



**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 2004

In conformity with Article 81 of
The Cotonou Agreement

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1. Executive Summary

St Kitts and Nevis is a small open economy highly vulnerable to external shocks. Improvement in the economic performance of the international economy in 2004 contributed in part to the recovery in economic growth performance in the St Kitts and Nevis' economy (estimated at around 5%), driven mainly by the rapid expansion of tourism. The economic growth performance, however, continues to reflect the inherent vulnerability of the economy to developments in the global economy and natural hazards. Fiscal performance deteriorated in 2004, despite strong revenue performance.

As a whole SKN's indicators are quite good. According to the UNDP Human Development Report for 2004, St. Kitts and Nevis is ranked 39 among 177 countries on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita Gross Domestic Product (GDP). This places the island in the category of High Human Development Countries. Although the Government has implemented several social and economic development programmes geared toward the alleviation and reduction of poverty, it has been recognised that several gaps exist.

Generally, cooperation with the St Kitts and Nevis has yielded satisfactory results.. Concentration of funding largely on a single sector (education under the 9th EDF; health under the 7th and 8th EDF) has proved to be an effective form of cooperation.

In the framework of Art. 8 of the Cotonou Partnership Agreement, a Political Dialogue was conducted for the first time during the MTR in December 2004. Topics discussed included fiscal/public sector reform, regional integration, Haiti, the ICC and drugs/crime/security matters. In addition, 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.

EC cooperation with St. Kitts and Nevis during 2004 has been satisfactory. The total active aid portfolio for St. Kitts and Nevis under the NIP in 2004 stands at €0.3 million. No payments were made in 2004. New global commitments in 2004 amounted €0.5 million. New individual commitments amounted €0.2 million.

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 is 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 Investment Programme (PSIP). Government is now in the process of formulating a Poverty Reduction Strategy using the national human development approach.

2. Update on the political, economic and social situation

2.1 Update of the political situation

The central political event in 2004 was the federal elections held on 25 October, which returned the St. Kitts and Nevis Labour Party (SKNLP) and Prime Minister Denzil Douglas to Office for the third consecutive term, with a robust 7-1 majority over the main Opposition People's Action Movement. The elections were somewhat tarnished by Opposition allegations of electoral census irregularities, as reforms independently suggested back in 1995 had not been implemented. Monitoring bodies, CARICOM and the Commonwealth, endorsed the results but reiterated previous calls for electoral reform. The polls did not solve Nevis' drive for secession, however, with Nevis Premier Vance Amory reiterating calls for a new referendum (one held in 1998 produced a 62% pro-independence majority, slightly short of the two thirds constitutionally needed) after his Concerned Citizens Movement retained 2 of the 3 seats elected in the sister island. A massive public debt and a collapsing sugar industry highlighted background uncertainties, but did not overshadow a number of highly visible investments and a general well being feeling in the federation.

In the framework of Art. 8 of the Cotonou Partnership Agreement, a Political Dialogue was conducted for the first time on 6 December 2004. The EU (UK) Presidency was associated to the initiative. Topics discussed included fiscal/public sector reform, regional integration, Haiti, death penalty, the ICC, constitutional/electoral reform and drugs/crime/security matters.

2.2 Update of the economic situation

- Overview

During the early- to mid-1990s, the economy of St. Kitts and Nevis was able to record real GDP growth of about of 5.5% annually, which was interrupted in 1998 by Hurricane Georges, followed by Hurricanes Lenny and Jose in 1999. Post-hurricane reconstruction led to a temporary resumption of growth in 2000 and before September 11, 2001, but contributed to widening the fiscal deficit despite already high public indebtedness. Fiscal and debt problems have been exacerbated by large and persistent losses of the government sugar company.

Improvement in the economic performance of the international economy in 2004 contributed in part to the recovery in economic growth performance in the St Kitts and Nevis' economy, driven mainly by the rapid expansion of tourism. The economic growth performance, however, continues to reflect the inherent vulnerability of the economy to developments in the global economy and natural hazards. Fiscal performance deteriorated in 2004, despite strong revenue performance.

- Recent Economic Performance

Economic performance in SKN improved in 2004, with real economic growth estimated between 4 and 5.7% compared with 0.6% growth in 2003 and a 0.3% decline in 2002. Positive sectoral growth was recorded in tourism (+35%), construction, manufacturing, transport and communication. Agricultural output growth is estimated to have contracted by 10.9%, due to a decline in sugar cane production on account of the adverse weather conditions, the late application of fertilisers and a reduced acreage planted. The relative strengthening of economic activity in 2004 occurred within the context of price stability,

notwithstanding significant increases in oil prices in the international market. Inflation remained low averaging 2.3% in 2004 compared with 2.2% in the previous year. Preliminary estimates indicate a narrowing of the current account deficit of the balance of payments due to lower merchandise imports and higher travel receipts.

- Structural Reform process and public finances

The authorities have embarked on a fiscal reform programme, beginning in 2003 with the assistance of the ECCB, and the programme has shown positive results. Administrative improvements at both the customs and Inland Revenue Departments together with higher level of economic activity resulted in higher revenue collections, which grew relatively more than expenditures despite wage increase, higher expenditures on goods and services and an increase in capital expenditures and net lending. As a result, the estimated current account deficit of EC\$15 mn for 2004 was below that of EC\$19 mn recorded for 2003.

The rapid growth of the debt over the last five years reflected mainly the weak financial performance of the public sector and the financing of a large capital programme. The high level of indebtedness as well as high debt servicing costs is a major concern for the authorities. However, despite larger debt service obligations, the Government has always serviced its debt on a timely basis and has maintained strong relations with its creditors. The Government has indicated plans to contain and minimise the accumulation of debt and to rationalise the debt portfolio with a view to reducing debt service obligations. The debt sustainability programme contemplates a number of measures including a privatisation programme; careful review of the capital programme to identify core projects for financing, which will have a positive impact on growth and development; reducing the fiscal deficit; addressing the debt of the sugar industry; placement of bond issues on the regional and international markets and strengthening the capacity of the Debt Unit for analytical reviews and devising a meaningful strategy for future borrowing.

- Regional Integration

As regards SKN's integration into the world economy, SKN is a Member of the OECS, the CARICOM and the Association of Caribbean States. It is engaged in CARIFORUM-EU negotiations which were launched in 2004, FTAA, and WTO in particular.

The OECS Countries have already achieved a high level of integration with a common judiciary, a common currency and central bank, joint foreign representation, a common directorate of civil aviation, pharmaceutical procurement, telecommunications regulation, banking regulation, and close collaboration in health, education and security matters.

At the 40th Meeting of the OECS Authority in November 2004, it was agreed to establish a Task Force chaired by the Governor of the Eastern Caribbean Central Bank and to prepare a draft Bill on the Treaty to establish the OECS Economic Union for submission to the 41st Meeting of the Authority in May 2005. As regards the CARICOM Single Market and Economy (CSME), the prospect is that OECS countries will join by the end of 2005 (Barbados, Jamaica, and Trinidad and Tobago are expected to launch the CSME on a reciprocal basis in February 2005).

- Medium-Term economic prospects

The economy of SKN faces a number of challenges over the medium term, including strengthening public finances to generate savings to finance infrastructural investment and to reduce the high borrowing levels, reducing debt servicing obligations without slowing

essential capital investment, promoting economic diversification in order to reduce vulnerability to external shocks, and enhancing the prospects for sustained economic expansion.

Additional challenges include coping with the effects of globalisation and trade liberalisation, meeting the requirements of the ongoing processes of regional integration and addressing critical issues relating to the restructuring/transition of the sugar industry. The Government is committed to the maintenance of economic stability and the attraction of new investments in all productive sectors. The prospects for tourism, offshore business services and agriculture continue to be promising; and the recovery in the construction sector is expected to result from new tourism projects, from housing development projects in the Basseterre area and from ongoing implementation of the public sector investment projects.

The medium-term economic policy framework is likely to be dominated by fiscal and debt management issues. The high level of the public debt and the size of the fiscal imbalances will require further policy effort to achieve fiscal and debt sustainability. The post elections fiscal performance is expected to improve in the medium term, contingent on favourable economic growth prospects and with the continued implementation and intensification of the on-going fiscal adjustment programme. The debt dynamics project a deceleration of the growth of the debt but the debt service is projected to remain onerous over the medium term. Debt management issues will need to focus on debt restructuring and debt reduction programmes. The debt overhang will however continue to present a major challenge in attaining fiscal stability in the medium-term.

- *Macroeconomic indicators*

See Annex XIII.

2.3 Update of the social situation

- *Overview*

According to the UNDP Human Development Report for 2004, St. Kitts and Nevis is ranked 39 among 177 countries on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita Gross Domestic Product (GDP). This compares to a rank of 51 out of 175 as reported in the 2003 UNDP HDR, due to a change in the combined gross school enrolment ratio from 70% to 97%. 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. Although the Government has implemented several social and economic development programmes geared toward the alleviation and reduction of poverty, it has been recognised that several gaps exist. Interventions which specifically target the poor and vulnerable would need to be further developed. In this regard, the Government is currently preparing a poverty reduction strategy and action plan for SKN. 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.

In 2004, the major projects under social services were the Basic Education Project, the CFB Hospitality Project for education; Phase 111 of the JNF General Hospital for health and sport complexes and community centres for youth/sports and community development.

- 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.

- 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.

- Poverty

The Country Poverty Assessment (CPA) conducted in 2000, revealed that 30.5% of individuals in St. Kitts and 32% of individuals in Nevis were poor. The characteristics of the poor were quite similar for each island with: (i) poverty being highest among individuals under the age of 25 years; (ii) there was a high proportion of the female population than the male population living in poverty; and (iii) participation rates of the poor in the labour force were high. The 'working poor' tended to engage in elementary low-level occupations that attracted low wages and require low levels of skills and educational achievement. The CPA identified a lack of education and functional illiteracy as among the major causes of poverty.

Poverty reduction will for the foreseeable future present the Government with perhaps its most formidable developmental challenge. The transitioning of the sugar industry away from sugar production for export in 2005 will affect significant numbers of workers and therefore add to the current high poverty rate. The inclusion of the poor in the mainstream of development will require comprehensive, consistent and targeted policies and programmes to ensure their access to resources aimed at enhancing their capabilities and production.

- 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.

- 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.

