-phased programme of support for the St Kitts and Nevis Development Bank and in 1995 a €2m loan for Nevis Airport. In 2000, a global loan of €4million on risk capital resources (Lomé IV bis) was made available to the Development Bank of St Kitts and Nevis for the financing of productive investments from small and medium sized enterprises in the industrial, agro-industrial, transport and service sectors by means of loan and (quasi-) equity participations, and for the financing of investments in human capital by means of student loans related to those sectors. The EIB programmes are presented in Annex IX.

Centre for the Development of Enterprise (CDE)

The CDE supports private sector development by providing non-financial services to ACP companies and businesses and support to joint initiatives set up by economic operators of the Community and of the ACP States. In the OECS region the CDE supports Private Sector development through sector programmes in Construction and Mining, Agro-processing, Wood, Herbal Medicines and Tourism. Over the period 1999-2003, CDE has assisted in the OECS region a total of 56 enterprises carrying out 85 interventions at a total cost of €957,562 of which €532,041 was contributed by the CDE.

PROINVEST programme, managed by the CDE aims at increasing investments between the Caribbean and Europe. PROINVEST has a fund of €110 million over 5 years to support private sector development in the Caribbean, African and Pacific Countries. Summary of the CDE activities in the OECS region, including PROINVEST activities is presented in Annex X.

Centre for the Development of Agriculture (CTA)

The CTA supports policy and institutional capacity development and information and communication management capacities of agricultural and rural development organisations in the Caribbean region. CTA aims at assisting organisations in formulating and implementing policies and programmes to reduce poverty, promote sustainable food security and preserve the natural resources. In the Caribbean CTA has undertaken a study on safeguarding the benefits of the Sugar Protocol. Other CTA activities in the Caribbean region are presented in Annex XI.

5. PROGRAMMING PERSPECTIVE FOR THE FOLLOWING YEARS

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

- the role of the sugar industry in the economy of St Kitts and Nevis, the need to diversify and adapt it to the existing and forthcoming constraints; its impact on the social situation and in particular on the most vulnerable part of the population.
- the implementation of a medium-term strategy by the GSKN in which agriculture, tourism, education and human development as well as financial services constitute the core sectors;
- the challenges and opportunities presented by globalisation and trade liberalization and the need to adapt a country of limited natural resources to these new realities;
- the vulnerability of SKN to natural disasters and the need to ensure that effective disaster preparedness and emergency response arrangements are put in place, in view of the frequency with which natural disasters have struck the area.

St. Kitts and Nevis has a skills gap as the country moves from one dominant mode of production requiring a narrow range of skills to a more diversified multi-skilled economy. The skills gap is also predicated by the time lag between the rapid pace of technological change and the rate of technology transfer from developed to developing countries. Against this background it was agreed that 85% of the funds under the 9th EDF programming “A allocation” be used to target the education sector, with special emphasis on skills development for the informatics industry.

5.1. Integration of new EC/EU policy initiatives and commitments

From the A-allocation of the 9th EDF NIP, € 2.89 million, 85% has been allocated to focal sector support. Besides the focal sector, assistance in the form of studies or technical support may be given to institutional strengthening and the regional integration process. As regards the new EC/EU policy initiatives and commitments that have impact on third countries, Trade and Development, including preparedness to the trade negotiations and trade liberalization is of increasing importance to St. Kitts and Nevis. 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.

St. Kitts and Nevis has benefited from specific budget lines as presented in chapter 4.4 and needs for support exist especially in the area of environmental protection. While the OECS countries are multi-party democracies, there are also needs in the countries to strengthen the technical capacity in developing and maintaining databases on entitled voters. To this end, E-government tools could be considered.

5.2. Proposal on a review and adaptation of the CSP

The Financing Agreement for the focal sector support was signed in December 2003 and revision of the agreed and planned support package to education sector is not foreseen. The Logical Framework for the focal sector programme including target indicators to 2003- 2005 was refined in 2003 and it will form the basis for the Mid Term Review in 2004. The study to assess the needs in Information Technology (IT) within the education sector was completed in 2003 as per the commitment made by the Government. The study has also identified the computer equipment and IT facilities currently available in schools and develop the appropriate curriculum. At a sectoral level, liberalisation of the telecommunications sector is ongoing and relevant legislation has been passed and is being implemented according to an agreed timetable.

