



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

**OFFICE OF THE NATIONAL AUTHORISING OFFICER
IN SAINT LUCIA**

**COOPERATION BETWEEN THE EUROPEAN UNION
AND SAINT LUCIA**

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The Cotonou Agreement

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1. UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION

1.1 Update on the political situation

Four months after being elected to government the United Workers Party (UWP) re-established diplomatic relations with Taiwan (Republic of China) ten years after the previous administration (St. Lucia Labour Party) broke relations in favour of the People's Republic of China (PRC). However, Foreign Minister, Rufus Bousquet said the government still considered both the People's Republic of China to be a friend of St. Lucia and added the move should not be construed as a severance of the relationship with the PRC. However, the PRC's ambassador to St. Lucia, Gu Huaming, said Beijing would not enter into a functional co-operation with the country if it choose to recognise Taiwan. Shortly after St Lucia resumed ties officially with Taiwan, the PRC broke off diplomatic relations with the country and stopped all works on ongoing projects on this island (such as the monumental Psychiatric Hospital).

On 19 April Prime Minister Sir John Compton delivered his first budget since returning to office, during which he announced that within the next year (2008) government would introduce a Value Added Tax. (Prime Minister Stephenson King who succeeded Sir John has also hinted that VAT will be introduced in 2008). In his \$1.2 billion Eastern Caribbean (EC) (US\$450 million) Budget Sir John said the capital expenditure of EC\$552.7 million would be financed by local revenue of EC\$67.9 million, grants of EC\$265.8 million, loans totalling EC\$122.6 million and bonds EC\$96.2 million. He added that the country had an overall deficit of EC\$158 million and a debt burden of EC\$1.4 billion.

After suffering a series of strokes on 4 May Prime Minister John Compton died on 7 September, ten months after leading the United Workers party to victory at the polls over the St. Lucia Labour Party. Following Sir John's death, former Health Minister Stephenson King, who had been acting as Prime Minister during Sir John's illness, was named Prime Minister.

Janine Compton-Rambally - the 37 year old daughter of late Prime Minister Sir John Compton won the by-election for the constituency which became vacant on the death of the former Prime Minister.

Leaders of both the ruling United Workers Party and the Opposition St. Lucia Labour Party have hinted at their support for a change from the monarchy to republican status.

St. Lucia was one of the countries listed by Transparency International (TI) as amongst one of the least corrupt countries in the world. In a survey of 180 countries, TI listed Barbados at number 24 and said the low perception of corruption among public officials in these islands was only bettered by countries in the developed world where vibrant non governmental institutions kept a close watch on public officials.

1.2 Update of the economic situation

Regional Overview

The six countries of the Eastern Caribbean (OECS) are at a critical juncture in their development. After three decades as independent states, they are struggling to find new sources of growth and reduce vulnerability in a milieu characterised by increasing competition at a global level; ending of trade preferences; and declining donor resources. These challenges are coupled with internal fiscal imbalances and high debt ratios, and the inherent weakness as small island states. As the first decade of the 21st Century enters its second half, all OECS countries are in the top fifteen of the world's most indebted (relative to GDP) emerging markets. The impressive gains in terms of social development achieved over the last 30 years risk being eroded by the fiscal and debt circumstances and by the economic transformation that may be required to adapt to the external changing environment. Signs of this erosion are already emerging in the form of rising poverty in both rural and urban areas; disenfranchised youth and high unemployment; and a related increase of crime. All countries also face the risk posed by the growing HIV/AIDS epidemic affecting the entire Caribbean.

In addition, as small states, the six OECS countries face significant vulnerability to external shocks, including natural disasters; limited economic diversification opportunities and high dependence on external trade; high cost of public service provision due to diseconomies of scale; and limited capacity in the public and private sectors. However, in a few areas, these shortcomings are being successfully overcome through regional initiatives and projects.

In view of the above context, five policy response areas are emerging as the most evident priorities for all OECS countries in the medium term. These are fiscal consolidation/ public sector reform; regulatory environment for private sector development; creation of a wider market and level-playing field; skills development; and security enhancement (especially natural disasters).

Saint Lucia's Overview

St Lucia is a lower-middle income country with a small open economy. It has an area of 620 sq km; a population of 168,400 (2006 estimate); a population density of 272 inhabitants per sq km; an estimated GDP of EUR 608 456 094 (USD 925 000 000) and GDP per capita of EUR 3 648 (USD 5 546), both figures in 2006 at current market prices. St Lucia's economy is largely agriculture-based (bananas and other crops) but with a growing services sector centred on tourism, and a growing manufacturing sector. It is a small island developing state (SIDS) with all the inherent challenges such as a narrow economic base and a high vulnerability to external shocks and natural disasters.

Recent Economic Performance¹

After sustained growth which reached a four-year peak of 5.0% in 2006, economic growth is expected to slow in 2007. This reflects the poor performance of the tourism sector, a slow down in construction activity and weather related damage to banana production. Manufacturing output was stagnant. Activity in the tourism industry was negatively impacted by a decline in the number of stay-over visitors for the second consecutive year. This in-turn is due partly to the new passport requirements for US Citizens, increases in the costs of intra-regional travel and a reduction in airlift to and from the island.

In the context of a fixed exchange rate to the US dollar, it is projected that consumer prices increased by 2.5% after a decline the previous year, mostly on account of high food prices.

Structure and management of public finances

Buoyed by customs reforms, revenue growth in 2006 outpaced that of current expenditure and led to a strengthening of the current account surplus to 3.6% of GDP. However, expanding capital expenditure led to an overall deficit in 2006 to almost 7% of GDP. This overall deficit is projected to fall to 6.2% in 2007, as the growth of revenue and grants outpaces that of total expenditure. Accordingly, the gross public debt to GDP is expected to rise to 69% of GDP.

Medium Term Prospects

In the medium term, the stay-over arrivals in the tourism sector is expected to recover and grow in keeping with increased airlift via visits by American Airlines three days per week as well as plans to exploit the sports tourism niche particularly in the field of boxing. The cruise ship and yachting sections of the market will continue to do well with the return of the Carnival Cruise Line to the OECS, and the completion of the upgrade to the Rodney Bay Marina to a mega-yachting facility. Plans to enhance the government's revenue raising ability by the introduction of a more adjustable mechanism for retail fuel pricing, a market valuation based property tax and a value added tax are expected to bolster macro-economic prospects. A possible recession in the US economy and the country's vulnerability to environmental disasters such as hurricanes could negatively impact future economic and social outcomes.

¹ Caribbean Development Bank, Economic and Financial Review, September 2007

Trade policy and external environment

St Lucia is a Member of the OECS, CARICOM, CARIFORUM and the Association of Caribbean States (ACS). The OECS Countries have already achieved a high level of integration with a common judiciary, a common currency and central bank (OECS Countries together with Anguilla form the Eastern Caribbean Currency Union), joint foreign representation, a common directorate of civil aviation, pharmaceutical procurement, telecommunications regulations, banking regulations, and close collaboration in health, education and security matters. On June 21st 2006, the Heads of Government signed a Declaration of Intent to submit for ratification an Economic Union Treaty after one year of public debate.

As regards the CARICOM Single Market and Economy (CSME), the OECS countries have joined in July 2006 (Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago signed the CSME Agreement in February 2006). OECS Countries see the establishment of a Regional Development Fund and of preferential and concessionary measures as an essential condition to allow them to participate meaningfully in the CSME. Under the Treaty of Chaguaramas establishing the CARICOM, OECS countries are classified as Less Developed Countries (LDC) and are exempt from certain liberalisation obligations. In particular, Art. 56 gives protection to certain designated sub-sectors vis-à-vis goods from other CARICOM countries. Both the LDC category and the related protection have been incorporated under Art. 164 in the Revised Treaty of Chaguaramas establishing the CSME.

The first comprehensive Economic Partnership Agreement (EPA) was initialled on 16 December 2007 between the European Commission (EC) and CARIFORUM, one of the regions of the African, Caribbean and Pacific (ACP) States. The EPA replaces the Cotonou trade regime and the World Trade Organization (WTO) waiver which extended it until the end of 2007. The EPA will allow Caribbean goods to enter the European Union duty free and quota free come 1 January 2008, while there is a phased period between three to 25 years for European goods to enter CARIFORUM markets duty free as well as an important number of exclusions for sensitive products. This is a signal of the asymmetrical nature of the agreement given the different levels of development between the two sides.

The EPA is essentially a trade and development agreement which covers market access in goods, services and other trade related issues such as innovation and intellectual property; competition policy and public procurement which will all contribute to consolidating regional integration and economic reforms in the region. For market access in goods the EC on 1 April, 2007 made an offer to give all ACP countries including the 15 CARIFORUM countries (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago) duty free and quota free access to the EU markets for all goods except sugar and rice for which there will be a short transitional arrangement. On the CARIFORUM side they have been able to give an offer which covers the WTO-required liberalisation of 80 per cent of imports from the EU within 15 years, with transitional periods of up to 25 years for some particularly sensitive products.