Indicator	1995	1998	2000	2001	2002	2003
1. Proportion of population below \$1 per day (/100)						
2. Prevalence of underweight children (under-five years of age) (/100)	30		25		24	
3. Under-five mortality rate (/1000)			16.7	19.9	20	
4. Net enrolment ratio in primary education					102	
5. Primary Completion Rate			119			
6. 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	-	
7. Proportion of births attended by skilled health personnel (/100)					99	
8. Proportion of 1 year old children immunised against measles (100)	99	99	99	90	99	98
9. HIV prevalence (/100)					0.98	
10. Proportion of population with sustainable access to an improved water source					99	
Life Expectancy at birth			70		70	
Adult Literacy Rate (/100)					97.8	
Combined primary, secondary and tertiary gross enrolment ratio (/100)				70	97	
Fixed line and mobile telephones (per 100 people)		42.65	51.24	53.35	60.64	
Internet users per 100 population (ITU estimates)		3.40	5.99	7.81	21.28	
Youth unemployment rate, aged 15-24, both sexes (ILO estimates)						

Source: UNDP 2004 HDR, UN Millenium Development goals data

3. Development agenda of the partner country

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 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.

4. Overview of past and ongoing EC co-operation

As a whole, cooperation with St. Kitts and Nevis has yielded satisfactory results.. Concentration of funding largely on a single sector has proved to be an effective form of cooperation. Some € 5,6 million under the 7th and 8th EDF has been used to fund the rehabilitation and upgrading of the St. Kitts and Nevis hospitals.

EC cooperation with St. Kitts and Nevis has been satisfactory. The total active aid portfolio for St. Kitts and Nevis under the NIP in 2004 stands at €0.3 million. No payments were made in 2004. New global commitments in 2004 amounted to €0.5 million. New individual commitments amounted to €0.2 million.

4.1 European Development Fund – Focal Sectors

4.1.1 9th EDF €3.4 million – Focal Sector: Human Resources Development

As the NIP stipulates, 85% of the A envelope 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 implementation commenced during the first quarter of 2004 with the launch of the tender for international technical assistance.

a) Results

There has been relatively slow progress towards the attainment of the results set out in the intervention framework due to two main factors.

1. The first tender for consultancy services launched in March 2004 was unsuccessful and the tender had to be re-launched. The cumulative resulting time lost was some 6 months.
2. There was a further delay in implementation for the finalisation of the service contract and the final mobilisation of the contractor.

This time delay aside, the technical expertise has now been mobilised and a Project Steering Committee established. The First Programme Estimate is now being drafted and will provide a set of updated indicators which take into consideration the reduced timeframe for execution.

b) Progress in activities

As indicated in the results section above, a number of factors have effectively delayed the implementation of some of the major components of the project. However, some of the activities outlined in the intervention framework have been successfully completed:

- **Feasibility Study** – the feasibility study was successfully completed in July 2003 and information the preparation of the financial Proposal and subsequent Financial Agreement.
- **Tender for Consultancy** – A successful tender for the selection of an International Technical Expert was launched in May 2004. The final service contract was signed in November 2004.
- **Project Management** – The project is presently managed by an EU-funded Project Manager. A Project Steering Committee comprised of experts in the area of education, planning, information technology and community development was also established.

c) Degree of integration of cross-cutting themes

The overarching theme of Information Technology and Human Resource Development which are the major foundations of the project allow for broad-based participation by several stakeholders.

The structure of the project with its clearly defined beneficiaries take into account underprivileged youth, unemployed citizens, those threatened with redundancy, the physically handicapped and those otherwise challenged. The project Steering Committee also allows for broad-based representation.

4.1.2 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 was €5.6 million. The main objective, to improve the capital stock of the health sector, was 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 was successfully completed and all uncommitted funds allocated to the 9th EDF NIP.

4.2 Projects and Programmes outside focal sectors

9th EDF: About 15% of the A-allocation (€0.50 m) is to be used for studies, audits and technical support under the Technical Cooperation Facility (TCF). The Financing Agreement was signed in April 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 (NSA)

During the MTR "in-country-meeting" of December 2004 and with the aim of strengthening civil society involvement in EU/St. Kitts & Nevis development partnership, it was agreed that 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.

4.4 Utilisation of B envelope

Following the Mid-Term Review exercise, and by taking into account both the physical and economic vulnerability of St. Kitts and Nevis it was agreed to maintain the original 9th EDF Country Strategy Paper/National Indicative Programme €0.6 million allocation of the B-Envelope, reserved for ECHO activities.

4.5 Other Instruments

4.5.1 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.

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. The CRIP projects under the 7th, 8th and 9th EDF are presented in Annex V.

4.5.2 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 a Caribbean regional programme 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. No projects benefiting to St Kitts and Nevis were approved under the thematic budget lines in 2004.

4.5.3 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 has been initiated in 2004. Under this project the OECS Secretariat will benefit from the services of a Trade Adviser.

The OECS has received Funding (€280,000) for the Establishment of an OECS Representation Facility in Geneva to follow-up WTO matters, under the €10 Million WTO Support Facility, as well as for Capacity Building in support of the preparation of the EPA (€350,000) under the 20 Million EPA Support Facility. Also the NAO Office benefited from a 9th EDF Financial and Contractual Procedures Training held in Barbados in January 2005, under an All ACP programme started in 2004

Other All ACP programmes which have been initiated in 2004 and benefiting the Caribbean region are presented in Annex VI.

4.5.4 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.

4.5.5 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. Amongst the various projects that the Bank is currently pursuing is the development of global loan structures with financial intermediaries in the commercial sector that have a broad reach throughout the Eastern Caribbean. Also the Bank is presently examining the possibility of direct financing under the Cotonou Agreement for a number of larger projects with the

private sector and the commercially run public sector in tourism and energy. The EIB projects are presented in Annex VII.

4.5.6 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 1999-2004, CDE has assisted in the OECS region a total of 60 projects carrying out 94 interventions at a total cost of €770,108 of which €447,305 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 €10 million over 5 years to support private sector development in the Caribbean, African and Pacific Countries. Summary of the CDE activities, including PROINVEST is presented in Annex VIII.

4.5.7 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 ACP countries. CTA assists organisations in formulating and implementing policies and programmes to reduce poverty, promote sustainable food security and preserve natural resources. In 2004, the Eastern Caribbean states benefited from CTA support to the agricultural and rural development in the Caribbean at the regional and national levels. The activities at the regional level were implemented in collaboration with CARDI (CTA's Regional Branch Office for the Caribbean) and IICA. At the national level, the activities were targeted at the public and non-public sector and implemented through direct partnership arrangements between CTA and the relevant institutions.

CTA activities in the Caribbean region are presented in Annex IX.

5. Programming perspectives for the following years

The choice of the existing focal sector, namely Education, was confirmed during the MTR. Approximately 85% of the original 9th EDF NIP concentrates on the education sector with special emphasis on skills development in the area of Information Technology, and focusing in particular on adults. The remaining 15% is reserved for Technical Assistance under the Technical Cooperation Facility (TCF).

During the 2003 MTR exercise, it had been agreed to increase the EDF 9 NIP by €3 million. The additional funds will be used in the context of the existing A envelope objectives 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.

6. Dialogue in country with the NAO and NSAs, and donor coordination

6.1 Dialogue in country with the NAO and NSAs

See 4.3.

6.2 Donor coordination

During 2004, critical issues such as limited human and financial resources for donors to participate meaningfully in several donor groups (given the geographic dispersion of the sub-region) has resulted to the establishment and operationalization of four (4) donor groups in the Caribbean region. This rationalization in no way diminishes the importance of any thematic area. The donors in the region further agreed that previously proposed sub-groups were to be replaced by taskforces (to be called "Coordination Groups") in order to address specific areas of importance and those requiring immediate action. Therefore, a lead agency convenes a specific group, formulates TORs to guide the work of each group as well as to address specific sectoral concerns. Each lead agency developed a management/meeting plan for each of the four donor groups assigned as follows:

CIDA : The Sustainable Environmental Management Coordination Group was established to take account of the Disaster Management, Climate Change and Environmental Management portfolios, which were previously supported by three groups:

- Eastern Caribbean Donor Group for Disaster Management (ECDGM)
- Eastern Caribbean Environmental Donor Coordinating Group
- Climate Change Donor Group

While these three groups represent a mix of policy and technical representation, a sub-committee will continue to facilitate specific representation to address immediate and urgent Disaster Management issues as required.

DFID : The Governance and ICT Coordinating Group was formed to include ICT support as ICT programming provided by each donor agency was broad-based, included infrastructure/connectivity issues and supported programming for Governance. This portfolio supports cutting-edge governance reforms and institutional development for the broad spectrum of development sectors, represented in the overall development agenda for Barbados and the OECS, (including crime, security and specific drug-related law enforcement issues).

UNDP: The Poverty and Social Sector Development Coordinating Group was formed in order to include poverty reduction, HIV/AIDS, Gender, Youth-at-Risk, Education, Rights of the Child, Indigenous Groups, Health and the Demand Reduction component of drug control issues. This group, which rationalized the work of seven previous groups, represents the development chapeau of the Donor Group for Barbados and the OECS. This group provided opportunities for greater synergistic decision-making and programme linkages.

EC: The Trade Policy and Private Sector Development Coordinating Group was formed in order to take account of Free Trade implications on the macro-economic environment of Barbados and the OECS States, but also the wider region and to examine the role and impact of Private Sector Development on the key sectors of these economies, tourism and agriculture. This group also addresses Microfinance, Economic and Agriculture

Diversification issues. This rationalizes the mandate of three previous groups, which included the Banana Donor Group, the EU-led policy and programming forum for the Banana Sector.

7. Concluding Comments

a) Key Political, economic and social developments in 2004

- Political developments

The central political event in 2004 was the federal elections held on 25 October 2004, which returned the St. Kitts and Nevis Labour Party (SKNLP) and Prime Minister Denzil Douglas to Office for the third consecutive term, with a robust 7-1 majority over the main Opposition People's Action Movement.

In the framework of Art. 8 of the Cotonou Partnership Agreement, a Political Dialogue was conducted for the first time during the MTR in December 2004. Topics discussed included fiscal/public sector reform, regional integration, Haiti, the ICC and drugs/crime/security matters.

- Economic development

During the early- to mid-1990s, the economy of St. Kitts and Nevis was able to record real GDP growth of about of 5.5% annually, which was interrupted in 1998 by Hurricane Georges, followed by Hurricanes Lenny and Jose in 1999. Post-hurricane reconstruction led to a temporary resumption of growth in 2000 and before September 11, 2001, but contributed to widening the fiscal deficit despite already high public indebtedness. Fiscal and debt problems have been exacerbated by large and persistent losses of the government sugar company.

Improvement in the economic performance of the international economy in 2004 contributed in part to the recovery in economic growth performance in the St Kitts and Nevis' economy (estimated at around 5%), driven mainly by the rapid expansion of tourism. The economic growth performance, however, continues to reflect the inherent vulnerability of the economy to developments in the global economy and natural hazards. Fiscal performance deteriorated in 2004, despite strong revenue performance.