The level of utilisation of EDF funds has been very satisfactory. Progress has been made in closing down financially completed projects.

Chapter 6 - Conclusions

- Within the MTR exercise, the main recommendations produced by the European Commission's Country Team, iQSG, ISC and EDF Committee were to enhance the involvement of Non State Actors and to better address environmental issues within the EU/St. Kitts & Nevis cooperation process.
- To this effect, the Government, **environmental** organizations and the general public in St. Kitts & Nevis have continued to embrace the importance of the country's environment, as the prosperity and well being of the country depends heavily on its protection.

Waste management, in particular, presents a major problem for the country. Current solid waste disposal practices requiring improving, and the disposal of liquid wastes, both sewage and industrial effluent, continues to result in surface water contamination. Water pollution threatens not only the local population but also the important tourism sector of the economy. Also, beach erosion, both natural and man-made, poses a threat to one of the islands' premier natural attractions. Finally, the increasing loss of wildlife habitats, erosion, and sand mining are all serious considerations, need to be effectively addressed. A Country Environmental Profile will be provided by the Government of St. Kitts & Nevis and will be attached to the present Joint Annual Report.

- With the aim of strengthening **civil society** involvement in EU/St. Kitts & Nevis development partnership, a non state actor (NSA) advisory panel, representative of St. Kitts & Nevis' civil society, will be established by the Government of St. Kitts & Nevis after close consultation between the EC Delegation in Barbados and the National Authorising Officer. The panel will provide a forum for tripartite dialogue, information and consultation on development cooperation between the EU and St. Kitts & Nevis.

The Government of St. Kitts & Nevis will undertake a mapping study on NSAs and produce recommendations for an appropriate advisory panel, by also taking into consideration existing NSA structures.

- **The choice of education as the focal sector was confirmed:** the Financing Agreement for the focal sector support was signed in December 2003. The Logical Framework for the focal sector programme including target indicators to 2003- 2005 was refined in 2003 and it formed the basis for the Mid Term Review in 2004. The study to assess the needs in Information Technology (IT) within the education sector was completed in 2003 as per the commitment made by the Government. The study has also identified the computer equipment and IT facilities currently available in schools and develop the appropriate curriculum.

At sectoral level, liberalisation of the telecommunications sector is ongoing and relevant legislation has been passed and is being implemented according to an agreed timetable.

- The **overall assessment** of St. Kitts & Nevis **in terms of financial performance, sectoral performance and ‘special considerations’** (such as progress in institutional reforms and towards poverty reduction) under the 8th and 9th EDFs has been satisfactory. As a result, considering the consistently good past and present performance, the acute needs for diversification, as well as the absorption capacity of St. Kitts and Nevis, the European Commission proposed that additional funds of €3 million were added into the A-Envelope. Taking into account both the physical and economic vulnerability of St. Kitts and Nevis, the B-Envelope (€0.6 million) must remain reserved for ECHO activities.
- Regarding new EC/EU policy initiatives and commitments that have impact on third countries: Trade and Development, international competitiveness (including preparedness to the trade negotiations and trade liberalization) is of increasing importance and will be addressed under other instruments, different from the NIP. St. Kitts and Nevis has benefited from specific budget lines and needs for support still exist, especially in the area of environmental protection.
- St. Kitts & Nevis did not qualify for **FLEX** disbursements under application year 2003.
- **Key perspectives for the future:** due to full programming of funds, **new EC/EU initiatives** and/or commitments **are not foreseen** under the initial 9th EDF support. Approximately 85% (€2.89 million) of the 9th EDF NIP is allocated to the focal sector support. The remaining 15% is reserved for Technical Assistance under the Technical Cooperation Facility (TCF).

The additional funds of €3 million will be used in the context of the existing A envelope project by redefining and enlarging the scope of the focal area to include training and education activities to further contribute to the diversification efforts of the Government.