1.3 Update of the poverty and social situation

Demographic Factors

St Lucia's population was estimated at 166 800 in 2006, an increase of 1.2% over the previous year. Between 2002 and 2006, population growth rates showed a general increase. According to the 2001 Census, 51.8% of the total population were females and 48.9% were males. A Core Welfare Indicators Questionnaire Survey conducted in the last quarter of 2004 indicated that just over half of the population live in the urban areas and two-thirds live in the north of the island (Castries Urban, Castries Rural and Gros Islet). Just under a third is between 5 and 19 years old, and 42% between the ages of 15 and 39. Recent data indicate that the average household size is 3.4 in urban households and 3.5 in rural households. Internal migration and the desire of unemployed youth to seek jobs, has led to a contraction of the population in some rural areas and to an increase in the population in the urban and peri-urban areas in the north. The economically active population is estimated at about one-third of the population, with 22% employed in agriculture, 25% in

manufacturing, 54% in tourism and other services. St Lucia is ranked as a lower-middle income country. St Lucia enjoys a relatively high index of human development as critical social indicators mainly in health and education are relatively good. According to the UNDP Human Development Report (2007/08), in 2005² St Lucia was ranked 72 out of 177 countries (HDI 0.795).

Health

Life expectancy at birth was 73.1 years and the under-five infant mortality rate (per 1,000 live births) was 14. Immunization of one year olds against tuberculosis and measles were 99% and 94%, respectively and the percentage of children below age 5 who were under weight for age was 14%. St Lucia's health indices are indicative of the high priority the Government has placed on Health Sector Reform, which is designed to improve the administration and management of the health service, enhance health service delivery and equitable access to health care by the poor in conjunction with establishing a system of sustainable financing for the health sector. Expenditure on health has gradually increased in recent years both in total and as a proportion of total government expenditure.

Two important recent initiatives in the reform Process have been the completion of a Policy and Strategic Plan for the improvement of health system and the completion of plans for the construction of a new hospital to replace the existing Victoria Hospital. Both of these initiatives are funded by the EU.

Chronic non-communicable diseases such as heart diseases, diabetes mellitus, hypertension and cerebral-vascular disease and cancers are the major causes of morbidity and mortality. Intentional and non-intentional injuries are rapidly increasing and are the major cause of morbidity and mortality among children, adolescents and young adults (78% of the Saint Lucian population is less than 45 years and 32% is less than 15 years).

Education

The Government of St Lucia continues to place high priority in the education of its population, as the development of its human resource is seen as a key element for social transformation and sustained economic growth. Quality of education at all levels of the education system has been the government's focus, this is reflected in an adult literacy rate (aged 15 and older) of 94.8% and a net primary enrolment of 97% (universal coverage). Universal secondary education was attained in 2006.

The disparity in the performance of males and females is an area of concern. The UN Sub-Regional Country Assessment for Barbados and the OECS indicate that in St Lucia at the primary level, enrolment rates among males and females were 91% and 94%, respectively. By contrast at secondary level the corresponding rates were 72% and 86%. Enrolment rates were similar in urban and rural areas, but secondary school enrolment was lower in the poorest households, especially in rural areas (67%).

Poverty Reduction

Despite the country's low inflationary growth path and impressive gains in health and education, there remains considerable social gaps and deficiencies, one of the most important being a high level of poverty. The latest Country Poverty Assessment conducted in 2006/07³ demonstrated that the situation in St Lucia remained virtually unchanged *viz-à-viz* 2005/06, with 25.1% of individuals and 18.7% of households classified as poor. Poverty in St Lucia remains largely a rural phenomenon with 29.6% of the rural population living in poverty as opposed to 16.0% of the urban population. In addition, a larger percentage of female headed households were poor (20.4%) when compared with households headed by males (17.4%). Poorer households (those in the lower quintiles) tend to have higher average number of children relative to households in the higher quintiles, thus making poverty also a youthful phenomenon. The public aspect to St Lucia's poverty problem is manifested in a general lack of proper toilet facilities and potable water in most

² The most recent year for which comparative data is available.

³Source - Caribbean Development Bank

poor communities. Many poor families even while living in their own home were dependent on kerosene for lighting, as they did not have access to electricity.

St Lucia's poverty situation reflects the challenges the country faces particularly in the slow pace of restructuring of the productive economy from an agricultural to a services oriented base. The considerable fall-out which occurred in the agricultural sector, and the difficulties in diversifying the rural economy is a major contributing factor in the prevailing high level of unemployment overall (15.7%)⁴. In addition, most of the working poor are concentrated in the agricultural and to a lesser extent the manufacturing sectors.

2. PAST AND ONGOING EC CO-OPERATION

2.1 Overview of past and on going EC Cooperation

2.1.1 9th EDF NIP

The focal sector for the 9th EDF CSP-NIP (2001-2007) is the health sector. The initial allocations were €4.5 million for the A-Envelope and €15.0 million for the B-Envelope. These allocations were revised following the ETR to €19.05 million and €4.68 million, respectively. The increased allocation for the A-Envelope represents transfer of resources from the B-Envelope, as well as from balances under the 7th and 8th EDF. The €19.05 million will be used in the construction of a new hospital for the island.

Preparations for the construction of the new hospital are now far advanced. The final designs were completed as early as 2005, and the FA signed in 2006. An international tender for the works contract was launched mid-2006 but was cancelled in 2007 because all the tenders exceeded the available budget for the project. Efforts are currently under way to have an independent cost analysis done, which would assist the Government and the Delegation in ensuring that adequate financing is in place prior to the re-launch of the tender and signature of the contract before the end of 2008.

Now that most of the 7th, 8th, and 9th EDF NIPs' funds have been earmarked for the construction of the new hospital, it is anticipated that a significant amount of St Lucia's largely un-disbursed pipeline will begin flowing in 2009 when the works contract is expected to commence.

Under the 9th EDF NIP (allocations outside the focal sector), there are provisions for a Technical Cooperation Facility in the amount of €450,000, of which €430,780 were committed at the end of 2007 and €285,291.57 have been disbursed. Commitments were made for the preparation of a National Health Strategic Plan (€198,980, 2005), TA for the preparation of the NSA programme (€30,000, 2005), as well as for a Programme Estimate for the NSA Panel (€19,800, 2006). In 2007, €182,000 was committed for a Programme Estimate to facilitate the ongoing implementation of the EU-St Lucia cooperation programme, particularly in preparation for the implementation of the 10th EDF CSP-NIP (2008-2013).

Technical Assistance to the Ministry of Health in Support of Health Planning and Reform was provided from the 9th EDF TCF for the preparation of a Five Year National Health Strategic Plan which was completed at the end of 2005. The primary care aspects of this plan are being implemented in preparation for extension to the secondary care elements when the new national hospital is operational. The STABEX funded Review of Health Legislation, was followed by development of a Draft Universal Health Care Bill as a priority undertaking in light of the Government's commitment to fast track the provision of national health insurance to the population and to institutionalise a sustainable health care financing mechanism. The new government is reviewing this bill prior to presentation in Parliament. The Design of a National Health Management Information System, supported by the CDB, a comprehensive system which will include all levels of the health care system is nearing completion. A Human Resource Plan which addresses the recruitment and retention of all health care workers including professionals is currently being finalized. Progress is being made in regard to the development and provision of much needed nursing resources through the availability of an accredited Nursing Programme being offered at the Sir Arthur Lewis

⁴ US State Department, 2006

Community College. The Corporate Planning Unit within the Ministry of Health has been improved with the recruitment of four additional Officers viz. a Chief Planner, a Social Officer, a Research Officer and a Project/Building Officer. These strategic activities, in addition to others, were undertaken to strengthen the Health Sector in preparation for the establishment of the new national hospital.

2.1.2 8th EDF NIP

The focal sector for the 8th EDF NIP was social infrastructure, to which was allocated €5.4 million. These resources have now been added to the 9th EDF NIP to supplement funding for the construction of the new hospital.

2.1.3 7th EDF NIP

The focal sector for the 7th EDF NIP was also social infrastructure with an allocation of €2.9 million which will also be utilized in building the new hospital.

2.1.4 Utilisation of B-envelope

The initial allocation for the 9th EDF NIP B-Envelope was €15.0 million. This figure was revised downwards to €4.68 million following the ETR and the difference transferred to the A-Envelope. There are no more resources in the B-Envelope for new commitments.

2.1.5 Other instruments

2.1.5.1 STABEX

St Lucia is now implementing projects and programmes funded by STABEX transfers for the period 1994-2000. These transfers which now total €80.0 million (including interest) represent compensation for losses in export earnings on certain agricultural products exported to the EU, as a result of fluctuations in price and/or quantity. Under a Framework of Mutual Obligation (FMO), several areas are targeted for support with the use of STABEX funds. These include: infrastructure, agricultural diversification, economic diversification, and social sector/social protection measures. Commitments at the end of 2007 were in the amount of €57.6 million, of which €55.8 million were disbursed. Presently, €22.0 million are not covered by a FMO, and it was agreed between the Delegation and St Lucia that a portion of this amount will be assigned to the new hospital project, and the balance used in the form of sector budget support in the areas of economic reform, private sector development, and competitiveness. The necessary preparatory work to verify St Lucia's eligibility for budget support began in 2006 with the completion of macro-economic and PEFA assessments. Additional verification towards eligibility will be done during the programming exercises for the 10th EDF NIP.