- Social development

According to the UNDP Human Development Report for 2004, St. Kitts and Nevis is ranked 39 among 177 countries on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita Gross Domestic Product (GDP). This compares to a rank of 51 out of 175 as reported in the 2003 UNDP HDR, due to a change in the combined gross school enrolment ratio from 70% to 97%. 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. Although the Government has implemented several social and economic development programmes geared toward the alleviation and reduction of poverty, it has been recognised that several gaps exist. Interventions which specifically target the poor and vulnerable would need to be further

developed. In this regard, the Government is currently preparing a poverty reduction strategy and action plan for SKN. 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.

b) Results achieved in the focal sectors and relevant programmes

- Focal Sector

St Kitts and Nevis continues its efforts to strengthen human resources, in particular in the area of Information and Communication technologies. In 2004, SKN has launched a number of studies to analyse the situation in the ICT sector and compile statistics in order to take well-informed decisions to develop the sector.

- Information Technology Based Training and Management – 9 ACP SCN 001

The project aims at implementing IT institutional development and training programmes at the tertiary, and building a close relationship between education providers and takers. The Financing Agreement for the programme was signed in December 2003 and implementation commenced during the first quarter of 2004 with the launch of the tender for international technical assistance. There has been relatively slow progress towards the attainment of the results set out in the intervention framework due to an unsuccessful tender launch and a further delay in implementation for the finalisation of the service contract and the final mobilisation of the contractor.

This time delay aside, the technical expertise has now been mobilised and a Project Steering Committee comprised of experts in the area of education, planning, information technology and community development, was also established. The First Programme Estimate is now being drafted and will provide a set of updated indicators which take into consideration the reduced timeframe for execution.

c) The effectiveness in the implementation of current operations

There are no major points of disagreement with the NAO. Cooperation with its services is good, although recent experiences have shown that the need for reinforcing the structure and assisting with capacity building is eminent, especially if additional funds are injected into the NIP. Presently, a specific person from the NAO office serves as the contact person with the Delegation.

The total active aid portfolio for St Kitts and Nevis under the NIP stands at €9.3 million. No payments were made in 2004. New global commitments in 2004 amounted to €0.5 million. New individual commitments amounted €0.2 million.

The performance on global commitments compared to forecasts is considered satisfactory, but merely reflects the commitment of the TCF. The performance on individual commitments has been rather low, mainly due to the fact that the IT project has been slow in its start-up phase.

d) The use of resources set aside for Non-State Actors

No resources have been set aside for Non-State Actors. However, with the aim of strengthening civil society involvement in EU/SKN development partnership, the November 2004 MTR exercise agreed that a NSA Advisory Panel, representative of SKN's civil society, would be established by the Government of SKN after close consultation between the EC Delegation in Barbados and the National Authorising Officer. It was also agreed to use funds of the TCF to launch a consultancy to help set up this Advisory Panel, which will provide a forum for tripartite dialogue, information and consultation on development cooperation between the EU and SKN.

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.

e) The programming perspective for the following years

Approximately 85% of the original 9th EDF NIP is allocated to the focal sector support. The remaining 15% is reserved for Technical Assistance under the Technical Cooperation Facility (TCF).

During the 2003 MTR, it was agreed to increase the EDF 9 NIP by € 3 million. The additional funds will be used in the context of the existing A envelope objectives 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.

St Kitts and Nevis should benefit from a sugar compensation facility that may be provided to ACP sugar producing countries. This issue will be discussed with all stakeholders and in close coordination with other donors in the course of 2005.

ANNEX I - Intervention Framework

Intervention framework 9th EDF St Kitts and Nevis							
Sector: Information and Communication Technology	Performance Indicators	Status 2002	Target 2003	Target 2004	Target 2005	Sources of Information	Assumptions
<p>National Sector Target: To foster the development of a vibrant and sustainable IT sector</p>	Number of IT sector graduates and trainees	194	400	600	1,200	Ministry of Education Reports	<p>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</p>
	Amount of new investment in the sector	No statistics available at this point.	Need for info. identified business registert 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 - EDF Forecast Tables



ST KITTS & NEVIS

EDF FORECASTS 2005 - 2006

== SUMMARY SHEET ==

(amounts in €)

PAYMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
PAYMENTS on ONGOING INDIVIDUAL commitments.	45,000	45,000	90,000	0	90,000	0	45,000	45,000	45,000	90,000
PAYMENTS on NEW INDIVIDUAL commitments	0	200,000	200,000	0	200,000	0	100,000	300,000	700,000	1,000,000
PAYMENTS on NEW GLOBAL commitments	0	0	0	0	0	0	0	0	0	0
TOTAL PAYMENTS	45,000	245,000	290,000	0	290,000	0	145,000	345,000	745,000	1,090,000
%	16%	84%		0%	100%	0%		32%	68%	

INDIVIDUAL COMMITMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
NEW INDIV. commit. on ONGOING GOBAL commitments.	1,000,000	0	1,000,000	comparable to risk profile of payments (%)				0	2,000,000	2,000,000
NEW INDIV. commit. on NEW GLOBAL commitments	0	0	0					0	0	0
TOTAL INDIVIDUAL COMMITMENTS	1,000,000	0	1,000,000	0	1,000,000	0	500,000	0	2,000,000	2,000,000
%	100%	0%		0%	100%	0%		0%	100%	

GLOBAL COMMITMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
TOTAL NEW GLOBAL COMMITMENTS	0	0	0	0	0	0	0	0	0	0
%	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!	

REDUCTION OF OLD RAL (projects decided before 2000)	FORECASTS 2005				
	TOTAL 2005	ESTIMATION of RISK FACTOR			TARGET 2005
Low L		Medium M	High H		
DECOMMITMENTS on ONGOING GLOBAL Commitments.	5,658	5,658	0	0	5,658
DECOMMITMENTS on ONGOING INDIV. Commitments.	3,752	3,752	0	0	3,752
PAYMENTS	0	0	0	0	0
TOTAL REDUCTIONS	9,410	9,410	0	0	9,410
%		100%	0%	0%	

RAL	SITUATION on 01/01/2005		SITUATION on 31/12/2005	
	ALL PROJECTS	PROJETS decided before YEAR 2000	ALL PROJECTS	PROJETS decided before YEAR 2000
Σ Ongoing GLOBAL COMMITMENTS	9,317,500	5,616,500	9,311,842	5,610,842
RAC	3,481,658	5,658	2,476,000	0
RAP	207,752	3,752	1,059,000	0
RAL	3,689,410	9,410	3,535,000	-0.17
% RAL / Σ GLOBAL COMMIT.	40%	0%	38%	0%
Nbr of years to absorbe RAL	25		24	

Number of EXTENSION REQUESTS on GLOBAL Commitments - 2005	0
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ST KITTS & NEVIS

EDF FORECASTS 2005 - 2006: PAYMENTS, DECOMMITMENTS & EXTENSIONS on ONGOING PROJEC

(amounts in €)

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0 INDIV COMMIT.	TITLE GLOBAL COMMITMENT	END date of implementat ^o	N ^o CAT. OLD RAP	EXTENS ^o REQUEST on GLOB. Y/N	SITUATION END 2004			FORECAST DECOMMITMENTS 2005				FORECASTS on PAYMENTS 2005						FORECAST PAYMENTS 2006		
							GLOBAL COMMIT. AMOUNT ONGOING INDIV. COMMIT.	INDIV. COMMIT. PAYMENTS ON ONGOING INDIV. COMMIT.	RAC RAP	DECOMMIT. on GLOBAL DECOMMITTED on INDIV.	ESTIMATION of RISK FACTOR			1 st SEMESTER A	2 nd SEMESTER B	TOTAL A + B	ESTIMATION of RISK FACTOR			1 st SEMESTER C	2 nd SEMESTER D	TOTAL C + D
											Low X	Medium Y X+Y+Z = E	High Z				Low L	Medium M L+M+H = A+B	High H			
TOTAL ON ONGOING GLOBAL COMMITMENTS							9,317,500	5,835,842	3,481,658	5,658	5,658	0	0									
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS							5,822,433	5,614,681	207,752	3,752	3,752	0	0	45,000	45,000	90,000	0	90,000	0	45,000	45,000	90,000
1995	7ACP SCN7	0	SAINT KITTS & NEVIS HOSPITAL REHABILITATION (+7SCN8).				2,455,569	2,449,911	5,658	5,658					0						0	
1995	7ACP SCN7	1	DESIGN COLLABORATIVE	19990228	8		262,738	262,738	0						0						0	
1995	7ACP SCN7	3	MOORJANI/EDGEHILL (PARTIAL SEE 6SCN6/1,8SCN1/1,7SCN10/1,7S CN	20020531	8		2,173,764	2,173,764	0						0						0	
	7ACP SCN7	Total	Individual Commitment				2,436,502	2,436,502	0						0						0	
1995	7ACP SCN8	0	SAINT KITTS & NEVIS HOSPITAL REHABILITATION (+7SCN7).				43,931	43,931	0						0						0	
1995	7ACP SCN8	1	MOORJANI/EDGEHILL (PARTIAL SEE 6SCN6/1,8SCN1/1,7SCN10/1,7S CN	20020531	8		0	0	0						0						0	
1995	7ACP SCN8	2	DESIGN COLLABORATIVE - SEE 7 SCN 7/1 (COVERAGE FOR EXCHANGE	20021231	8		43,931	40,179	3,752	3,752					0						0	
	7ACP SCN8	Total	Individual Commitment				43,931	40,179	3,752						0						0	
1999	6ACP SCN6	0	ST KITTS & NEVIS HOSPITAL REHABILITATION	20031001			411,763	411,763	0						0						0	
1999	6ACP SCN6	1	MOORJANI/EDGEHILL	20020531	8		411,763	411,763	0						0						0	
	6ACP SCN6	Total	Individual Commitment				411,763	411,763	0						0						0	
1999	7ACP SCN10	0	ST KITTS & NEVIS HOSPITAL REHABILITATION	20031001			5,237	5,237	0						0						0	
1999	7ACP SCN10	1	MOORJANI/EDGEHILL (SEE 6 SCN 6/1 & 8 SCN 1/1)	20020531	8		5,237	5,237	0						0						0	
	7ACP SCN10	Total	Individual Commitment				5,237	5,237	0						0						0	
1999	8ACP SCN1	0	ST KITTS & NEVIS HOSPITAL REHABILITATION	20031001			2,700,000	2,700,000	0						0						0	
1999	8ACP SCN1	1	MOORJANI/EDGEHILL (SEE 6SCN 6/1 & 7 SCN 10/1) PARTIAL	20020531	8		2,700,000	2,700,000	0						0						0	
	8ACP SCN1	Total	Individual Commitment				2,700,000	2,700,000	0						0						0	
2003	8ACP SCN3	0	TA - PREP. IT TRAINING & MANAGEMENT STRENGTHENING PROJECT	20030801			21,000	21,000	0						0						0	
2003	8ACP SCN3	1	CROSSOVER GMBH	20030629			21,000	21,000	0						0						0	
	8ACP SCN3	Total	Individual Commitment				21,000	21,000	0						0						0	
2003	9ACP SCN1	0	INFORMATION TECHNOLOGY (IT) BASED TRAINING AND MANAGEMENT	20111231			3,180,000	204,000	2,976,000						0						0	
2003	9ACP SCN1	1	INTERNATIONAL TECHNICAL ASSISTANCE - 649,400 XCD	20070107			204,000	0	204,000				45,000	45,000	90,000		90,000		45,000	45,000	90,000	
	9ACP SCN1	Total	Individual Commitment				204,000	0	204,000						0						0	
2004	9ACP SCN2	0	TECHNICAL COOPERATION FACILITY (TCF)	20101031			500,000	0	500,000						0						0	