Intervention framework 9th EDF St Kitts and Nevis Annual Operational Review 2003

Sector: Information and Communication Technology	Performance Indicators	Status 2002	Target 2003	Target 2004	Target 2005	Sources of Information	Assumptions
National Sector Target: To foster the development of a vibrant and sustainable IT sector	Number of IT sector graduates and trainees	194	400	600	1.200	Ministry of Education Reports	GoSKN continues to support the development of the IT sector through attracting IT based industries to invest in SKN and through the liberalisation of the telecommunications industry
	Amount of new investment in the sector	No statistics available at this point.	Need for info. identified business register planned	Work on business register to be completed by mid-2004	Amount of new investment in the sector X+Y+Z	Ministry of Finance and Commerce	
	New IT companies registered	No past statistics available as benchmarks	Business register will capture this info from 2004	Number of new IT companies registered X+Y	Number of new IT companies registered X+Y+Z		
	Number of people employed in the IT Sector	Last labour Force Survey done in 1994. Extrapolations not relevant	Labour Force Survey to capture such info. designed	Labour Force Survey being done presently by Planning Unit	Number of people employed in the IT Sector X+Y+Z	Statistics Division, Ministry of Finance , Development and Planning	
	Completion by 2003 of the study on the needs in Information Technology (IT) within the education sector and development of the appropriate curriculum.	Procedures for carrying out Feasibility Study completed and consultants identified.	Achieved yes	Achieved YES	Achieved YES	Study assessing the IT needs in education sector available	

	Computer equipment and IT facilities available in schools.	Primary & Secondary St. Kitts and Nevis - 357 Computers	Primary and Secondary St. Kitts and Nevis - 455 Computers	Number of computer equipment and IT facilities available in schools: 455	Number of computer equipment etc - target - 1500	Ministry of Planning Ministry of Education Reports on amount and type of equipment and IT facilities provided	
	Liberalisation of the telecommunications sector and adoption of the relevant legislation by the end of 2004.	Legislation in place and full liberalisation in theory from 01:04:02	2 companies granted licenses-interconnection agreement signed end 2003	2 more companies licensed. Liberalisation underway	Achieved yes/no	Ministry of Planning reports on legislative changes	
Intervention objective: Upgrade and Expand the computer lab and training office facilities	Appropriate curriculum and curriculum development approaches provided	no,	Achieved no but being developed through NCEC and CXC	Achieved no but being developed through NCEC and CXC	Piloting of IT curriculum in lower secondary schools	Ministry of Education Reports	GoSKN continues to support and facilitate adult and continuing education in the IT sector
	Provision of essential training for tutors	Teachers trained annually in basic computer maintenance	Teachers trained annually in basic computer maintenance	Teachers trained annually in basic computer maintenance	Will be further developed and elaborated within EU/ IT Project	Ministry of Education Reports	
Results							
Pool of adults and women skilled in IT related fields, who will be employed or become entrepreneurs in the IT sector	Training courses established to train trainers, administrators and maintenance personnel in St Kitts and Nevis	one trained maintenance technician	no	10-17 fellowships being financed by World Bank Project	Further training fellowships to be provided by World Bank & EU Projects	Project Progress reports / Annual Report of the EC Delegation/NAO	GoSKN will secure seed and other incubatory funds to initiate special projects intended to sustain the IT education sector

Hardware and software upgraded in St Kitts and Nevis	Well equipped electronics labs and workshops available to offer initial and refresher training for technicians who will become involved in installation and maintenance of IT equipment	Achieved no	Achieved no	World Bank Project will finance the procurement of essential equipment for IT labs	World Bank Project Will finance the procurement of essential equipment for IT labs	End of Project Report	GoSKN will encourage the construction of related physical plants such as smart buildings to provide infrastructure for businesses based on new technologies and the equipping of all schools with computer labs (which can also serve as computer learning centers for adults in the community).
Electronic lab and workshop facilities refurbished and retooled in St Kitts	60 persons trained to deliver and sustain a range of IT programmes	Achieved no	Achieved no	WB and EU Pj - 25% identified & being trained	WB & EU Pj 50% identified & being trained	Report of Supervisor	
Expanded capacity of the education sector to respond to the demand for ongoing training and retraining for individuals and corporations	Four computer labs constructed in St Kitts and two centres expanded in Nevis	Achieved no	Achieved no	WB and EU Projects.	WB and EU Projects	Reports of Colleges involved in the project	
IT Equipment procured for St Kitts and Nevis		Achieved no	Achieved no	WB and EU Projects	WB and EU Projects		
IT resource centre established and staff provided		Achieved no	Achieved no	WB and EU Projects	WB and EU Projects		