Status of Stabex finances, as of 31 December 2007

Funding year	Total Funds (incl. interests)	Committed	RAC	Paid	RAL
Stabex 1994	26 282 772	24 423 752	1 860 020	23 889 961	2 392 811
Stabex 1995	20 525 844	19 773 295	752 549	19 612 126	913 718
Stabex 1996/97	14 039 379	13 415 853	623 526	12 312 885	1 726 494
Stabex 1998	5 022 730	0	5 022 730	0	5 022 730
Stabex 99/00 + Art. 195A	14 133 890	0	14 133 890	0	14 133 890
TOTAL	80 005 616	57 612 900	22 392 716	55 814 972	24 190 644

2.1.5.2 Special Framework of Assistance (SFA)

STABEX resources derived from the downturn in exports in general, are complemented by the SFA which specifically targets ACP suppliers of bananas to the EU, who have been negatively affected by the gradual reductions in preferential access. St Lucia currently has €67.2 million (including interest) of SFA resources being implemented, in areas similar to that of the STABEX programme, namely, agricultural and economic diversification and social and community development. Overall implementation of the portfolio is behind schedule with only €41.0 million (61%) of the funds committed and €23.5 million (35%) disbursed. The problems are partly linked to inadequate national capacities to execute the programmes/projects in a timely manner, in addition to a proliferation of small projects which make administration difficult. To ameliorate this problem the Delegation has intensified its monitoring of St Lucia's SFA portfolio, conducting two comprehensive reviews with the NAO in 2007, and increasing the number of missions to the island. In addition, the parties concluded an agreement for increased technical assistance (TA) support to the EDF Project Management and Coordination Unit. The TA commenced duties late in the first quarter of 2008.

SFA 2007

The Financing Proposal (FP) was approved in 2006, and the corresponding Financing Agreement (FA) due to be signed in February/March 2008.

SFA 2006

A Contribution Agreement (CA) was concluded between the Delegation and the FAO in the amount of €3.3 million, to facilitate the implementation of the respective programmes including those related to banana commercialization and agricultural diversification for the four SFA countries including St Lucia. The CA is expected to be signed early 2008.

The economic diversification and social recovery components will be implemented via grant contracts. The draft grant guidelines are to be submitted to the Delegation for review early 2008.

SFA 2005

The Social Recovery and Natural Resource Management Components will be implemented via a joint Programme Estimate, while the Banana Commercialization, Agricultural Diversification and Economic Diversification will be implemented via grant contracts. The draft PE and respective draft Calls for Proposals will be submitted to the Delegation for review in the first quarter of 2008.

SFA 2004

In December, grant contracts were signed with SEQUA, Germany for the economic diversification component in the amount of €2.98 million, with TUTECH, Germany for the agricultural diversification component in the amount of €1.07 million and with the National Skills Development Centre for the social recovery component in the amount of €2.76 million. The economic diversification component will focus on improving the overall competitiveness and income generating potential of the Saint Lucian private sector through capacity building in human resources, and internal management and productivity systems. Likewise the banana commercialization and agricultural diversification component is designed to assist in the development of rural communities through interventions in human resources development and training in the sector.

SFA 2003

The entire allocation is dedicated to Natural Resource Management. Most of the contracting was concluded at the end of 2006: a) a service contract with AGRER in the amount of €10 million to provide TA; b) a grant contract with BIT in the amount of €4.0 million for the execution of the Environment Fund, and c) a PE with

the Ministry of Environment in the amount of €1.9 million. However, implementation has been slow and the Delegation and the NAO have been discussing ways to improve the execution of the project.

SFA 2002

The second and final (18 months) PE for the economic diversification component, which is being implemented by the Office of Private Sector Relations was signed in December in the amount of €1.86 million.

SFA 1999-2001

The re-start documents were prepared and submitted to the Delegation in the last quarter of the year, and are expected to be completed and signed in the first quarter of 2008. The Delegation has submitted Riders to the Commission's services in Brussels for another extension of the respective operational implementation phases, which expire in June 2008.

Status of SFA finances, as of 31 December 2007

Funding year	Allocation	Committed	RAC	Paid	RAL
SFA 1999	8 716 159	7 093 350	1 622 809	7 049 552	1 666 607
SFA 2000	8 908 475	7 205 320	1 703 155	7 093 392	1 815 083
SFA 2001	9 388 463	8 740 000	648 463	6 013 863	3 374 600
SFA 2002	8 800 000	4 323 840	4 476 160	1 296 634	7 503 366
SFA 2003	8 000 000	6 843 621	1 156 379	2 054 072	5 945 928
SFA 2004	7 260 000	6 830 776	429 224	18 303	7 241 697
SFA 2005	6 170 000	0	6 170 000	0	6 170 000
SFA 2006	5 410 000	0	5 410 000	0	5 410 000
SFA 2007	4 600 000	0	4 600 000	0	4 600 000
TOTAL	67 253 097	41 036 907	26 216 190	23 525 816	43 727 281

2.1.5.3 Caribbean Regional Indicative Programme

St Lucia, a member of CARICOM/CARIFORUM, is a beneficiary of the many regional programmes funded through the EDF. The 7th EDF RIP has a global envelope of EUR 105 000 000 while the 8th EDF RIP has EUR 90 000 000 available. The 9th EDF CRIP is focusing on support for regional economic integration and integration into the world economy, for which an envelope of EUR 57 000 000 is available.

2.1.5.4 European Commission Humanitarian Aid Office (ECHO)

A financing decision was adopted on 10 September 2007 for "Emergency humanitarian aid for people affected by Hurricane Dean in the Caribbean region" (EUR 3 M). This Emergency decision, valid from 17 August 2007, provides assistance to 50 000 hurricane victims in Belize, Dominica, Haiti, Jamaica and **St Lucia**, in the following sectors: Shelter; Water; Sanitation; Health; Emergency rehabilitation; Food; Food security; Non-food relief items; Livelihoods. The specific title of ECHO's Dominica & St Lucia operation, done by Oxfam-GB for EUR 620,000 was "Emergency food security and livelihoods recovery for populations affected by Hurricane Dean in Saint Lucia and Dominica, Eastern Caribbean".

2.1.5.5 European Investment Bank (EIB)

Under the various Lomé conventions, the EIB has lent EUR 19.9m for projects in St Lucia, EUR 15.0 million thereof was from EIB own resources and EUR 4.9 million from risk capital resources drawn from the EDF. By the end of 2007, the outstanding portfolio amounted to EUR 6.4 million about 50% thereof relates to electricity infrastructure with the remaining relating to the financial services sector.

The electricity infrastructure operations currently comprise a loan for EUR 8.0 million to improve electricity generation and support environmental mitigating measures.

The financial sector operations have consisted in providing lines of credit to the St Lucia Development Bank and its successor as part of the Bank of St Lucia, for on-lending and equity investments in the island's small and medium sized enterprises.

In the financial sector efforts will be initiated with a view to establishing regional financial facilities (credit lines, guarantee and private equity facilities) providing indirect financing to small and medium sized enterprises in St Lucia and the rest of the Caribbean.

2.1.5.6 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 from the Community and 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 1999-2005, CDE has assisted a total of 69 projects in the OECS region, carrying out 103 interventions at a total cost of EUR 719 035 of which EUR 517 376 was contributed by the CDE. Saint Lucia benefited from 30 interventions for a total amount of EUR 168 299.

The PROINVEST programme, funded from EDF all-ACP funds and managed by the CDE, aims at increasing investments between the Caribbean and Europe. PROINVEST has a fund of EUR 110 000 000 over five years to support private sector development in the African, Caribbean and Pacific Countries. By the end of 2005, the Programme had committed EUR 5 373 679 to activities within the Caribbean region; EUR 2 212 817 of this amount was committed during the course of 2005.

2.1.5.7 Centre for the Development of Agriculture (CTA)

The CTA supports policy and institutional capacity development and the 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 2005, the Eastern Caribbean states benefited from CTA support to agricultural and rural development in the Caribbean at both 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 sectors and implemented through direct partnership arrangements between CTA and the relevant institutions.

2.1.5.8 Support from All-ACP funds (EDF)

The EC approved EUR 50 000 000 for an All-ACP Trade.Com programme in August 2003; the aim is to reinforce the analytical and research capacities for formulating trade policy by providing immediate assistance for ongoing negotiation and promoting activities for institutional support in the area of trade support services in ACP countries. A specific project ("Hubs and Spokes") initiated in 2004 has been designed for the Caribbean region. Under this project the OECS Secretariat benefits from the services of a Trade Policy Adviser, soon to be assisted by a Trade Policy Analyst.

The OECS has received Funding (EUR 280 000) for the Establishment of an OECS Representation Facility in Geneva to follow-up WTO matters, under the EUR 10 000 000 WTO Support Facility, as well as for Capacity Building in support of the preparation of the EPA (EUR 350 000) under the EUR 20 000 000 EPA Support Facility. The Caribbean Regional Negotiating Machinery (CRNM) has also received support (EUR 857 652) from the EPA Support Facility. The NAO Office also benefited from a 9th EDF Financial and Contractual Procedures Training held in Barbados in January 2005, under an All-ACP programme started in 2004.

2.1.5.9 Other budgetary sources (EC Budget)

In May 2003, the EC approved a Caribbean regional programme under 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. In this context, numerous activities have been carried out in the fields of criminal appeals (free legal representation to prisoners under sentence of death in the Caribbean Commonwealth Countries), constitutional litigation, applications to international human rights bodies, training (four regional conferences and workshops) and a research study on murders in Trinidad & Tobago. Thanks to the project, the lives of more than 100 prisoners sentenced to death have been saved. A "Death Penalty Project limited" has been established in its own right as an independent NGO in order to provide free legal representation to many individuals facing death penalty in the Caribbean and in Africa. The project was concluded in 2006.