EDF FORECASTS 2005-2006: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

			FORECASTS 2005							FORECASTS 2006							
			1st SEMESTER		2nd SEMESTER		TOTAL 2005		ESTIMATION OF RISK FACTOR FOR PAYMENTS			1st SEMESTER		2nd SEMESTER		TOTAL 2006	
YEAR GLOB. COMMIT.	ACCOUNTING NUMBER (GLOBAL COMMIT.)	TITLE INDIVIDUAL COMMITMENT	INDIVID. COMMIT. A	PAYMENTS B	INDIVID. COMMIT. A'	PAYMENTS B'	TOTAL INDIV. COMMIT. A + A'	TOTAL PAYMENTS B + B'	Low L	Medium M	High H	INDIVID. COMMIT. C	PAYMENTS D	INDIVID. COMMIT. C'	PAYMENTS D'	TOTAL INDIV. COMMIT. C + C'	TOTAL PAYMENTS D + D'
TOTALS on NEW INDIVIDUAL Commitments			1,000,000	0	0	200,000	1,000,000	200,000	0	200,000	0	0	300,000	2,000,000	700,000	2,000,000	1,000,000
2003	9ACP SCN1	INFORMATION TECHNOLOGY (IT) BASED TRAINING AND MANAGEMENT Programme Estimate 1	1,000,000			200,000	1,000,000	200,000		200,000			300,000		300,000	0	600,000
2003	9ACP SCN1	INFORMATION TECHNOLOGY (IT) BASED TRAINING AND MANAGEMENT Programme Estimate 2					0	0						2,000,000	400,000	2,000,000	400,000

EDF FORECASTS 2005-2006 : NEW GLOBAL Commitments (including individual commitments & Payments).

(amounts in €)

				FORECASTS 2005							FORECASTS 2006							
				1st SEMESTER		2nd SEMESTER		TOTAL 2005		ESTIMATION OF RISK FACTOR FOR PAYMENTS			1st SEMESTER		2nd SEMESTER		TOTAL 2006	
DECISION DATE	PROJECT TITLE (GLOBAL COMMITMENT)	AMOUNT	RISK	INDIVID. COMMIT. A	PAYMENTS B	INDIVID. COMMIT. A'	PAYMENTS B'	TOTAL INDIV. COMMIT. A + A'	TOTAL PAYMENTS B + B'	Low L	Medium M	High H	INDIVID. COMMIT. C	PAYMENTS D	INDIVID. COMMIT. C'	PAYMENTS D'	TOTAL INDIV. COMMIT. C + C'	TOTAL PAYMENTS D + D'
TOTALS on NEW GLOBAL Commitments.		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
								0	0								0	0

ANNEX III - Donor Matrix

DONOR MATRIX - EASTERN CARIBBEAN COUNTRIES + CARIBBEAN REGION (in millions of EUR)

(Data for projects/programmes committed after 2000, in most cases)

	Coverage	Agriculture	Tourism	Energy and Environment	Transport / Infrastructure / Telecommunications	Health	Social Sector (Education, Poverty, Housing, Gender, etc.)	Disaster Management	Trade, Regional Integration and Private Sector	Public Reforms, Economic Mgt and Governance	Industry	Other / Multisector	TOTAL	Exchange Rate used
Canadian International Agency for Development (CIDA)	Caribbean-Regional			9.70	25.20	17.64	12.55	3.15	10.58	40.76		2.03	121.62	1 CAD = 0.63 EUR
Development Bank (CDB)	Caribbean / loans, equity and grants	17.60	13.71	45.24	67.53	14.89	71.96	80.63	0.26		17.60	195.94	525.35	1 USD = 0.8 EUR
European Union (EU)	OECS Countries & Barbados / 9th EDF & SFA00/01/02/03	93.30	9.50		3.80	28.92	23.00			11.08		33.61		
France	OECS Countries	X					X					X Capacity Building		
Development Bank (IDB)	Barbados			45.76		32.12	0.17		0.56	14.00			92.60	1 USD = 0.8 EUR
Japan	OECS Countries			X					X					
Organisation of American States (OAS)	Caribbean		X	X			X	X	X					
Pan-American Health Organisation (PAHO)	OECS Countries , Barbados & Caribbean-Regional					9.99								1 USD = 0.8 EUR
Taiwan/China	OECS Countries				X					X		X Security		
United Nations Development Programme (UNDP)	OECS Countries			2.69			5.77	3.01		11.98			23.45	1 USD = 0.8 EUR
UK Department for International Development (DFID)	OECS Countries			1.21		3.09	6.66		3.12	31.46			45.55	1 GBP = 1.45 EUR
United States Agency for International Development (USAID)	Caribbean-Regional			7.62		10.64			12.89	4.78			35.93	1 USD = 0.8 EUR
World Bank (WB)	OECS-Regional			10.99	20.75	23.62	21.76	56.97		4.80				1 USD = 0.8 EUR
TOTAL		110.90	23.21	123.22	117.28	140.91	141.86	143.76	27.41	118.86	17.60	231.58	844.50	

ANNEX IV - Financial Situation for 6th, 7th, 8th and 9th EDF

St Kitts and Nevis

Financial Situation for the 6th EDF - Delegation Barbados and the Eastern Caribbean

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
6 ACP SCN 1	1,500,000.00	1,500,000.00	1500000	DBSKN 2 DEV BANK_(BEI:70647)	0.00	0.00	01/00/1900	09/12/1986		08/12/1994	Industrial development	(HQ)
6 ACP SCN 2	2,875.83	2,875.83	2875.83	TRAIDE FAIRS PLURIAN PROG	0.00	0.00	01/00/1900	11/10/1988			Export promotion	(Deleg)
6 ACP SCN 3	0.00	0.00	0	PROJET ANNULE VOIR 64004	0.00	0.00	01/00/1900	17/11/1989			Aid to refugees (in recip. country)	(Deleg)
6 ACP SCN 4	2,566,437.59	2,566,437.59	2566437.59	DEV INFRASTRUCTURE SOCIALE	0.00	0.00	01/00/1900	28/07/1989			Primary education	(Deleg)
6 ACP SCN 5	514,014.08	514,014.08	514014.08	DIEPPE BAY PRIMARY SCHOOL & ST PETER'S COMMU. CENTRE (+7/4)	0.00	0.00	01/00/1900	07/07/1994			Education facilities and training	(Deleg)
6 ACP SCN 6	411,762.62	411,762.62	411762.62	ST KITTS & NEVIS HOSPITAL REHABILITATION	0.00	0.00	01/00/1900	01/01/1999		01/10/2003	Basic health infrastructure	(Deleg)
TOTAL:	4,995,090.12	4,995,090.12	4,995,090.12		0.00	0.00	0.00					

St Kitts and Nevis

Financial Situation for the 7th EDF - Delegation Barbados and the Eastern Caribbean

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
7 ACP SCN 1	11,787.52	11,787.52	11787.52	PARTICIPATION ITIX LAS VEGAS (17.2-19.2.92)	0.00	0.00	01/00/1900	09/03/1992			Export promotion	(Deleg)
7 ACP SCN 2	0.00	0.00	0	HEALTH SECTOR REHABILITATION STUDY	0.00	0.00	01/00/1900	16/06/1993			Health policy & admin. management	(Deleg)
7 ACP SCN 3	0.00	0.00	0	(EX. 05 P001) NEVIS WATER DEVELOPMENT	0.00	0.00	01/00/1900	14/09/1984			Water and sanitation	(Deleg)
7 ACP SCN 4	185,000.00	185,000.00	185000	DIEPPE BAY PRIMARY SCHOOL & ST.PETER'S COMMUN. CENTRE (+6/5)	0.00	0.00	01/00/1900	07/07/1994			Education facilities and training	(Deleg)
7 ACP SCN 5	20,022.61	20,022.61	20022.61	SCHOLARSHIP MR.FITZGERALD BONCAMPER	0.00	0.00	01/00/1900	16/06/1994			Education policy & admin. manag	(Deleg)
7 ACP SCN 6	2,314.62	2,314.62	2314.62	PARTICIPATION PROJECT CYCLE MANAGEMENT SEMINAR	0.00	0.00	01/00/1900	27/09/1994			Multisector aid /comp. not available	(Deleg)
7 ACP SCN 7	2,455,569.00	2,449,911.24	2449911.24	SAINT KITTS & NEVIS HOSPITAL REHABILITATION (+7SCN8)	5,657.76	0.00	06/27/1915	17/07/1995			Basic health infrastructure	(Deleg)
7 ACP SCN 8	43,931.00	43,931.00	40178.93	SAINT KITTS & NEVIS HOSPITAL REHABILITATION (+7SCN7)	0.00	3,752.07	04/09/1910	17/07/1995			Basic health infrastructure	(Deleg)
7 ACP SCN 9	2,000,000.00	2,000,000.00	2000000	NEVIS AIRPORT EXTENSION	0.00	0.00	01/00/1900	26/09/1995			Air transport	(HQ)
7 ACP SCN 10	5,237.38	5,237.38	5237.38	ST KITTS & NEVIS HOSPITAL REHABILITATION	0.00	0.00	01/00/1900	01/01/1999		01/10/2003	Basic health infrastructure	(Deleg)
TOTAL:	4,723,862.13	4,718,204.37	4,714,452.30		5,657.76	3,752.07	9,409.83					

St Kitts and Nevis

Financial Situation for the 8th EDF - Delegation Barbados and the Eastern Caribbean