Annex II Chronogramme of activities

	Amount	%	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2	2007/1
NIP 9th A allocation	3.4	100							
A) Education	2.89	85							
<i>commitments / payments</i>			<i>0.8</i>		<i>0.8</i>		<i>0.6</i>		<i>0.6</i>
b) non focal sectors	0.5	15							
<i>commitments/payments</i>				<i>0.1</i>	<i>0.2</i>		<i>0.2</i>		
studies/ audits									
moitoring									
contigencies									
c) 9th NIP B allocation	0.6	100							
TOTAL 9th EDF NIP	4								
<i>commitments A allocation</i>			<i>0.8</i>	<i>0.1</i>	<i>1</i>		<i>0.81</i>		<i>0.6</i>

ANNEX III: FINANCIAL SITUATION FOR 9TH EDF
STATUS AS AT 31.12.03

9th EDF St. KITTS & NEVIS		EUR	3,400,000	NIP					
				0	Transfer				
			3,400,000						
Project Account Number	Project Title	Date of Financing Agreement	Global Commitments (A)	Individual Commitments (B)	B)/(A) %	Payments as at 31.12.03 (C)	(C)/(A) %	Status	Payments During 2003
9 ACP SCN 1	Information Technology (IT) based Training and Management	01.09.2003	3,180,000	0	0%	0	0%	On-going	-
Programmable	Totals		3,180,000	0	0%	0	0%		-
	Reserve/Balance		220,000						

ANNEX IV: FINANCIAL SITUATION FOR 8TH EDF
STATUS AS AT 31.12.03

8th EDF		EUR	3,000,000	NIP					
St. KITTS & NEVIS				0 Transfer					
				3,000,000					
Project Account Number	Project Title	Date of Financing Agreement	Global Commitments (A)	Individual Commitments (B)	B)/(A) %	Payments as at 31.12.03 (C)	(C)/(A) %	Status	Payments During 2003
8 ACP SKN 001	SKN Hospital Rehabilitation - Moorjani	08.06.99	2,700,000	2,700,000	100%	2,700,000	100%	to close	-
8 ACP SKN 003	IT Training & Management Strengthening	20.12.02	21,000	21,000	100%	21,000	100%	to close	21,000
	Totals		2,721,000	2,721,000	100%	2,721,000	100%		21,000
	Reserve/Balance		279,000						
8 ACP SKN 002	EIB - DBSKN III Global Loan	11.07.00	4,000,000	4,000,000	100%	1,870,612	47%	On going	248,274
Non-Prog.	Totals		4,000,000	4,000,000	100%	1,870,612	47%		248,274
	GRAND TOTAL		6,721,000	6,721,000	100%	4,591,612	68%		269,274