2.2 Policy Coherence for Development (PDC)

The EU-St Lucia cooperation programme is coherent with at least five (5) of the twelve (12) policy areas as enunciated in Council Conclusion of 15.12.2007 (based on COM (2007) 545 of 20.09.2007). These areas are trade, agriculture, the environment, employment and decent work and information society. As a small island developing state, St Lucia is heavily dependent on trade for its survival. In an increasingly globalized trading environment, the country's development is critically linked to its successful integration into the global economy. In the furtherance of this successful integration process, the country is not only involved in several regional and global trading alliances such as the OECS, the CSME and the EPA but is undertaking efforts internally to bring its economic activities and bureaucracies inline with these external realities. In regard to the latter, the Government drafted a National Export Development Strategy (NEDS) and with assistance under SFA 2002 is in the process of developing the institutional framework for its implementation. In addition, increasing emphasis is being placed on the use of computer technology to drive competitiveness in both the private sector and the public sector. Under STABEX 1994 there is support for a Public Sector ICT and Electronic Government initiative, which is intended to develop and implement a National ICT Policy and Strategy within a clearly defined institutional framework. Attention is being paid to the coordination and integration of the plethora of information systems and technologies within the public sector, as well as relevant changes to business processes, procedures and workflows.

Agriculture represents the largest sector in the portfolio, with majority of the resources under the SFA directed in this area. The focus is on the restructuring of the banana sub-sector to adapt to the changing market conditions in Europe, particularly the gradual erosion of preferential market access. The restructuring programme includes improving farm efficiency, labour productivity and the quality of the export crop with the introduction of irrigation, drainage and other infrastructure work. A critical element of the programme is to help displaced farmers move into non-traditional agriculture and thereby minimize the negative social impact of the restructuring of the industry. With regard to the latter, that is, increased employment opportunities, both the STABEX and SFA interventions also have economic diversification components designed to provide business development support services to small and medium sized enterprises with the

ultimate objective of increasing competitiveness, engendering enterprise growth and by extension generating higher levels of employment.

The Government of St Lucia places great importance on the environment as evidenced by its signature to twenty six (26) multilateral environmental agreements. The country has also formulated a National Environmental Policy and Strategy (2004) to provide a comprehensive and coordinated framework for environmental management. The entire SFA 2003 allocation (€8.0 million) is in the area of natural resource management.

2.3 Joint EU Strategy for Caribbean

The document **An EU–Caribbean Partnership for Growth, Stability and Development (March 2006)**, outlines the EC's approach to EU–Caribbean relations. This approach is aimed at enhancing the Caribbean's own reform and development agenda by shaping a political partnership based on shared values; addressing economic and environmental opportunities and reducing vulnerabilities; and promoting social cohesion and combating poverty. An EU–CARIFORUM sub-regional meeting was held following the EU-LAC Summit in May 2006, to foster a deepening of the cooperation in regional integration, social cohesion, and the development of human resources. The meeting also addressed the impact of migration, terrorist threats, drug-trafficking, organised crime, HIV/AIDS and economic and environmental challenges. Both the EU and Caribbean states agreed to foster cooperation to address security threats, particularly the non-proliferation of weapons of mass destruction (WMD), illicit Small Arms and Light Weapons (SALW) and combating terrorism. The EU also committed to consider supporting the establishment of a regional Development Fund for the Caribbean as a critical commitment to the restructuring and adjustment resulting from the upcoming establishment of the CARICOM Single Market and Economy (CSME).

The EU policy objective of *strengthening regional cooperation between the ACP States and its Overseas Countries and Territories (OCT) and Outermost Regions* is particularly important in the Caribbean given the presence of several OCTs of the UK, and three French Departments (DOMs) of the Netherlands. In recent years, the DOMs have considerably strengthened their relationship with OECS, particularly within the framework of the EU Interreg III-B Caribbean Programme and the Association of Caribbean States (ACS). Joint cooperation activities are still at an early stage of development.

Another major objective of EU development policy is to assist developing countries to better harness the globalization process particularly through regional integration other free trade arrangements such as the EU-ACP Economic Partnership Agreements (EPAs). The first comprehensive EPA was initialled on 16 December 2007 between the European Commission (EC) and CARIFORUM, one of the regions of the African, Caribbean and Pacific (ACP) States. The EPA replaces the Cotonou trade regime and the World Trade Organization (WTO) waiver which extended it until the end of 2007. The EPA will allow Caribbean goods to enter the European Union duty free and quota free come 1 January 2008, while there is a phased period between three to 25 years for European goods to enter CARIFORUM markets duty free as well as an important number of exclusions for sensitive products. This is a signal of the asymmetrical nature of the agreement given the different levels of development between the two sides.

2.4 Donor coordination and harmonisation

With the exception of the UK, the involvement of EU member states in development cooperation is negligible. France has a small development fund for the OECS countries and has recently approached the Delegation to assist in the coordination of activities in this regard. In contrast, Canada and the US have a sizable development component. The Delegation actively participates in the UNDP chaired donor coordination groups and other coordination mechanisms. We are working closely with the IMF, the World Bank, DfID, CARTAC, CIDA and the CDB in particular on budget support. There is also a very close

working relationship with the World Bank and UNDP on sub-regional social protection reform. DfID has been actively engaged in sugar reform and adaptation strategy policy planning and dialogue. The Delegation has been consulted on the new programming strategy of the World Bank, the IADB, the CDB and UNDP. Donor coordination on trade issues is effective as the CRNM donor group meets regularly, and there are periodic meetings on drugs and crime issues, for example, the mini-Dublin group meetings. Relations with CDE and CTA leave a large margin for potential improvement.

An EC Contribution Agreement with the FAO has been concluded for SFA 2006. This Agreement will allow the implementation of several projects financed by the 2006 Banana Budget Line for the four SFA countries concerned, including St Lucia. The total amount for the 2006 SFA Agreement is 3,300,000 euros. Project documents were prepared by FAO during 2007. The Contribution Agreement has been signed by FAO and will be signed by the Delegation at the beginning of 2008.

2.5 Dialogue in country with NSAs, local authorities and the national Parliament

No resources were set aside for NSAs under the 9th EDF. However During the MTR "in-country-meeting" of December 2004 and with the aim of strengthening civil society involvement in EU/St Lucia development partnership, it was agreed that a non state actor (NSA) advisory panel, representative of St Lucia's civil society, would be established by the Government of St Lucia after close consultation between the EC Delegation in Barbados and the National Authorising Officer. The panel would provide a forum for tripartite dialogue, information and consultation on development cooperation between the EU and St Lucia.

In the second half of 2005, a team of international consultants assisted the Government and the Delegation with the mapping of NSAs in St Lucia and the selection of members of the Panel. The Panel was launched in May 2006 on the occasion of the in-country consultations on the 10th EDF Programming. NSAs are expected to benefit from the 10th EDF allocation. The NSA panel has been very active in St Lucia, and meets at least once per quarter as required for the past year and in some quarters have held more than one meeting to discuss EU development issues as they relate to St Lucia. The Panel was involved in the discussion relating to the preparation of the draft CSP-NIP, 2008-2013. The Panel has also held several workshops for members and the private sector on the EPA, as well as discussions with the Ministry of Trade, Industry and Commerce on the Agreement.

3. CONCLUSIONS

St Lucia continues to enjoy transparency and stability in its democratic processes as demonstrated in the smooth transfer of leadership to Stephenson King on the death of Sir John Compton, and later the successful execution of a by-election to fill the vacancy in Sir John's constituency. The country's main demographic and social indicators reflect a reasonable standard of living (particularly in the areas of health and education) in keeping with the country's lower middle income status and medium HDI rank. However, there remain challenges with regard to non-communicable diseases in the health sector and disparities in gender based performance at the secondary level in education.

St Lucia's generally sound macro-economic and structural adjustment measures have placed it on a trajectory of low inflation and moderate economic growth. The scenarios in the tourism, construction and agricultural sectors are promising in the medium to long term despite short term challenges. One of the most intractable problems facing the country is the translation of economic growth into job creation/generation to reduce the high levels of employment and thereby further increase overall individual and household welfare.

The country's limited institutional and organizational capacity is one obvious obstacle in this regard as evidenced in the considerable size of the un-disbursed funds under the cooperation portfolio with the EU.

The Government must make the necessary sacrifice to ensure that all the required resources are dedicated to completing the various support programmes and projects in order for their benefits to be quickly realized. In addition, a comprehensive human resource development policy and plan is required to equip the Saint Lucian labour force with the necessary skills and competencies for them to maximise existing and future employment benefits nationally, regionally (CSME) and globally.

Overall the implementation of the EU-SLU Cooperation programme, is behind schedule with less than satisfactory disbursements of the total available resources under the SFA (35% at end of 2007) and delays in the award of the construction contract for the new national hospital which left €19.5 m (from EDF balances) unutilized. However, it is expected that the pace of implementation will increase during the latter part of 2008 into 2009 and beyond with short term technical assistance to the EDF PMCU underway and the expectation to award the construction contract for the hospital at the end of 2008.