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
8 ACP SCN 1	2,700,000.00	2,700,000.00	2700000	ST KITTS & NEVIS HOSPITAL REHABILITATION	0.00	0.00	01/00/1900	01/01/1999		01/10/2003	Basic health infrastructure	(Deleg)
8 ACP SCN 2	4,000,000.00	4,000,000.00	2221662	DbSKN iii global loan (20692)	0.00	1,778,338.00	12/02/6768	13/06/2000		31/12/2002	Industrial development	(HQ)
8 ACP SCN 3	21,000.00	21,000.00	21000	TA - PREP. IT TRAINING & MANAGEMENT STRENGTHENING PROJECT	0.00	0.00	01/00/1900	20/12/2002		01/08/2003	Education policy & admin. manag	(Deleg)
TOTAL:	6,721,000.00	6,721,000.00	4,942,662.00		0.00	1,778,338.00	1,778,338.00					

St Kitts and Nevis

Financial Situation for the 9th EDF - Delegation Barbados and the Eastern Caribbean

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
9 ACP SCN 1	3,180,000.00	204,000.00	0	INFORMATION TECHNOLOGY (IT) BASED TRAINING AND MANAGEMENT	2,976,000.00	204,000.00	3,180,000.00	27/11/2003	03/12/2006	31/12/2011	Education policy & admin. manag	(Deleg)
9 ACP SCN 2	500,000.00	0.00	0	TECHNICAL COOPERATION FACILITY (TCF)	500,000.00	0.00		12/12/3268	19/04/2004	26/04/2007	Economic and development plan	(Deleg)
TOTAL:	3,680,000.00	204,000.00	0.00		3,476,000.00	204,000.00	3,680,000.00					

ANNEX V - Regional Projects

9TH EDF PROGRAMMING

	Focal sector -Regional Economic Integration	Total (€mn)
	Institutional Audit – CARIFORUM/CARICOM Secretariats	5
	CARICOM Action Plan to include support to the following: a. Institutional Support to CARICOM; b. Action Plan (CSME); c. Caribbean Court of Justice; d. Caribbean Forum for Development; e. CROSQ (Caribbean Regional Org. for Standards & Quality) f. Competition Policy.	24
	Support Statistical Development	5
	Human Resource Development/CKLN	2
	Institutional Support Trade Negotiations/RNM	4
	ICT/INFSO	3
	Non – focal sector - Fight Against Major Vulnerabilities	
	Disaster Management	3
	Drug Control	5
	Institutional support for Court of Justice	1
	General support	
	Technical Co-operation Facility	2
	Balance from previous EDF	
9 ACP RCA 3	Air Access Improvement Programme for Dominica	11.95
9 ACP RCA 8	Private Sector & Trade Development	13.4
	All ACP Projects	
9 ACP RPR 5	Development of malaria vaccines and their multi-centre trial	7
9 ACP RPR 10	EC/ACP/WHO partnership on pharmaceutical policies	25
9 ACP RPR 17	Contribution to the Global fund to fight AIDS, Tuberculosis	170
9 ACP RPR 7	TRADE.COM All ACP Institutional trade capacity building facility	50
9 ACP RPR 6	Support to the competitiveness of the rice sector in the Caribbean	24
9 ACP RPR 21	Support to the collaborative doctoral programme in economics	1

8TH EDF (MANAGED BY BARBADOS DELEGATION, UNLESS OTHERWISE INDICATED)

Project No.	Project Title	Total (€mn)
8 ACP RCA 1	Caribbean Anti-money-laundering Programme (T&T)	4
8 ACP RCA 4	Caribbean Regional Trade Sector Programme	11.2
8 ACP RCA 5	Strategic Planning for Public Services	1.3
8 ACP RCA 13	Epidemiological Surveillance Programme (T&T)	1.3
8 ACP RCA 20	Strengthening of Medical Laboratories Services (T&T)	7.5
8 ACP RCA 29	Radar Warning System (T&T)	13.2
8 ACP RCA 35	Nelson's Dockyard Seawall Restoration	1.998
8 ACP RCA 35	Caribbean Tourism Sector Development Programme	8
8 ACP RCA 40	Montserrat Airport	1.685
8 ACP RCA 42	Support to Caribbean Regional Technical Assistance Centre	1.8
8 ACP RCA 39	Design for Dominica Airport	0.55
	All ACP Projects	
8 ACP TPS 125	Programme for the Caribbean Rum Industry	70

6&7TH EDF (MANAGED BY BARBADOS DELEGATION)

Project No.	Project Title	Total (€mn)
7 ACP RPR 759	Caribbean Telecommunications Union project (T&T)	0.75
7 ACP RPR 323	Establishment of a Caribbean Postal Union (CPU)	0.636
7 ACP RPR 385	Integrated Caribbean Regional Agriculture and Fisheries Development Programme (T&T)	22.2
7 ACP RPR 414	Caribbean Examination Council Development Programme	2.508
7 ACP RPR 443/444	Caribbean Regional Tourism Programme	12.8
7 ACP RPR 447	Caribbean Regional Trade Sector Programme	12.529
7 ACP RPR 580	OECS Human Resources Development Tertiary Level	5.946
7 ACP RPR 686	Caribbean Broadcasting Union/News Agency project	3.5
7 ACP RPR 754	Caribbean Regional Environment Programme	9.15
7 ACP RPR 762	OECS Export Capability Enhancement Programme	1.179
6 ACP RPR 595	Montserrat New Airport	2.615

ANNEX VI - All ACP Projects

The following projects have been initiated during the course of 2004 under the "All ACP" funds. These projects are either benefiting or will potentially benefit **all or some** of the countries that the Barbados Delegation is accredited to:

1)	9ACP RPR 042600000003	Programme De Formation Aux Procédures Contractuelles et Financement	D=4m, E=3.949m, P=0.347m
2)	9ACP RPR 042040000006	Support to the Competitiveness of the Rice Sector in the Caribbean	D=24m, E=0.498m, E=0.164m
3)	9ACP RPR 042020000007	Trade.Com All ACP Institutional Trade Capacity Building	D=50m, E=16.9m, P=1.741m
4)	9ACP RPR 0420400000014	Microfinance Framework Programme	D=15m, E=5.115m, P=0
5)	9ACP RPR 0420600000016	Participation at ACP Reunions, Parliamentary Assemblies / Consultations	D=0.6m, E=0.5m, P=0.27m
6)	9ACP RPR 0420600000023	IV ACP Summit of Heads of State and Government	D=1.9m, E=1.9m, P=1.8m
7)	9ACP RPR 0420300000025	Programme for Water Governance in ACP Countries	D=0.775m, E=0.385m, P=0
8)	9ACP RPR 0420400000026	EU-ACP Business Assistance Scheme	D=0.350m, E=-.128m, P=0
9)	9ACP RPR 0420600000027	Facilite de Coopération technique	D=19m, E= 1.572m, P=0.950m
10)	9ACP RPR 0420300000028	Facilite de Coopération Technique	D=3m, E=0.421m, P=0
11)	9ACP RPR 0420400000029	Private Sector Enabling Environment Facility	D=20m, E=0, P=0
12)	9ACP RPR 0420100000017	Contribution to the Global Fund to Fight Aids, Tuberculosis (AIDCO/C/5)	

(No information has been given at this stage as to whether the Caribbean countries will benefit from this project)

(Last Update: January 2005)

ANNEX VII - EIB Projects

Project Name	Status	Convention	Contract Number	Amount Signed Own Resources	Risk Capital	Date of signature	Amount Outstanding Own Resources	Risk Capital	Beginning Repayment
DEVELOPMENT BANK OF ST.KITTS-NEVIS	Disbursed	Lome - 2	70366		350,000	07/21/1983		93,240	03/10/1992
	Disbursed	Lome - 2	70367		650,000	07/21/1983			03/10/1987
DBSKN II	Disbursed	Lome - 3	70647		1,500,000	02/26/1987			11/30/1991
NEVIS AIRPORT EXTENSION	Disbursed	Lome - 4	71017		2,000,000	10/10/1995		1,523,200	10/05/2001
		Lome - 4 -							
DBSKN GL III	Signed	Bis	20692		4,000,000	07/31/2000		1,555,247	07/15/2004
Total					8,500,000			3,171,687	

ANNEX VIII - CDE Projects

2004 CDE activities in the Caribbean/OECS countries

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). Selected food processing enterprises in Belize, Dominican Republic and in Trinidad have benefited from this programme including development of manuals on operating guidelines.

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. In the near future, Sustainable Forestry Management (SFM) and certification will be a requirement for export. The CDE strategy is therefore to lay emphasis on :

- increasing SFM;
- strengthening of downstream processing;
- increasing regional trade and cooperation;
- capacity building of the intermediate level.

Herbal Products

The development of the Herbal sector has been identified 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 & Tobago (T&T), and has received support from CDE to develop a business plan.

CDE Herbal programme for the Caribbean outlines a co-ordinated strategy and ad hoc interventions in a comprehensive manner and follows closely CDE's new strategy to shift away from ad hoc assistance to coordinated programme interventions.

In 2004, CDE sponsored activities included :

- 1) the participation of a dozen companies from Barbados, Dominican Republic, Grenada, Haiti, Jamaica, St Lucia, T&T to "Treasures of the Caribbean" exhibitions in London and Geneva (one more to come in April 2005 in Bologna, Italy) with a view to promoting greater awareness and understanding of the importance of Caribbean Herbal Products;
- 2) a workshop in July in Jamaica on "branding and packaging" to which 14 companies from Barbados, Dominica, Grenada, Haiti, Jamaica, St Lucia, T&T took part;
- 3) the Caribbean Skin Care workshop in St Lucia where 17 companies from the same here above countries plus Belize met and discussed "natural skin care formulation"

Environment

2004 CDE activities in this sector consisted mainly in the SMART (Sustainable Management Action Research and Training) Programme. SMART's aim is to improve SME's competitiveness in the export markets by reinforcing their capacities with new methods and proven adapted concepts for environmental management systems and standards and by the clustering of enterprises and the process of coaching with local consultants.

In 2004, CDE conducted a prospective study to identify the needs and priority areas with a view to organize a seminar on capacity building for environmental management systems for Caribbean enterprises. More than 30 participants from Barbados, Dominican Republic, Guyana, Jamaica, T&T took part in the seminar held in November in T&T and discussed topics such as environmental awareness, capacities of the local environmental consultants and markets, ISO 14001 certification, etc. A CDE programme will be designed on a 2/3 year basis to handle :

- potential projects of certification/ecomapping in up to 50 private companies;
- local consultants coaching process;
- the support to the creation of Caribbean Environmental Management Association.

Engineering Industries

In CDE, this broad sector has traditionally encompassed not only Metalworking & Plastics processing, but also Mechanical Engineering per se, as well as the Electro- and Fluid Mechanics sub-sectors & Chemical Process Line Engineering, Electricity and Electronics, Energy, Packaging and Printing, etc... The needs of the ACP States in this sector are simply enormous. The development of the Engineering Industries in the ACP States is a prerequisite for sustainable overall economic development along with the achievement of basic food self-sufficiency, efficient education & training of manpower, well-structured public and private , etc.