ANNEX V: FINANCIAL SITUATION FOR 7TH EDF
STATUS AS AT 31.12.03

7th EDF St. KITTS & NEVIS		EUR	2,500,000	NIP						
			1,511	Allocated amount transferred from Lome II						
			232,657	Reserve transferred from Lome II						
			2,734,168							
Project Account Number	Project Title	Date of Financing Agreement	Global Commitments (A)	Individual Commitments (B)	B)/(A) %	Payments as at 31.12.03 (C)	C)/(A) %	Status	Payments During 2003	
7 ACP SKN 001	Trade Fair - ITIX Las Vegas 92	5.06.92	11,788	11,788	100%	11,788	100%	Closed	-	
7 ACP SKN 002	Health Sector Rehabilitation Study	18.06.92	-	-		-		Closed	-	
7 ACP SKN 003	Nevis Water Development-Ex Lome II	3.12.93	-	-		-		Closed	-	
7 ACP SKN 004	Primary Sch & Com Centre-Ex Lome II	25.07.94	185,000	185,000	100%	185,000	100%	Closed	-	
7 ACP SKN 005	Scholarship - Mr F Boncamper	17.06.94	20,023	20,023	100%	20,023	100%	Closed	-	
7 ACP SKN 006	Cycle Management Seminar	26.09.74	2,315	2,315	100%	2,315	100%	Closed	-	
7 ACP SKN 007	SKN Hospital Rehabilitation	12.05.95	2,455,569	2,449,911	100%	2,449,911	100%	On-going	-	
7 ACP SKN 008	SKN Hospital Rehabilitation-Ex Lome II	12.05.95	43,931	43,931	100%	40,179	91%	On-going	19,150	
7 ACP SKN 010	SKN Hospital Rehabilitation	08.06.99	5,237	5,237	100%	5,237	100%	On-going	-	
	Totals		2,723,863	2,718,205	100%	2,714,453	100%		19,150	
	Reserve/Balance		10,305							
7 ACP SKN 009	EIB - Risk Capital	17.10.95	2,000,000	2,000,000	100%	2,000,000	100%	Closed	-	
Non-Prog.	Totals		2,000,000	2,000,000		2,000,000				
	GRAND TOTAL		4,723,863	4,718,205	100%	4,714,453	100%		19,150	

ANNEX VI: FINANCIAL SITUATION FOR 6TH EDF
STATUS AS AT 31.12.03

6th EDF		EUR	3,500,000	NIP					
St. Kitts & Nevis					0 Transfer				
			3,500,000						
Project Account Number	Project Title	Date of Financing Agreement	Global Commitments (A)	Individual Commitments (B)	B)/(A) %	Payments as at 31.12.03 (C)	(C)/(A) %	Status	Payments During 2003
6 ACP SKN 002	Trade Fairs	11.10.88	2,876	2,876	100%	2,876	100%	Closed	-
6 ACP SKN 004	Development Social Infrastructure	17.11.89	2,566,438	2,566,438	100%	2,566,438	100%	Closed	-
6 ACP SKN 005	Primary School & Community Centre	25.04.94	514,014	514,014	100%	514,014	100%	Closed	-
6 ACP SKN 006	Hospital Rehabilitation - Moorjani	08.06.99	411,763	411,763	100%	411,763	100%	To close	-
	Total		3,495,091	3,495,091	100%	3,495,091	100%		
	Reserve/Balance		4,909						
6 ACP SKN 001	EIB - Loan to Development Bank	09.12.86	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		4,995,091	4,995,091	100%	4,995,091	100%		

ANNEX VII: CARIBBEAN REGIONAL INDICATIVE PROGRAMMES (CRIP)

All ACP 8 th EDF Programme for the Caribbean rum industry -	€70,000,000
All ACP 8 th EDF Programme for Fishery -	€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 -	€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 in the Caribbean (managed by T &T) -	€ 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
8 th EDF Air Access Improvement Programme for Dominica	€ 11,950,000
8 th EDF Design for Dominica Airport	€ 550,000
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: ALL ACP PROGRAMMES

9 ACP RPR 5	Development of malaria vaccines and their multi-centre trial	€ 7.000.000,00
9 ACP RPR 10	EC/ACP/WHO partnership on pharmaceutical policies	€ 25.000.000,00
9 ACP RPR 17	Contribution to the Global fund to fight AIDS, Tuberculosis	€ 170.000.000,00
9 ACP RPR 7	TRADE.COM All ACP Institutional trade capacity building facility	€50.000.000,00
9 ACP RPR 6	Support to the competitiveness of the rice sector in the Caribbean	€ 24.000.000,00
9 ACP RPR 21	Support to the collaborative doctoral programme in economics	N/A

ANNEX IX: CDE activities in the OECS countries 2003

Construction and Mining

This is a broad sector that includes clay, granite, marble and limestone aggregate quarries. It also includes companies manufacturing bricks, dimension stone, limestone products, and sand products. CDE organised a Workshop on Environmental Management for the quarrying and mining industry, in Port of Spain, Trinidad & Tobago in November 2003. Over 30 enterprises, consultants and government agencies from the region participated in this workshop, which provided a forum for discussions on best practice in the industry. The Workshop also provided the opportunity for the enterprises in the sector to discuss specific requests for CDE support.