A. Key Macroeconomic Indicators	Actual								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Exports (GNES) annual growth									
Nominal GDP EC\$ fiscal year	1,878.97	1,893.49	1,861.40	1,921.62	2,042.94	2,203.69	2,382.29	2,480.73	
Nominal GDP US\$ fiscal year	691.59	696.93	685.12	707.28	751.94	811.11	876.84	913.07	
GDP nominal (US\$) calendar year	594.86	585.52	585.72	613.50	654.60	700.43	742.44	749.87	
GDP at factor cost (current prices) (EC\$)	1616.17	1590.79	1591.34	1666.82	1778.48	1902.99	2017.14	2037.311	
Gross domestic product at market prices	1,907.76	1,850.69	1,893.52	2,005.92	2,153.99	2,352.80	2,470.75	2,553.13	
External Current Account balance (% GDP)	-13.8	-15.8	-14.9	-19.8	-11.0	-17.2	-32.4	-32.7	
Current Account balance (US\$)	-96.80	-107.60	-104.00	-146.49	-86.86	-149.07	-295.00	-307.33	
National accounts (as % of GDP)									
Gross domestic product	100	100	100	100	100	100	100	100	
Agriculture	6.94	5.47	5.68	4.62	4.32	3.11	3.25	3.31	
Industry	19.6	19.4	18.5	18	18.1	18.3	18.1	17.5	
Services	73	73.8	75.1	76.6	76.6	76.4	76.7	77.6	
Total Consumption	84.32	86.21	89.55	92.37	86.66	83.86	77.75		
Gross domestic investment	25.72	24.82	21.96	20.36	20.97	23.43	29.80		
Government Investment	7.3	7.5	10.7	7.1	8.1	10	7.5		
Private Investment	17.1	16.5	12.9	11.7	12.6	19.1	17		
Exports (GNFS)	54.33	51.85	49.59	47.63	52.89	51.04	42.25	41.01	
Imports (GNFS)	62.70	56.26	57.41	65.04	46.48	48.70	56.93	57.29	
Gross domestic savings	17.4	16.4	16.8	15.2	...	...	...	...	...
Gross national savings	14.2	9.4	6.8	0.6	10	10.6	12.9	...	...
<i>Memorandum items</i>									
Gross domestic product (US\$ million at current prices)	594.9	585.5	585.7	613.5	654.6	700.4	742.4	764.7	
GNI per capita (US\$, Atlas method)	4010	3790	3830	4030	4300	...	...	...	...
Real annual growth rates (%)									
Gross domestic product at factor cost (constant price)	-0.24%	-4.14%	0.56%	3.53%	3.85%	4.54%	5.00%	0.04%	
Gross domestic product at market prices	1,907.76	1,850.69	1,893.52	2,005.92	2,153.99	2,352.80	2,470.75	2,553.13	
Annual growth rates (%)	2.1	-2.99	2.31	5.94	7.38	9.23	5.01	3.33	
Balance of Payments (US\$ million)									
Trade Balance	-271.91	307.24	-228.2	-257	-289	-344	-440.21	-429	
Exports (GNFS)	381.5	353.2	345.6	351.68	419.35	441.99	384.18	385.39	
Merchandise FOB	253	218	203	285.13	266.56	351.76	440.54	464.1	
Imports (GNFS)	440.3	383.2	400.1	480.2	368.5	421.71	517.7	538.38	
Resources balance	58.8	30	54.5	128.52	-50.85	-20.28	133.52	152.99	
Net current transfer	18.5	14.6	12.2	12.79	13.82	12.89	11.91	11.95	
Current account balance	-96.8	-107.6	-104	-146.49	-86.86	-149.07	-295	-307.33	
Net private foreign direct investment	53.5	59.1	50	111.12	80.54	81.47	236.18	263.04	
Change in reserves	-4.5	-10.1	-4.8	12.71	-25.36	-15.89	-18.4	-1.15	
Public finance (as % of GDP at market prices)									
Current revenue	26.2	23.8	24	25.8	24.91	24.57	25.11	27.41	
Current expenditure	20.8	22.2	23.9	24.7	23.64	22.16	22.43	21.64	
Current balance	5.4	1.6	0.1	1.1	3.3	1.16	2.68	5.77	
Capital expenditure	7.3	7.5	10.7	7.1	9.38	9.95	12.27	8.47	
Primary balance	0.61	-1.26	-0.12	-3.63	-4.98	-3.91	-6.54	0.77	
Monetary indicators									
M2 / GDP	61.8	66.7	67.2	68.3	70.1	72.8	83.2	85.4	...
Growth of M2 (%)	7.9	4.7	3.2	7.6	10.1	13.4	20.1	6.0	...
Consumer price index (% eop)	3.6	2.1	-0.7	0.5	3.5	5.2	0.67	6.8	3.5
a. GDP at factor cost									
b. "GNES" denotes "goods and nonfactor services."									
c. Includes net unrequited transfers excluding official capital grants.									
d. Includes use of IMF resources.									
e. Consolidated central government. Data presented on a fiscal year basis (April - March).									
f. "LCU" denotes "local currency units." An increase US\$/LCU denotes appreciation.									
g. Data presented on a fiscal year basis (April - March)									
Source: World Bank Country Assistance Strategy for OECS Countries									

GDP at Factor Cost (Constant prices)																	
SECTORS	1990	1991	1992	1993	1994	1995	1996	1997	1998R	1999R	2000R	2001R	2002R	2003R	2004PJ	2005pj	2006pj
Agriculture, Livestock, Forestry, Fishing	137.80	112.65	141.36	140.29	113.03	118.80	119.89	98.38	97.20	82.69	85.37	64.50	67.33	56.73	55.10	41.47	45.52
- Bananas	97.69	69.72	98.95	94.50	69.01	80.43	76.72	52.14	51.22	41.05	43.68	22.37	35.75	22.78	26.81	16.84	18.76
- Other Crops	25.31	27.19	26.48	30.13	30.09	24.02	25.68	26.71	25.56	21.14	19.57	20.48	13.50	14.27	11.30	8.15	8.94
- Livestock	8.51	6.71	6.95	5.91	6.11	5.71	7.49	8.39	9.12	6.67	7.67	7.20	6.86	6.64	6.77	6.92	6.25
- Fishing	3.97	6.82	6.87	7.75	5.93	6.86	8.33	9.57	9.84	12.48	13.21	13.22	10.02	11.88	9.10	8.48	10.52
- Forestry	2.32	2.21	2.11	2.00	1.89	1.78	1.67	1.57	1.46	1.35	1.24	1.23	1.20	1.16	1.12	1.08	1.05
Mining and Quarrying	3.67	4.14	5.39	4.99	3.96	5.17	5.15	5.73	5.83	6.72	7.66	5.71	5.82	5.83	5.70	5.50	6.59
Manufacturing	79.59	72.68	75.65	73.48	69.33	76.65	74.30	66.50	71.37	71.38	70.09	65.59	69.17	72.21	70.07	81.48	86.95
Construction	61	73.18	87.03	84.64	88.76	90.91	87.30	87.64	96.82	109.22	104.21	99.02	94.23	95.73	96.70	108.79	123.17
Electricity and Water	27.53	29.70	34.84	39.58	42.17	46.06	43.29	47.98	57.88	64.16	61.06	63.85	62.26	63.42	64.63	55.96	51.12
- Electricity	19.84	21.89	26.45	30.56	34.08	37.43	34.99	38.38	49.73	57.39	53.18	55.59	55.06	56.32	57.44	48.73	43.75
- Water	7.69	7.81	8.39	9.02	8.09	8.63	8.30	9.60	8.15	6.77	7.87	8.26	7.20	7.10	7.19	7.23	7.37
Wholesale and Retail Trade	156.9	159.28	165.25	161.77	152.82	144.97	145.38	150.10	151.65	156.18	146.05	124.84	126.39	136.21	147.68	156.29	170.39
Hotels and Restaurants	91.31	97.75	108.17	99.19	117.99	119.32	128.47	142.05	145.40	151.57	155.61	139.20	138.35	161.36	170.86	181.67	176.70
Transport	104	97.75	97.33	103.91	112.55	113.73	117.19	119.1	122.42	128.79	127.14	125.49	120.7	125.95	135.18	136.00	151.19
- Road Transport	64	64.23	62.86	66.49	70.43	74.64	76.84	81.40	83.03	85.04	86.90	87.05	84.73	85.18	86.09	87.46	90.09
- Air Transport	11	11.85	12.88	13.39	14.12	15.23	14.78	15.83	16.14	17.50	18.03	17.06	16.44	20.34	22.26	21.78	22.18
- Sea Transport	29	21.67	21.59	24.03	28.00	23.86	25.57	21.87	23.25	26.25	22.21	21.38	19.53	20.43	26.83	26.76	38.92
Communications	55.76	62.56	66.22	71.96	89.20	89.10	94.09	93.53	96.18	102.13	107.75	120.50	129.56	135.43	141.65	152.05	151.72
Banking and Insurance	69.85	71.63	77.35	80.9	88.28	91.88	98.29	105.73	110.99	120.79	124.42	127.72	129.294	131.854	138.363	150.40	177.39
- Banking	62.00	62.82	66.10	69.70	76.04	79.20	85.49	91.73	96.19	105.14	107.98	110.22	112.35	114.07	119.57	131.37	156.02
- Insurance	7.85	8.81	11.25	11.20	12.24	12.68	12.80	14.00	14.80	15.65	16.44	17.50	16.94	17.78	18.79	19.03	21.37
Real Estate and Owner Occupie	111.5	114.04	117.62	118.65	121.01	120.99	125.12	129.26	135.13	138.36	141.39	146.16	149.63	154.62	159.68	168.78	173.18
Producers of Government Servic	121.1	125.18	123.01	125.36	131.94	135.83	135.97	136.53	138.57	144.74	145.89	149.43	146.97	143.93	149.82	162.34	178.23
Other Services	36.22	36.11	35.72	47.69	47.39	48.34	50.82	52.42	53.99	55.72	57.55	53.33	54.29	54.27	54.59	55.60	57.78
Less: Imputed Banking Service	-61.16	-61.8	-64.7	-68.59	-74.2	-76.82	-82.82	-88.94	-93.772	-99.45	-104.13	-106.21	-108.24	-109.95	-115.2	-123.67	-150.65
TOTAL	995.10	994.85	1070.24	1083.87	1104.23	1124.93	1142.45	1146.01	1189.65	1233.00	1230.06	1179.13	1185.74	1227.59	1274.82	1332.67	1399.27
Growth Rate	9.21%	-0.03%	7.58%	1.27%	1.88%	1.87%	1.56%	0.31%	3.81%	3.64%	-0.24%	-4.14%	0.56%	3.53%	3.85%	4.54%	5.00%