The CDE therefore organized in T&T in July 2004 a Technical Workshop whose aim was to give us a preliminary insight into the Maintenance Planning & Implementation & related training needs of the Caribbean region industries and services. 46 participants from Dominican Republic, Guyana, Haiti, Jamaica, St Lucia, Suriname, T&T discussed topics such as : Reliability Centered Maintenance, Preventive Maintenance, Computerized follow-up Maintenance Management Systems, Best Current Practices, Specific Maintenance Needs for various sectors, Parts Procurement & Manufacture, Stock Planning, etc.

Conclusions and recommendations identified the needs for a General Engineering Maintenance Workshop, "Hands on" Training courses for Maintenance Engineering Managers and Technicians, Training in Machining/Welding/Cutting/..., etc... which CDE will address in 2005

Tourism

Blue Flag

Launched in 1987, the Blue Flag concept aims at granting environmental label and certification to hotels, beaches and marinas displaying genuine concern for the protection of the environment. In 2004, CDE assisted 6 hotels - 2,865 four star rooms in total - in the Dominican Republic to receive their Blue Flag certification. The Asociación de Hoteles Romana Bayahibe have joined forces to promote sustainable development in the local tourism sector and hence increase their competitiveness in attracting new kinds of tourists who are prepared to pay for a better-quality stay on the condition that it benefits and contributes to a clean environment. CDE notably helped with : analysis of water, monitoring of the coral reef, setting up beach surveillance, environmental education among local population and end-users.

PROINVEST

- Strengthening the capacities of the intermediary organizations to fully participate in ACP/EU Negotiations; Barbados, 17-18 June 2004
- EU-Caribbean Workshop for Trade and Investment Projects under the EPAs, Barbados, 19-20 November 2004

ANNEX IX - CTA Projects

Activities implemented in 2004 by department

• Information Products and Services Department

A. Selective Dissemination of Information

115 Caribbean researchers received 33606 bibliographies in the year 2004. From these bibliographies they identified and received 56 full text articles as well as 13 book / reports.

B. Database subscription service

6 Caribbean institutions received 13 database subscriptions in 2004

C. Question and Answer Service

1747 Caribbean agricultural stakeholders made and received responses from the regions QAS centres.

• Communication Channels and Services Department

A. CTA Regional Branch Office in the Caribbean, CARDI

B. Regional projects

- Support to the Caribbean Regional Agricultural Policy Network, coordinated by IICA
- Support to the Caribbean Herbal Business Association, through IICA
- CANROP - Support to the Caribbean Network of Rural Women Producers
- CariPestNet - e-mail based pest management advisory services
- Caribbean Farmers and NGOs Network (CaFaNN)
- Fisher Folk Organisations in the Caribbean

C. Support to attendance of Caribbean nationals to the following conferences and meetings:

- 25th West Indies Agricultural Economics Conference: Agricultural Natural Resources and Environment Challenges under Emerging Trading Regimes, Paramaribo, Suriname, 15-21 August 2004(12 participants)
- 2nd International Workshop & Product Exhibition on White (Microbial) Agriculture, Beijing, China, 19-21 April 2004 (2 participants)
- 2nd World Botanic Gardens Congress, Barcelona, Spain, 17-22 April 2004 (3 participants)
- 3rd Annual Public Participation GIS Conference, Madison, USA, 18-20 July 2004 (2 participants)
- 40th annual Caribbean Food Crops Society, St John, US Virgin Islands, 19-23 July 2004 (8 participants)
- 9th Round table on communication for development, Rome, Italy, 6-9 September 2004 (2 participants)
- First World Conference on Organic Seed, Rome, Italy, 5-7 July 2004 (1 participant)
- GIS in Developing Countries / GISDECO 2004, Johor, Malaysia, 10-12 May 2004 (2 participants)
- Natural Products Europe, London, UK, 4-5 April 2004 (6 participants)
- NEPAD and Issues affecting the Youth: South-North relations and the Digital Divide, Frankfurt/Oder, Germany, 18-19 June 2004 (1 participant)
- Vitafoods, Geneva, Switzerland, 10-13 May 2004 (6 participants)
- Vth Latin American Meeting on Agricultural Biotechnology (REDBIO), Boca Chica, Dominican Republic, 21-25 June 2004 (9 participants)
- XV International AIDS Conference, Bangkok, Thailand, 11-16 July 2004

- **Information and Communication Management Systems and Services Department**

A. Long term partnership arrangements with national NGOs

- Agricultural Diversification Project Ltd – Dominica
- Eastern Caribbean Agricultural Trading and Development (ECTAD) – St Vincent & the Grenadines

B. Training

Course on Scientific Data Management, St Kitts and Nevis, September 2004

C. Science and Technology

Regional Course: Capacity Building in Biosafety in the Caribbean, Trinidad, 9-30 January 2004

Regional Workshop on Enhancing the S&T Policy Dialogue, Roseau, Dominique, 27-29 April 2004

Support to the Caribbean Biotechnology Forum, Kingston, Jamaica, 7-9 December 2004

Participation of 3 Caribbean representatives to the 3rd meeting of ACP Advisory Committee on Science and Technology

- **Planning and Corporate Services**

Study for the development of a Caribbean herbal handbook for industry for the Caribbean Herbal Business Association (CHBA) (October)

Assessment of agricultural information needs in ACP Caribbean states, Phase 1 (November).

ANNEX X - Project Sheets

Project Title:	Information Technology Based Training and Management
Accounting number:	9 ACP SCN 001
Implementing Agency:	Ministry of Education, Youth, Social & Community Development & Gender Affairs
Date of Financing Agreement	Saturday, December 13, 2003
Date Financing Agreement expires:	Saturday, December 31, 2011
Project Duration	5 years
Value of financing agreement:	€3,180,000.00

Project Overview:

The 9th EDF-funded Information Technology (IT) Based Training and Management Project aims to implement IT institutional development and training programmes at the tertiary and continuing education levels in St. Kitts and Nevis.

The Project seeks a close relationship between education providers and takers. Public and Private sector as the main absorber of trained persons will be involved in streamlining the planned intervention. The Project envisages the establishment of an ICT Development Foundation on SKN with an active participation of the beneficiaries, the private sector and the communities and other relevant institutions.

The Project comprises three components:

- A) Construction and/or Expansion of computer labs, and Procurement of relevant hard- and software identified by the Project Steering Committee to contribute to the overall objective.
- B) A variety of Training and Management measures validated by the Project Steering Committee.
- C) Institution Building

Progress:

Project Implementation has been relatively slow.

Project Steering Committee established with first meeting in January 2005. Working groups with broad participation of stakeholders also established.

Programme Coordinator in place and first Inception Report Submitted.

First Programme Estimate in Preparation.

Project Title:	Technical Cooperation Facility (TCF)
Accounting number:	9 ACP SCN 002
Implementing Agency:	Office of National Authorising Officer
Date of Financing Agreement	Monday, April 26, 2004
Date Financing Agreement expires:	Sunday, October 31, 2010
Project Duration	4 years
Value of financing agreement:	€500,000.00

Project Overview:

The Financing Agreement was signed by all parties and returned to Brussels on 21 September 2004.

The TFC is fully operational and covers 3 main activities:

- Technical Assistance Facility (TAF)
- Training Support for Projects and Programmes (TSPP)
- Conferences and Seminars (CS)

Progress:

Discussions to be held with NAO on use of funds.

ANNEX XI - Country Environmental Profile

1. OVERVIEW

St. Kitts and Nevis made a determined start on the road to sustainable development even before the Earth Summit in 1992. In 1987, the Country enacted a National Conservation and Environmental Protection Act, a comprehensive piece of environmental legislation that envisaged the protection and management of natural resources as an integral part of development in the Country. The Earth Summit in 1992 and the Small Islands Developing States (SIDS) Barbados Program of Action (BPOA) of 1994 thus served to support the existing national framework for sustainable development. Since then several sustainable development initiatives have been promoted within the planning process, the major ones include;

- National Conservation Commission
- National Environmental Action Plan
- National Medium Term Economic Strategy
- Integrated Strategic Development Plan
- National Physical Development Plan

The Department of Environment (DoE) in the Ministry of Health and Environment is the lead government agency with overall responsibility for the development and coordination of policies and programmes to protect SKN's natural environment. However, while the creation of the DoE was intended to centralize the administration of environmental affairs within Government, there is, and has always been, a network of governmental and non-governmental organizations with specific areas of interest and/or responsibility for sustainable environmental development and management.

In addition to the DoE, the Ministry of Agriculture, Cooperatives, Fisheries, Lands and Housing, the Planning Unit, the Department of Health within the Ministry of Health and Environment, the Ministry of Public Works, Utilities, Transport and Posts, the Ministry of Tourism, the Ministry of Education, the Ministry of Justice and Legal Affairs, the Solid Waste Management Corporation, the National Emergency Management Agency (NEMA), and their counterparts at the local government level i.e. in the Nevis Island Administration, all have important roles in natural resource management and development. There are also a number of national NGOs and public corporations, such as the St. Christopher Heritage Society, the Nevis Historical and Conservation Society, the St. Kitts Sugar Manufacturing Corporation (SSMC), and the Brimstone Hill Fortress National Park Society that have essential roles in environmental management in the country.

2. MAJOR INITIATIVES IN PLANNING FOR SUSTAINABLE DEVELOPMENT

2.1 National Conservation Commission

The National Conservation and Environmental Protection Act (1987) was passed to protect the natural environment of St. Kitts and Nevis. The Act provided for the establishment of marine and terrestrial protected areas and generally encouraged development of the country's resources in a sustainable manner. A National Conservation Commission (NCC) was established to manage the implementation of the Act. The NCC had a multi-sectoral composition and advised the Minister with responsibility for environment. The Act was amended in 1996 to establish a Department of Environment to support the NCC in fulfilling its advisory mandate. After the establishment of the Department of Environment, the NCC functioned only on a limited basis and has gradually faded out of the picture thus leaving the Department of Environment to play the major role in promoting environmental conservation and protection that are essential for the sustainable development of St. Kitts and Nevis. The functions of the Department of Environment include:

- The regulation and monitoring of environmental protection and conservation strategies;
- The initiation and implementation of environmental policies to achieve sustainable development;
- The oversight of environmental policies, programs and projects undertaken by other Departments;
- The negotiation of regional and international environmental treaties;
- The provision of data and reports for national, regional, and international use;
- The promotion of consultative working relationships with other government agencies and non-governmental organizations.

The NCC, through the Department of Environment has allowed St. Kitts and Nevis to participate in the protection of national, regional and international natural resources. St. Kitts and Nevis are parties to a number of international treaties and have prepared several national strategies and actions plans. The most recent reports in this regard are the National Biodiversity Strategy and Action Plan and the Initial National Communication to the

UN Framework Convention on Climate Change. Box 1 shows the International Treaties directly related to the environment that St. Kitts and Nevis is signatory to, while Box 2. sets out the current national legal framework for environmental management.