In September 2003, a group of enterprises involved in the ceramic industry participated in the Ceramitec Exhibition in Germany. Supported by a sector specialist, the company participants were exposed to current technology in the industry relevant to their needs, and in some cases identified appropriate technology and machinery to be acquired. One quarrying company from St. Lucia was among the participants

Agro-processing

The Agro-processing sector is characterized by the relatively large number of small companies producing similar products such as processed fruits, pepper sauces, jams and jellies and alcoholic beverages. The Centre's approach is to group these companies together, usually at workshops, to deal with technical and marketing problems and also to stimulate cooperation between the companies. The programme in the Agro Industry has focused mainly on assisting enterprises to achieve Quality Management systems for food handling (HACCP). Enterprises from Dominica, Grenada, St. Kitts and St. Lucia have benefited from this programme.

Wood

For many years the Centre has provided technical and marketing assistance for the wood processors in the Region. Initial emphasis on furniture manufacturing has broadened to include kiln drying of timber, particularly for export and on the milling to improve the production efficiencies and quality of the timber available to downstream processors. Sustainable Forestry Management (SFM) has been the subject of technical assistance and training programmes to enterprises in Suriname, Guyana and Belize.

Herbal Products

The development of the Herbal sector is considered as a possible area for diversification of the agriculture sector in the region. Further to a Regional Partnership Meeting held in Jamaica in December 2002, CDE has embarked on a programme aimed at developing and strengthening the sector with the support of other agencies viz. the Inter-American Institute for Cooperation on Agriculture (IICA) and CTA. 2003 saw the creation of the Caribbean Herbs Business Association which groups main enterprises in the region. The association is based at IICA in Trinidad, and is receiving support from CDE to develop a business plan.

A key component of the programme is the promotion of the Caribbean herbal industry, and in this regard several companies from throughout the region participated in an exhibition – Treasures of the Caribbean – which exhibited at the Natural Products Exhibition in London, Vitafoods in Geneva, and the Caribbean Gift and Craft Show in Grenada. The response to the Caribbean producers of herbal products has been very encouraging, several companies having established commercial relationships with their EU counterparts. Companies from Grenada, St. Lucia, Barbados and from other countries in the region participated at these events.

PROINVEST

1. Caribbean Investment Policy Summit workshop, organised by JAMPRO, TIDCO and BIDC in Kingston 10-11 JUNE 2003 to develop a strategy for addressing regional investment-related trade policy issues with respect to WTO, FTAA and the Caribbean Single Market and Economy.
2. A mission for Dominican companies to attend the Florence Gift Mart Show in September 2003.
3. A mission for Dominican companies in conjunction with the AI-Invest meeting in Brussels on the Cinematography and Audiovisual Industry of Europe and Latin America (12-14 November 2003).
4. Promotion/access training workshops for intermediary organisations held throughout the region.
5. A workshop for stakeholders to present and discuss the results of the regional sector Studies in Port of Spain in October 2003.
6. Preparation of Tourism Sector Meeting for the Caribbean region (to be convened in 2004).

Annex X: European Investment Bank

TYPE	CONVENTION	FINANCE CONTRACT	NAME OF CONTRACT	DATE OF SIGNATURE	AMOUNT €
Risk Capital	LOME - CONVENTION 2	70366	DVPT BK OF ST KITTS & NEVIS	21/07/83	350,000.00
Risk Capital	LOME - CONVENTION 4	71017	NEVIS AIRPORT	10/10/95	2,000,000.00
Risk Capital	LOME - CONVENTION 4 - PROT.2	20692	DBSKN GL III	31/07/00	4,000,000.00
MANDAT	LOME - CONVENTION 1	80214	UPGRADING ELECTRICITY SUPPLY	10/04/86	569,000.00
MANDAT	LOME - CONVENTION 2	80214	UPGRADING ELECTRICITY SUPPLY	10/04/86	500,000.00