B. TABLE OF INDICATORS FOR THE MDGS

Millennium Development Goals	1990	1995	2000	2005
Goal 1: Eradicate extreme poverty and hunger				
Income share held by lowest 20%	..	5.2	..	..
Malnutrition prevalence, weight for age (% of children under 5)	..	..	..	..
Poverty gap at \$1 a day (PPP) (%)	..	..	..	..
Poverty headcount ratio at \$1 a day (PPP) (% of population)	..	..	..	..
Poverty headcount ratio at national poverty line (% of population)	..	..	..	..
Prevalence of undernourishment (% of population)	8	7	..	5
Goal 2: Achieve universal primary education				
Literacy rate, youth total (% of people ages 15-24)	..	..	..	..
Persistence to grade 5, total (% of cohort)	96	..	99	96
Primary completion rate, total (% of relevant age group)	122	116	101	96
School enrollment, primary (% net)	95	..	94	97
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)	..	..	11	11
Ratio of girls to boys in primary and secondary education (%)	102	..	107	104
Ratio of young literate females to males (% ages 15-24)	..	..	..	..
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	48.3	48.4	48.5	48.0
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	82	94	88	94
Mortality rate, infant (per 1,000 live births)	20	18	17	12
Mortality rate, under-5 (per 1,000)	21	21	16	14
Goal 5: Improve maternal health				
Births attended by skilled health staff (% of total)	..	100	..	99
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases				
Contraceptive prevalence (% of women ages 15-49)	47	..	..	..
Incidence of tuberculosis (per 100,000 people)	20	19	18	17
Prevalence of HIV, female (% ages 15-24)	..	..	..	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	..
Tuberculosis cases detected under DOTS (%)	..	111	57	92
Goal 7: Ensure environmental sustainability				
CO2 emissions (metric tons per capita)	1.2	2.1	2.1	2.0
Forest area (% of land area)	28	..	28	28
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	..	..	..	..
Improved sanitation facilities (% of population with access)	..	..	..	89
Improved water source (% of population with access)	98	..	..	98
Nationally protected areas (% of total land area)	..	..	..	14.6
Goal 8: Develop a global partnership for development				
Aid per capita (current US\$)	92	332	70	67
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	2.1	2.8	7.5	6.1
Fixed line and mobile phone subscribers (per 1,000 people)	127	217	329	..
Internet users (per 1,000 people)	..	3	51	339
Personal computers (per 1,000 people)	..	1	141	160
Total debt service (% of exports of goods, services and income)	2.1	3.1	8.2	7.1
Unemployment, youth female (% of female labor force ages 15-24)	..	42.3	40.5	49.2
Unemployment, youth male (% of male labor force ages 15-24)	..	27.5	32.2	31.8
Unemployment, youth total (% of total labor force ages 15-24)	..	34.2	36.1	40.0
Other				
Fertility rate, total (births per woman)	3.3	2.9	2.0	2.1
GNI per capita, Atlas method (current US\$)	2,810	3,570	4,140	4,580
GNI, Atlas method (current US\$) (billions)	0.4	0.5	0.6	0.7
Gross capital formation (% of GDP)	25.8	18.7	26.5	21.0
Life expectancy at birth, total (years)	71	71	71	74
Literacy rate, adult total (% of people ages 15 and above)	..	..	..	..
Population, total (millions)	0.1	0.1	0.2	0.2
Trade (% of GDP)	156.7	136.9	119.8	129.6

Source: World Development Indicators database, the World Bank

ANNEX II Financial situation for 8th & 9th EDF

<i>EDF</i>	<i>Country</i>	<i>Project N°</i>	<i>Com. No.</i>	<i>global commitment</i>	<i>indiv. Commitment (contracts)</i>	<i>payments</i>	<i>Title</i>	<i>Global Commitment (projects)</i>	<i>payments</i>	<i>undisbursed pipeline</i>	<i>% disburs't</i>
8	ACP SLU	6		255,000	244,450	206,170	Drug Demand Reduction Project	255,000	206,170	48,830	
8	ACP SLU	12		750,000	750,000	706,850	St. Lucia Technical Studies - Education Policy & Admin Mgt.	750,000	706,850	43,150	
				1,005,000	994,450	913,020		1,005,000	913,020	91,980	0.908477
8	EIB			836,000	836,000	434,720	Bank of St. Lucia	836,000	434,720	401,280	
8	EIB			3,000,000	3,000,000	0	Bank of St. Lucia	3,000,000	0	3,000,000	
				3,836,000	3,836,000	434,720		3,836,000	434,720	3,401,280	11%
				4,841,000	4,830,450	1,347,739		4,841,000	1,347,739	3,493,261	28%
9	ACP SLU	2		60,000	53,600	41,442	TA - SLU. Hospital Construction	60,000	41,442	18,558	
9	ACP SLU	3		450,000	430,780	285,292	Technical Cooperation Facility (TCF)	450,000	285,292	345,236	
9	ACP SLU	4		18,518,300	110,634	0	New National Hospital Project	18,518,300	0	18,518,300	
9	ACP SLU	5		4,680,000	0	0	New National Hospital Project	4,680,000	0	4,680,000	
				23,708,300	595,014	326,733		23,708,300	326,733	23,562,094	1%
				28,549,300	5,425,464	1,674,473		28,549,300	1,674,473	27,055,355	6%

ANNEX III : ON-GOING CARIBBEAN REGIONAL PROJECTS (SITUATION ON DECEMBER 31ST, 2007)

9TH EDF

Regional Caribbean Projects		
Project Number	Project Title	Total (€ mn)
9 ACP RCA 1	Regional Weather Radar Warning System	12.7
9 ACP RCA 3	Air Access Improvement Programme for Dominica	11.95
9 ACP RCA 4	Développement économique du corridor nord de l'île d'Hispaniola	19.5
9 ACP RCA 7	Technical Co-operation Facility (TCF)	1.86
9 ACP RCA 8	Caribbean Trade and Private Sector Phase Phase I	2.6
9 ACP RCA 9	Institutional support and capacity building for disaster management (CDERA)	3.4
9 ACP RCA 10	Support to Caribbean Knowledge and Learning Network (CKLN)	1.99
9 ACP RCA 11	Projet environnement transfrontalier Haïti-République Dominicaine	2.5
9 ACP RCA 12	Caribbean Integration Support Programme	37
9 ACP RCA 13	Activities linked to the CISP (including 0.5 for CARTAC II)	3,5
9 ACP RCA 14	Institutional support to the Caribbean Court of Justice	1,315
9 ACP RCA 15	TCF II	1
9 ACP RCA 16 & 17	Caribbean Trade and Private Sector Phase II	7.9
9 ACP RCA 18 & 19	Bahamas Law School	1.689
9 ACP RCA 20	Contribution to the Caribbean Catastrophe Risk Insurance	8
9 ACP RCA 21	Study for the improvement of ferry docking facilities in Antigua	0.12
9 ACP RCA 22	Hurricane Dean Rehabilitation Assistance – Jamaica – Regionalised B envelope	5.05
9 ACP RCA 23	Cyclone Noel – rehabilitation assistance budget support programme – Dominican Republic – Regionalised B envelope	7.5
9 ACP RCA 24	Standby Facility for debt relief emergency and humanitarian assistance	14.75
All ACP Projects		
Project Number	Project Title	Total (€ mn)
9 ACP RPR 6	Support to the competitiveness of the rice sector in the	23.57

	Caribbean	
9 ACP RPR 21	Support to the collaborative doctoral programme in economics	1
9 ACP RPR 61	Programme for science and technology innovations and capacity building (PSTICB)	30.35
9 ACP RPR 64	All ACP Agricultural Commodities Programme	45
9 ACP RPR 164	Support to CKLN II	10
9 ACP RPR 167	Capacity Support for sustainable management of energy resources	1.5
OCT Projects		
Project Number	Project Title	Total (€ mn)
9 PTO REG 1	Strategic Planning in Public Services (CARICAD)	0.65
9 PTO REG 11	Strengthening the integration of the British and Dutch OCTs	6
9 PTO REG 12	TCF OCT II	2.77
9 PTO REG 14	Global C Envelop	23.17

8TH EDF

Project Number	Project Title	Total (€ mn)
8 ACP RCA 35	Caribbean Tourism Sector Development Programme	8
8 ACP TPS 125	Programme for the Caribbean Rum Industry	70
8 ACP RCA 24	Development of vocational tertiary education and training in the Caribbean Region – University of Technology, Jamaica	2.6

ANNEX IV EIB Projects

Country	Project Name	Status	Convention	Contract number	Amount signed (m)	Amount signed (m)	Date of signature	Amount outstanding	Amount outstanding	Beginning repayment
					OR	RC		OR		
St Lucia	ST LUCIA PROJECT	Disbursed	Lome - 2	70455		400,000.00	06/12/1984		27,440.00	09/30/1992
	SLDB II/VCF	Disbursed	Lome - 4	17714	2,000,000		12/14/1994	216,589.15		06/05/1999
		Disbursed	Lome - 4	70984		500,000.00	12/14/1994		500,000.00	12/05/2010
		Disbursed	Lome - 4	70985		1,000,000	12/14/1994		307,392.22	12/05/2009
	LUCELEC III	Disbursed	Lome - 4	19228	8,000,000		12/13/1996	2,238,299.52		04/25/2000
	BANK OF ST LUCIA GL	Signed	Lome - 4 - Bis	21432		3,000,000	12/21/2001		0	
		Signed	Lome - 4 - Bis	21435	5,000,000		12/21/2001	3,549,614.11		
	Total				15,000,000	4,900,000		6,004,502.78	834,832.22	

ANNEX V Budget Lines

St Lucia SFA Programmes

Situation Summary as at 31 December 2007

Note 1 - All values in this table are in EUR (€)

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.97926

3 - Payments represent total payments from EUR and XCD accounts to Individual Commitments. XCD payments are translated into EUR at the actual rate received.