Box 1.

International Conventions and Agreements

- Basel Convention, i.e. Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (entered into force on 06-DEC-94)
- CITES, i.e. Convention on International Trade in Endangered Species of Wild Fauna and Flora (entered into force on 15-MAY-94), Amendment to the Convention in International Trade in Endangered Species of Wild Fauna and Flora (art.XI) (entered into force on 15-MAY-94), and Amendment to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Art.XXI)
- Convention for the Protection of the Ozone Layer (entered into force on 10-NOV-92), Montreal Protocol, i.e., Protocol on Substances that deplete the Ozone Layer (entered into force on 08-NOV-92), and Amendment to the Montreal Protocol on Substances that deplete the Ozone Layer (entered into force on 17-AUG-94)
- Convention on Biological Diversity (entered into force on 17-AUG-94)
- Framework Convention on Climate Change (entered into force on 21-MAR-94)
- International Convention for the Regulation of Whaling (entered into force on 24-JUN-92), and Protocol to the International Convention for the Regulation of Whaling (entered into force on 24-JUN-92)
- International Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, (entered into force on 28-SEPT-97)
- International Plant Protection Convention (entered into force on 17-APR-90), and International Plant Protection Convention (Revised Text) (entered into force on 04-APR-91)
- United Nations Convention to Combat Desertification (signed on 30-JUN-98)
- Cartegena Protocol (ratified MAY-2001)
- Stockholm Convention on Persistent Organic Pollutants (ratified on 19-AUG-04)

Law of the Sea Conventions

- United Nations Convention on the Law of the Sea (entered into force on 16-NOV-94)
- Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (accepted on 24-JUN-94)
- Convention on International Maritime Organization (entered into force on 08-OCT-01)
- International Convention on Certain Rules concerning Civil Jurisdiction in Matters of Collision, (entered into force on 12-NOV-65)
- International Convention on Civil Liability for Oil Pollution Damage (entered into force on 13-DEC-94)
- International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (entered into force on 13-DEC-94)
- MARPOL, i.e., International Convention for the Prevention of Pollution from Ships, Annex V optional-Garbage (entered into force on 24-03-98), International Convention for the Prevention of Pollution from Ships, (entered into force on 1973)-Annex III Optional: Hazardous substances carried in packaged form (entered into force on 24-03-98)

Box 2.

National Environmental Laws

- Forestry Ordinance, (Forest conservation / management / exploitation)
- Fumigation of Plants Ordinance, 1907 (Plant species protection / management, hazardous substances)
- Wild Bird Protection Ordinance, 1913 (Animal species protection / management)
- Plant Protection Ordinance, 1913 (Animal species protection / management)
- Forestry (St. Christopher) Regulations, 1923 (Forest conservation / management / exploitation)
- Forestry (Fuel Supply) (St. Christopher) Regulations, 1929
- Protection of Animals Act, 1935
- Forestry (Nevis) Regulations, 1944
- Public Parks Regulation Ordinance, 1944
- Turtle Ordinance, 1947
- Watercourses and Waterworks Ordinance, 1949 (Water resources conservation / management)
- Watercourses and Waterworks Act, 1961

- Public Health Act, 1969
- Pesticides Act, 1973
- Pesticides and Toxic Chemicals Act, 1999
- Watercourses and Waterworks Regulations, 1973
- Biological Weapons Act, 1976
- Litter Act, 1983
- Fisheries Act, 1984 (Fishing / management / use of harvestable fish, marine resources conservation / management)
- Carriage By Air Act, 1987
- Frigate Bay Development Corporation Act, 1972
- Development Control and Planning Act, 2000
- Nevis Housing and Land Development Act, 1988
- Solid Waste Management Act, 2000
- National Conservation and Environmental Protection Act, 1989

2.2 National Environmental Action Plan

The Government of St. Kitts and Nevis prepared a National Environmental Action Plan (NEAP) in 1994 to identify the major environmental problems of the country and to formulate appropriate policies and actions to address these problems. The NEAP has evolved over the years to reflect the changing development demands placed on the environment. Government has used the recommendations and findings in the overall planning process to ensure that economic development does not proceed at the expense of the environment thereby ensuring a balance between economic development and environmental conservation. This integrated planning process is seen in the National Medium Term Economic Strategy (2.2.3).

The NEAP has ensured the country's involvement in regional and international projects related to sustainable development, assisted with the enhancement of environmental legislation, review of development policies and the upgrade of existing institutions to address environmental concerns. Some of these regional projects that address sustainable development include:

- Building Capacity for Sustainable OECS Fisheries.
- Cooperation with the OECS in the Field of Protection and Natural Resources
- Environmental Capacity Development (ENCAPD) Project
- Support from the OECS Natural Resources Management Unit and the Eastern Caribbean Coastal Resources Management Initiative
- OECS Solid and Ship Generated Waste Management Project
- Promoting Long-Term Sustainable Use and Conservation of Marine Resources in the Eastern Caribbean

The involvement of St. Kitts and Nevis in sub-regional OECS projects has improved their national feasibility as the pooling of scarce resources allows for better implementation of activities related to Agenda 21.

2.3 National Medium Term Economic Strategy

The 2003-2005 Medium Term Economic Strategy (MTES) reflects the direction of public sector investment, presents the policies and approaches for development and is a product of an intersectoral collaborative effort. The Ministry of Development and Planning (Planning Unit) is the Government's central policy development and coordinating facility that coordinates the preparation and monitors the implementation of the planned activities in the MTES. The plans and programmes set out in the MTES provide the blueprint for the Country for the achievement of development goals and objectives that were envisioned at the Earth Summit.

The Government has several action plans related to the protection of priority areas in the environment and for socio-economic development. The areas of environmental concern include:

- Land Degradation;
- Watershed/Forestry Management;
- Coastal Area Management;
- Energy Conservation; and
- Solid Waste Management.

The Government's central planning facility, through constant consultation with the ministries responsible for social development, health, youth, and gender affairs has been able to identify and target areas of special need. The areas that are of national priority for the improvement of social conditions of the people of St. Kitts and Nevis include:

- Education;
- Health;
- Housing and Shelter; and
- Poverty Reduction.

These priority areas are similar to those of other SIDS and their comprehensive provision continue to challenge succeeding administrations to do so sustainably for the well-being of present and future nationals. At the 1992 Earth Summit the unique vulnerabilities of SIDS were recognized and these are even more difficult for a nation the size of St. Kitts and Nevis where limited financial, human and technical resources are often further compromised by the devastating impacts of natural disasters.

2.4 Integrated Strategic Development Plan

An Integrated Strategic Development Plan (ISDP), 2001 – 2005 has been developed for Nevis to improve the quality of life and achieve sustainable development. The Plan is concerned with establishing an integrated and coherent programme for the proper management of development over a five-year period. The Plan has goals that are consistent with those in Agenda 21 and the BPOA. The goals are:

- Effective Governance and Integrated Development Planning
- Sustainable Human Development
- Poverty Alleviation and Empowerment of Special Groups
- Sustainable Economic Development
- Private Sector Participation in the Development Process
- Environment and Development
- Disaster Mitigation and Preparedness
- Infrastructure Facilities to Support Development Activities
- Management of the External Environment

2.5 National Physical Development Plan

The National Physical Development Plan, developed by the Planning Unit of the Ministry of Finance, Development and Planning, is a fifteen-year plan that identifies critical planning goals to promote sustainable development. Specifically, the plan aims to oversee the rational allocation of limited land resources in the country, devise appropriate measures to increase accessibility to essential services, ensure sustainable livelihoods, guide future development control, design policies that relate to land development and coordinate physical development programmes and investment activities.

The areas of environmental concern include land degradation, watershed/forestry management, coastal area management, energy conservation and solid waste management. The identification of these priority areas has highlighted the need for a coordinated cross-sectoral approach to environmental management in SKN that would integrate and rationalise competing development claims and interests. Critical planning goals to promote sustainable development that are catered for in the plan and its institutional arrangements (e.g. The Development Control and Planning Board), can be outlined as follows:

- To provide a guide for the physical development and the rational allocation of the limited land resources of the country.
- To provide a framework for the formulation of more detailed structure plans and local area plans.
- To devise appropriate measures to increase accessibility to essential services and adequate shelter for all, to ensure sustainable livelihoods.
- To provide guidance for future development control.
- To design policies that relate to land development and management for the long-term objective of improving livelihoods for all.
- To provide a basis for coordinating physical development including plans, programs, and investment activities of individual public and private sector agencies involved in development.
- To link socio-economic planning with physical planning.

3. TOWARDS ENVIRONMENTAL SUSTAINABILITY

3.1 Understanding and Awareness of Environmental Issues

Although progress has been slow with a few stops and some false starts, SKN has still made significant strides in human development and in the mobilization of public awareness on matters of environmental concern. This is particularly critical as the transformation from an agriculturally based economy to service led growth based on sectors like tourism, has made the sustainable use of natural resources in the Country absolutely crucial to economic growth as well as to human well-being.

The Government of SKN is therefore fully aware of the importance of sustainable development policies and their implementation to ensure environmentally sound economic activity. Consequently, a number of initiatives have been developed to define and support the government's environmental management and sustainable development goals within the Federation.

3.2 Locally Based Projects

St. Kitts and Nevis has ratified the UN Framework Convention on Climate Change, the Convention to Combat Desertification, and the Convention on Biological Diversity along with several other conventions relating to environmental sustainability as set out in Box 1 of this paper. The Country is being assisted by a number of development agencies through the Global Environment Facility to firstly assess and evaluate the existing environment landscape, and then to implement programmes and projects to maintain and sustain biological diversity and to support measures for abatement of and adaptation to climate change impacts as appropriate.

A variety of programmes for capacity assessment of government agencies and NGOs concerned with environmental management in SKN are currently underway or have recently been concluded. One overarching programme the National Capacity Self Assessment (NCSA) is designed to take into consideration and evaluate the relevant activities and outputs of the National Biodiversity Strategy and Action Plan (NBSAP), SKN's First National Communication to the UNFCCC and its follow-up enabling activity project, and the National Report on Land Degradation. Perhaps, however, the most significant of the locally based programmes currently underway is the National Environmental Management Strategy. This recently concluded exercise with goals that include rationalizing legal policy and the institutional framework for environmental management was initiated and supported to a great extent by the OECS ESDU.