ANNEX XI: Centre for the Development of Agriculture (CTA)

No.	Projects	Implementing partner	
1	Support to Regional Agricultural Policy Network (RAPN)	Inter-American Cooperation on Agriculture (IICA)	
2	Caribbean Herbal Business Association (CHBA)		
3	Generation and dissemination of agricultural information		
4	Caribbean agricultural information system (CAIS)	Caribbean Agricultural Research and Development Institute (CARDI)	
5	Caribbean agricultural marketing intelligence & development (CAMID)		
6	Question and Answer Service (QAS) – Barbados, Dominica, Jamaica, St. Christopher/Nevis, St. Vincent & the Grenadines, Trinidad & Tobago		
7	Training	Question & Answer Service Management – Haiti	
8		Scientific Data Management	
9		Electronic publishing of agricultural materials for rural development – all islands	
10	Caribbean table egg industry competitive study and consultation	CARDI/Caribbean Agribusiness Association	
11	Workshop on fisher folk organisations in the Caribbean	CARDI/CARICOM Fisheries	
12	Caribbean Pest Network (CariPestNet)	CARDI/CARINET	
13	Establishment of a Regional Farmers & NGOs Network	CARDI/CAFANN	
14	Selective Dissemination of Information (research and policy)	Organised directly by CTA	
15	<u>CD-ROM/Internet Database Service</u> University of Guyana, National Agricultural Research Institute Guyana, Ministry of Agriculture and the Northern Caribbean University in Jamaica, Ministry of Agriculture in St. Lucia, Ministry of Agriculture and CARDI in Trinidad & Tobago		
16	Science and Technology		Regional workshop “Enhancing the S&T policy dialogue”
17			National meeting in Jamaica on Agricultural systems of science, technology and innovation
18		Finance participation of 3 Caribbean representatives to 3 rd meeting of Advisory Committee on S & T	
19	Information Needs assessment study		
20	Study on safeguarding the benefits of the Sugar Protocol (including Jamaica and Guyana)		
21	Evaluation of CTA supported location-based seminars		
22	<u>Support to national NGOs</u> <ul style="list-style-type: none"> • Agricultural Diversification Project Ltd (ADP) - Dominica • Konsèy Nasyonan Finansman Popilè (KNFP) - Haiti • Jamaica Agricultural Society (JAS) - Jamaica • Eastern Caribbean Agricultural Trading and Development (ECTAD) - St Vincent & the Grenadines • The Caribbean Network for Integrated Rural Development (CNIRD) – Trinidad and Tobago 		

ANNEX XII: PROJECT SHEET

Annual Report

St. Kitts & Nevis

Project title:	Hospital Rehabilitation
Accounting number:	8 ACP SCN 001 (* 7.7,7.8,7.10 and 6.6)
Implementing agency:	Ministry of Communications, Works, Utilities and Ports and Ministry of Health and Women's Affairs.
Date of financing agreement:	01/09/00
Date financing agreement expires:	01/10/03
Project duration:	3 years
Value of financing agreement:	€ 5,616,500

Project overview:

The project purpose is to support the GSKN's goal of further improving the health status of the population. The Lomé IV National Indicative Programme (7th and 8th EDF) for SKN established health sector infrastructure as the focal sector, tied to certain sectoral commitments of the GSKN. The specific objectives are 1) to improve hospital facilities with an immediate emphasis on their ability to survive hurricane conditions by using appropriate building technology, 2) to provide a reliable emergency response capacity in both islands of the Federation and 3) ensure that an improved quality of medical care is delivered by both hospitals.

The project consists of the following activities:

- Completion of detailed plans for the new works at Alexandra hospital and for the first phase works at JN France.
- Preparation of tender documents and the completion of an open international tender process for the construction and renovation work at both hospitals. The architects who have designed the building will supervise construction work.
- Review of equipment needs for the new facilities at JN France will be undertaken.
- Specifications for the required equipment prepared and a tender process carried out.

Progress:

Following an open international works tender, the contracts (2 independent lots) were awarded to Moorjani. Works commenced in September 2000 and were completed in second half of 2002. Full disbursement of the EDF allocation was effected