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 1999 (STL/BL7/1999/01)								
Banana Commercialisation	4,350,000		4,350,000	4,349,273	727	4,350,000	3,997,226	
Agricultural Sector Diversification	1,500,000		1,500,000	1,028,734	471,266	881,508	809,196	
Social Recovery Programme	1,800,000		1,800,000	1,305,500	494,500	1,257,293	1,236,219	
Regional Technical Assistance	400,000		528,141	528,141	--	528,141	487,233	
Monitoring and Evaluation	220,000		220,000	65,000	155,000	65,000	62,110	
Contingencies	230,000		101,859	--	101,859			
Interest	--	203,601	203,601	--	203,601			
Total for SFA 1999 (STL/BL7/1999/01) (7 detail records)	€ 8,500,000	203,601	8,703,601	7,276,648	1,426,953	7,081,942	6,591,983	
Percent				83.6%	16.4%	81.4%	75.7%	
* SFA 2000 (STL/BL7/2000/01)								
Banana Commercialisation	4,500,000		4,500,000	4,500,000	--	4,450,250	4,594,326	
Agricultural Sector Diversification	1,800,000		1,800,000	696,334	1,103,666	378,583	180,023	
Social Recovery Programme	1,660,000		1,660,000	1,373,329	286,671	1,660,000	1,180,909	
Monitoring, Audit and Evaluation	140,000		140,000	--	140,000			
Contingencies	375,000		87,650	--	87,650			
Regional Technical Assistance	400,000		687,350	687,350	--	635,657	635,657	
Interest	--	34,736	34,736	--	34,736			
Total for SFA 2000 (STL/BL7/2000/01) (7 detail records)	€ 8,875,000	34,736	8,909,736	7,257,013	1,652,723	7,124,489	6,590,915	
Percent				81.5%	18.5%	80.0%	74.0%	

St Lucia SFA Programmes

Situation Summary as at 31 December 2007

Note 1 - All values in this table are in EUR (€)

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.97926

3 - Payments represent total payments from EUR and XCD accounts to Individual Commitments. XCD payments are translated into EUR at the actual rate received.

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 2001								
Agricultural Sector Diversification	3,538,320		3,538,320	3,538,320	--	1,797,774	1,381,736	
Economic Diversification	1,805,040		1,805,040	1,805,040	--	1,805,040	1,338,838	
Social Recovery Programme	3,396,640		3,396,640	3,396,640	--	2,203,873	1,442,093	
Monitoring and Evaluation	140,000		140,000	--	140,000			
Audits	80,000		80,000	--	80,000			
Contingency	240,000		240,000	--	240,000			
Interest	--	184,952	184,952	--	184,952			
Total for SFA 2001 (7 detail records)	€ 9,200,000	184,952	9,384,952	8,740,000	644,952	5,806,687	4,162,667	
Percent				93.1%	6.9%	61.9%	44.4%	
* SFA 2002								
Agricultural Diversification	2,000,000		2,000,000	13,450	1,986,550	13,450	8,070	
Economic Diversification	3,720,000		3,720,000	2,911,618	808,382	2,911,618	628,136	
Social Recovery Programme	2,000,000		2,000,000	800,000	1,200,000	800,000	200,000	
Evaluation	100,000		100,000	--	100,000			
Audits	80,000		80,000	--	80,000			
TA for Management and Monitoring	390,000		390,000	198,772	191,228	198,772	99,386	
Contingency	110,000		110,000	--	110,000			
Regional Technical Assistance	400,000		400,000	400,000	--	361,041	361,041	
Interest	--	--	--	--	--			
Total for SFA 2002 (9 detail records)	€ 8,800,000	--	8,800,000	4,323,840	4,476,160	4,284,881	1,296,633	
Percent				49.1%	50.9%	48.7%	14.7%	

St Lucia SFA Programmes

Situation Summary as at 31 December 2007

Note 1 - All values in this table are in EUR (€)

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.97926

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 2003								
Programme Management	1,000,000		1,000,000	943,760	56,240	943,760	283,128	
Legislative and Policy Framework	350,000		350,000	350,000	--	350,000	105,000	
Planning and Coordination System	700,000		700,000	700,000	--	700,000	210,000	
Natural Resource Assessment Systems	550,000		550,000	550,000	--	550,000	165,000	
Community Participation	300,000		300,000	300,000	--	300,000	90,000	
Environmental Management Fund	4,000,000		4,000,000	3,999,861	139	3,999,861	1,200,944	
Evaluations	400,000		400,000	--	400,000			
Audits	200,000		200,000	--	200,000			
Contingency	500,000		500,000	--	500,000			
Interest	--		--	--	--			
Total for SFA 2003 (10 detail records)	€ 8,000,000	--	8,000,000	6,843,621	1,156,379	6,843,621	2,054,072	
Percent				85.5%	14.5%	85.5%	25.7%	
* SFA 2004								
Banana Commercialization & Agricultural Div.	1,168,500		1,168,500	1,071,059	97,441	1,071,059		
Economic Diversification & Private Sector Dev.	2,981,500		2,981,500	2,981,414	86	2,981,414		
Social Recovery & Human Development	2,760,000		2,760,000	2,760,000	--	2,760,000		
Audit	100,000		100,000	18,303	81,697	18,303	18,303	
Evaluation	100,000		100,000	--	100,000			
Contingency	150,000		150,000	--	150,000			
Interest	--		--	--	--			
Total for SFA 2004 (7 detail records)	€ 7,260,000	--	7,260,000	6,830,776	429,224	6,830,776	18,303	
Percent				94.1%	5.9%	94.1%	0.3%	

St Lucia SFA Programmes

Situation Summary as at 31 December 2007

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 2005								
Efficiency & Competitiveness of Banana Enterprise	1,300,000		1,300,000	--	1,300,000			
Agricultural Production Expanded & Diversified	1,464,500		1,464,500	--	1,464,500			
Export Performance Improved-Diversified Export Mix	1,000,000		1,000,000	--	1,000,000			
Social Stability Maintained	1,000,000		1,000,000	--	1,000,000			
Sustainable Use - Natutal Resources Promoted	500,000		500,000	--	500,000			
Programme Management: TA	300,000		300,000	--	300,000			
Audit & Evaluation	300,000		300,000	--	300,000			
Contingency	305,500		305,500	--	305,500			
Interest	--	--	--	--	--			
Total for SFA 2005 (9 detail records)	€ 6,170,000	--	6,170,000	--	6,170,000			
Percent				0.0%	100.0%			
* SFA 2006								
Agricultural Diversification	1,750,000		1,750,000	--	1,750,000			
Economic Diversification	1,350,000		1,350,000	--	1,350,000			
Social Recovery	1,610,000		1,610,000	--	1,610,000			
Energy	250,000		250,000	--	250,000			
Programme Management - TA	200,000		200,000	--	200,000			
Evaluation	100,000		100,000	--	100,000			
Audit	50,000		50,000	--	50,000			
Contingency	100,000		100,000	--	100,000			
Total for SFA 2006 (8 detail records)	€ 5,410,000	--	5,410,000	--	5,410,000			
Percent				0.0%	100.0%			

St Lucia SFA Programmes

Situation Summary as at 31 December 2007

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 2007								
Training, Sensitisation & Product Development	1,400,000		1,400,000	--	1,400,000			
Upgrading of Tourism Facilities	2,000,000		2,000,000	--	2,000,000			
Agricultural Review & Monitoring	100,000		100,000	--	100,000			
Technical Assistance	800,000		800,000	--	800,000			
Audit & Evaluation	200,000		200,000	--	200,000			
Contingency	100,000		100,000	--	100,000			
Total for SFA 2007 (6 detail records)	€ 4,600,000	--	4,600,000	--	4,600,000			
Percent				0.0%	100.0%			
Grand Total	€ 66,815,000	423,289	67,238,289	41,271,898	25,966,391	37,972,396	20,714,573	

St Lucia STABEX Programmes

Situation Summary as at 31 December 2007

Note 1 - All values in this table are in EUR (€)

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.97926

3 - Payments represent total payments from EUR and XCD accounts to Individual Commitments. XCD payments are translated into EUR at the actual rate received.