Constraints

1. Human and Financial Resource constraints in the public and private sectors - At the institutional and individual capacity levels there are severe constraints. Among them are: the unavailability of a large enough pool of individuals with the scientific and technical skills to support work on the environment.
2. The lack of training and equipment for environmental impact assessments, understaffing and scant technical training in NGOs and the inability of the country to retain well-qualified and trained individuals to commit to environmental management.
3. Although the mandate for developing and coordinating environmental policy in SKN rests with the Department of Environment, human and institutional capacity deficits have undermined its decision-making, implementation and enforcement roles.
4. Not enough effort is put into encouraging research in schools or colleges that could help to inform environmental decision-making at the local level.
5. The National Conservation and Environmental Protection Act (NCEPA) must be amended if SKN is to meet its international convention requirements; for instance, the law does not integrate the mandates of different government agencies, nor does it have the necessary enforcement provisions.
6. There is the need to raise environmental awareness, technical expertise and experience at national and local levels among regulatory and enforcement agencies, e.g., the judiciary and police;
7. Weak technical expertise and capacity in the environmental areas, has resulted in a general lack of political awareness, which leads to less tangible support for environmental matters.

3.3 Global Partnership for Development

SKN's environmental programme like the rest of its Public Sector Investment Programme (PSIP) and private capital investment portfolio is substantially funded from external sources, and earlier in this document there were explanations of the link of causality between external dependence, negligible domestic savings and the small size and extreme openness of the domestic market. The global significance of local environmental goods and outcomes therefore put many of the locally executed programmes in the global public good domain. Thus, SKN's approach to sustainable development emphasises that national environmental challenges and global obligations pursuant to international agreements are the same. In fact, in order for the Country to satisfy its global environmental commitments, national environmental concerns must be in the vanguard of any initiative advanced.

The Government of SKN is therefore involved in several environmental projects with a range of regional and international partners, including with other members of the Organization of Eastern Caribbean States (OECS), CARICOM, the OAS, UNDP and UNEP and GEF to name some of the most significant. The importance of GEF funding cannot be overstated as it is unlikely that SIDS like St. Kitts and Nevis would have been able to fund enabling and technologically advanced projects without this invaluable financial assistance. Particularly important in the field of natural resource management and sustainable development is the support of the OECS Environment and Sustainable Development Unit (ESDU), which assist in coordinating SKN's goals and obligations under regional agreements such as the St. Georges Declaration of Principles of Environmental Sustainability in the OECS and the Caribbean Regional Environmental Programme (CREP).

Examples of some of the projects of global significance in which SKN is or have been involved are - the Eastern Caribbean Coastal Resources Management Initiative, the OECS Solid and Ship Generated Waste Management Project, the Caribbean Renewable Energy Development Project (CREDP), the Eastern Caribbean (Geo-Caraibes) Geothermal Project and Programme for Adaptation to Climate Change in the Caribbean. St. Kitts and Nevis also participates in the Mainstreaming Adaptation to Climate Change (MACC) project that is coordinated by the Caribbean Climate Change Centre (CCCC) in Belize. The functions of this regional centre in Belize include a number of activities to be carried out at the country-level in the region e.g.: the collection, analysis and dissemination of meteorological and sea-level data; public education and awareness campaigns; assessment of implications of climate change for coastal zone management; disaster management and potentially vulnerable sectors such as tourism, health, agriculture and insurance; and technical coordination and information exchange.

Another significant regional institution of which St. Kitts and Nevis is a member is the Caribbean Conservation Association (CCA), a regional non-profit organization dedicated to promoting policies and practices that contribute to conservation, protection and the wise use of natural resources. Finally the Caribbean Natural Resources Institute (CANARI) also supports SKN in its goals to strengthen local capacity to manage the living resources critical to development in the Caribbean region

Constraints

All of the human, financial and institutional constraints that impede domestic implementation of environmental programmes also carry over into the regional and international sphere, resulting in frustrating delays in delivery and the inability to maximise available funding and investment opportunities. It is important, however, to emphasise two additional areas where small size and lack of resources are undoubtedly putting countries like St. Kitts and Nevis at an international disadvantage – safeguarding national biodiversity and traditional knowledge from unfair exploitation, and securing intellectual property rights.

ANNEX XII - Migration Profile

Box 1 : Immigrants

Total number of residents 38,836 (July 2004 est.)
 Of which : Own nationals NA million
 Immigrants NA million (%)

Status immigrants

Refugees NA %
 Labour migrants /permanent NA %
 Labour migrants/seasonal NA %
 p.m. internally displaced persons

Immigration trend

Number of arriving immigrants in 90/95: NA million
 Number of arriving immigrants in 95/2000: NA million

Education: Skilled labour NA %

Main countries of origin NA

Rate of return NA %

Finance

Amount of outgoing migrant remittances: NA \$ million
 Remittances as % of GDP: NA %

Box 2: Emigrants

Total number of emigrants NA million

Status emigrants

Refugees NA %
 Labour migrants /permanent NA %
 Labour migrants/seasonal NA %

Legal situation emigrants

Documented NA %
 Undocumented NA %

Trend

Number of leaving migrants in 90/95: NA million
 Number of leaving migrants in 95/2000: NA million

The net migration rate in 2003 is estimated at -7.11 migrant(s)/1,000 population (2004 est.).¹

Education: Skilled labour NA %

Main countries of destination USA, Canada, UK, intra regional migration.

Rate of return NA %

Finance

Amount of incoming migrant remittances NA \$ million
 Remittances as % of GDP: NA %

¹ This entry includes the figure for the difference between the number of persons entering and leaving a country during the year per 1,000 persons (based on midyear population). An excess of persons entering the country is referred to as net immigration (e.g., 3.56 migrants/1,000 population); an excess of persons leaving the country as net emigration (e.g., -9.26 migrants/1,000 population). The net migration rate indicates the contribution of migration to the overall level of population change.

ANNEX XIII - Macroeconomic Indicators

St. Kitts and Nevis: Main Economic Indicators

	1995	1996	1997	1998	1999	2000	2001	2002	2003a/	2004a/
	<i>Annual rates of growth b/</i>									
Gross domestic product	3.5	5.9	7.3	1.0	3.9	6.5	1.6	-0.3	0.6	5.7
Gross domestic product per capita	2.3	9.0	11.4	2.6	-1.5	10.4	-10.2	...	...	...
	<i>In US dollars</i>									
Gross domestic product per capita	4 466	4 869	5 683	6 018	6 085	6 400	6 368	6 360	6 510	...
	<i>Annual rates of growth b/</i>									
Gross domestic product by economic activity										
Agriculture	...	...	-10.4	-8.3	-9.1	-8.5	11.1	13.3	-12.7	-10.9
Mining and quarrying	...	...	10.3	8.8	50.0	-16.3	-16.3	-4.0	...	5.0
Manufacture	...	...	-0.9	8.7	8.0	17.0	6.6	-4.0	0.6	-0.1
Electricity, gas and water	...	...	6.7	-1.1	12.4	4.1	4.1	9.8	10.6	7.8
Construction	...	...	7.5	14.5	12.6	29.2	4.2	-5.6	-4.7	3.0
Wholesale and retail trade	...	...	4.4	3.9	3.7	-3.2	-11.5	0.3	4.5	4.5
Transport	...	...	-0.5	1.8	2.0	3.7	3.5	7.9	-0.7	...
Communications	...	...	-0.5	1.8	2.0	3.7	3.5	7.9	-0.7	4.0
Bank and insurance	...	...	-0.1	3.5	3.4	11.4	-1.0	1.8	3.3	8.6
Real estate and housing	...	...	-13.0	8.7	6.4	4.7	4.7	1.0	...	3.0
Other services	...	...	44.5	-20.1	-51.8	77.4	39.6	4.9	-1.6	2.4
Tourism	...	...	2.3	-11.2	-12.6	-23.4	3.9	-9.9	23.4	35.0
	<i>Millions of US Dollars</i>									
Balance of payments										
Current account balance	-45	-65	-62	-41	-84	-64	-97	-121	-122	-112
Merchandise balance	-81	-93	-85	-87	-90	-121	-112	-113	-123	-135
Exports fob	37	39	45	44	45	51	55	64	...	...
Imports fob	117	132	131	131	135	173	167	178	...	...
Services balance	27	27	30	43	14	24	34	24	...	...
Income account	-11	-16	-21	-25	-28	-29	-37	-38	-44	-47
Unilateral transfers	19	16	15	27	20	63	18	16	18	18
Financial and capital balance c/	55	75	78	62	100	74	108	130	112	131
Net foreign direct investment	20	35	20	32	58	96	88	80	65	59
Financial capital d/	35	40	58	33	42	-23	20	41	...	...
Global balance	10	10	16	21	16	10	12	9	0	0
Variation in reserve assets e/	-2	1	-4	-13	-3	4	-12	-9	0	0
Other indicators of the external sector										
External debt (millions of US dollars)	54	59	108	125	153	162	215	265	316	...
External debt (% of GDP)	23.5	24.2	39.2	43.4	50.2	49.2	62.9	75.6	86.6	...
Prices										
Rate of change of the consumer price index (december to december)	2.9	3.1	11.3	0.9	2.2	3.1	2.7	1.7	3.1	4.0
Weighted deposit real interest rate	...	...	3.9	4.3	4.7	4.8	3.0	2.6	2.5	2.7
Weighted lending real interest rate	...	...	11.0	11.8	11.5	11.7	10.8	10.3	10.0	10.6
	<i>Millions of EC\$ dollars</i>									
Central government										
Current revenue	180	202	221	237	250	253	262	288	241	284
Current expenditures	181	199	210	234	267	301	307	315	260	269
Capital account	-33	-28	-34	-51	-81	-85	-72	-44	-51	-88
Fiscal result f/	-34	-26	-34	-49	-97	-132	-117	-71	-70	-59
	<i>Percentages of GDP</i>									
Money and credit										
Domestic net credit	65.6	70.6	65.2	66.1	76.3	85.9	81.3	80.1	90.2	106.5
To the public sector	-2.4	3.4	-1.7	-3.5	6.3	13.8	14.1	15.3	20.1	35.9
To the private sector	70.8	70.1	70.2	72.7	74.1	76.6	73.1	69.6	70.1	70.6
Liquidity (M3)	70.4	69.7	70.7	70.4	73.8	87.4	86.0	89.3	120.1	101.7
Money supply and deposits in domestic currency (M2)	57.9	57.0	54.5	57.0	59.3	59.4	60.5	64.3	93.1	74.1
Deposits in foreign currency	12.5	12.7	16.3	13.4	14.5	28.0	25.4	25.0	27.0	27.6

Source: ECLAC, on the basis of official information.

a/ Preliminary data.

b/ On the basis of constant 1990 prices.

c/ Includes errors and omissions.

d/ Denotes the results on the capital and financial account less foreign direct investment and plus errors and omissions.

e/ The sign (-) denotes an increase in reserves.

f/ Includes donations.