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals	
	Original	Interest	Revised						
* STABEX 1994 PROGRAMME									
Banana Productivity Improvements	4,000,000		8,567,620	7,971,686	595,934	7,971,686	7,971,686		
Agricultural Diversification	6,000,000		7,366,891	7,152,137	214,754	7,152,137	7,152,137		
Rural Development & Social Safety Nets	2,000,000		2,000,000	1,660,992	339,008	1,660,992	1,660,992		
Diversification of the Economy	7,000,000		6,015,530	5,570,864	444,666	5,546,168	5,295,110		
Agricultural Sector Institutional Strengthening	600,000		600,000	562,232	37,768	409,155	384,487	--	
EDF/Programme Management Coordination Unit	400,000		1,475,260	1,364,298	110,962	1,364,298	1,364,298	--	
Monitoring & Evaluation	1,000,000		207,257	141,544	65,713	141,544	79,007		
Reserves	1,176,403		--	--	--	--	--		
Balance of First Protocol	302,130		--	--	--	--	--		
Interest	--	3,775,802	21,778	--	21,778	--	--		
Total for STABEX 1994 PROGRAMME (10 detail records)	€	22,478,533	3,775,802	26,254,335	24,423,752	1,830,583	24,245,979	23,907,716	--
Percent					93.0%	7.0%	92.4%	91.1%	0.0%
* STABEX 1995 PROGRAMME									
Banana Productivity Support	1,500,000		3,718,196	3,718,196	--	3,718,196	3,718,196		
Agricultural Diversification	1,500,000		1,873,134	1,674,295	198,839	1,671,874	1,600,854		
EDF/PMCU and consultancy Services	350,000		504,242	462,291	41,951	462,291	405,693		
Monitoring & Evaluation	456,294		456,294	250,513	205,781	250,513	250,513		
Budgetary Support	13,900,000		12,900,000	12,900,000	--	12,900,000	12,883,622		
Interest	--	2,780,070	1,034,497	768,000	266,497	768,000	741,916		
Total for STABEX 1995 PROGRAMME (6 detail records)	€	17,706,294	2,780,070	20,486,364	19,773,295	713,069	19,770,874	19,600,794	
Percent					96.5%	3.5%	96.5%	95.7%	

St Lucia STABEX Programmes

Situation Summary as at 31 December 2007

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* STABEX 1996/97 PROGRAMME								
Diversification of the Economy	500,000		2,156,384	2,156,384	--	2,747,955	1,496,609	
Social and Community Development	1,000,000		770,000	770,000	--	524,249	326,807	
Agricultural Diversification	500,000		--	--	--			
EDF/ Programme Management & Coordination Unit	100,000		100,000	--	100,000			
Monitoring, Auditing and Evaluation	258,222		258,222	59,469	198,753	59,842	59,469	
Budgetary Support	10,200,000		10,430,000	10,430,000	--	10,430,000	10,430,000	
Interest	--	1,482,353	325,969	--	325,969			
Total for STABEX 1996/97 PROGRAMME (7 detail records)	€ 12,558,222	1,482,353	14,040,575	13,415,853	624,722	13,762,045	12,312,885	
Percent				95.6%	4.4%	98.0%	87.7%	
* STABEX 1998 PROGRAMME								
Unprogrammed (FMO not yet concluded)	4,096,556		4,096,556	--	4,096,556			
Interest	--	971,881	971,881	--	971,881			
Total for STABEX 1998 PROGRAMME (2 detail records)	€ 4,096,556	971,881	5,068,437	--	5,068,437			
Percent				0.0%	100.0%			
* STABEX 1999/00+ART. 195A BALANCES								
Unprogrammed (FMO not yet signed)	12,146,414		12,146,414	--	12,146,414			
Interest	--	2,506,876	2,506,876	--	2,506,876			
Total for STABEX 1999/00+ART. 195A BALANCES (2 detail records)	€ 12,146,414	2,506,876	14,653,290	--	14,653,290			
Percent				0.0%	100.0%			
Grand Total	€ 68,986,019	11,516,982	80,503,001	57,612,900	22,890,101	57,778,898	55,821,396	0

ANNEX VI Intervention Framework

Sector: Health	Performance Indicators	Status 2002	Target 2003	Target 2004	Target 2005	Target 2006	Target 2007	Sources of information	Assumptions
National Sector Target: Provision of high-quality health services to the population by establishing technologically advanced and well-resourced health facilities	Government to award the design study for the hospital before MTR	Achieved no	Achieved yes	Achieved yes	Achieved yes	Achieved yes	Achieved yes	Signed and dated Letter of Invitation and Tender Dossier for design study.	Adequate levels of public expenditure maintained especially with regard to recurrent budget. Continued implementation of the Government's Health Sector Reform particularly with regard to hospital autonomy (clarification of Ministerial responsibility), Health Finance and Human Resource Development. Relevant supportive policy, legislative and regulatory instruments for the quality delivery of health care are developed and promulgated by GOSL well in advance of the completion of the hospital. Adequate technical and managerial human capacity exists GoSL's current efforts to develop a sustainable health financing system is successful Efficient management and control systems are developed
	Results of the study to be available by 2004	Achieved No	Achieved No	Preliminary Outline Designs	Final Design and Production /Working drawings	Achieved yes	Achieved yes	Ministry of Health data	
	The review of the existing legislation in respect of the health sector completed before MTR.	Achieved No	Achieved no	Achieved yes	Achieved yes	Achieved yes	Achieved yes	Attorney General's Report	
Intervention objective: Optimise capacity and improve quality of secondary and tertiary level health system in St. Lucia through the construction of a new hospital in St. Lucia	20% reduction in numbers of patients waiting to be treated by 2008.	No	No	No	No	No Awaiting New National Hospital	No Awaiting New National Hospital	Ministry of Health Data Quantitative Surveys	Planning capability of Ministry improved by recruitment of an Adviser in Health Planning
	10 % increase of persons being treated/ Hospital utilisation rates improved by 10% by 2012.	No	No	No	No	No Awaiting New National Hospital	No Awaiting New National Hospital	PAHO Reports	Needs of psychiatric patients addressed by Government or other donors
	Improved range of services being provided by hospital	No	No	No	No	No Awaiting New National Hospital	No Awaiting New National Hospital	Patient satisfaction surveys	

	Improved access to hospital	No	No	No	No	No Awaiting New National Hospital	No Awaiting New National Hospital	Patient satisfaction surveys	
	Reversal of the trend of erosion of public sector tertiary level health care provision	No	No	Yes	Yes	Yes	Yes	Ministry of Health and Finance Data	
Results									
Newly constructed hospital	Decommissioning /Transfer arrangements and plans for personnel, equipment and general services at old hospital finalised by 2005.	No	No	No	No	Terms of Reference for modernisation of systems and personnel improvements at old hospital have been prepared.	No Awaiting New National Hospital	Victoria Hospital Decommissioning Report	Sufficient maintenance of building is guaranteed.
	Commissioning Plan for new hospital prepared by 2007	No	No	No	No	No Awaiting New National Hospital	No Awaiting New National Hospital	New Hospital Commissioning Report	Sufficient funds are allocated to run the hospital.
	12,900 square metres of new hospital building constructed by 2009	No	No	No	No	No Awaiting additional funding to meet shortfall of funds for works contract	No Target to be revised in keeping with delays in award of works contract	Quantity and quality of work executed as measured against the Bill of Quantities (Reports of Supervising Engineer)	Manpower and materials required for the construction activities are readily available.
	New Hospital properly staffed and equipped at all levels by 2009.	No	No	No	No	No Awaiting New National Hospital	No Target to be revised in keeping with delays in award of works contract	Mid Term Evaluations	No occurrence of natural disasters Cost overruns would be met by counterpart funds

New hospital properly integrated to the overall health system of St Lucia New hospital properly integrated to the overall health system of St. Lucia by 2009.	No	No	Yes	Yes	No Awaiting New National Hospital	No Target to be revised in keeping with delays in award of works contract	Project Completion Report PAHO/Ministry of Health Data	There would be adequate funding to equip and staff the hospital to provide acute care services. Adequate staff would be trained to provide services
---	----	----	-----	-----	---	---	---	--

Annex VII Donor Matrix

St. Lucia		Human rights and governance						Peace and security	Economic growth, regional integration and trade						Investing in People						Others			Total	Total / Year	Comments								
European Consensus		Governance, democracy, human rights and support for economic and institutional reforms						Conflict prevention and fragile states	trade and regional integration			Infrastructure, Communications and transport	Water and Energy			Social cohesion and employment	The environment and the sustainable management of natural	Rural development, territorial planning, agriculture and food security			Human Development			General Budget Support	General Technical Support (TCF, ON etc.)	Unspecified	Sum of left hand columns	Sum of left hand columns/years						
Sectors		Governance	Decentralisation and micro-projects	Economic and institutional reforms	NSA	Unspecified	S-total		EPA	Regional economic integration	Private sector development	Unspecified	S-total		Water	Energy	S-total			Rural development & territorial planning	Agriculture	Food security	S-total	Health	Education, unspecified	Human development, unspecified	S-total							
Number of years as of year 2008		M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro	M Euro				
European Commission (EDF)											5.48						5.48										1.0			6.5		Donations: including stabex & symsing on going		
European Commission (Budget Line)																											3.91							
France																																		
Total EU		0.000	0.000	0.000	0.000	0.000	0.000	0.0	0.000	5.480	0.000	0.000		0.0	0.0	5.5		0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000	4.910	0.000		10.4				
Agence Francaise De Development			0.923																													2.6		
Canadian International Development Agency																																10.8		
Caribbean Development Bank		1.533		4.5																13.932	8.464			1.717	3.1						33.3			
International Bank for Reconstruction and Development															3.189																	6.0		
Japanese International Cooperation																										0.080						0.1		
Kuwait Government											4.859																					4.9		
Organisation of American States		0.153	0.91																													0.4		
United Nations Development Programme		0.122																														0.3		
World Bank															6.6																	15.4		
TOTAL		1.81	1.83	4.50	0.00	0.00	8.1	0.0	0.0	0.0	0.0	0.0	0.0	7.5	9.8	0.0	9.8	0.0	1.974	13.932	0.000	15.9	0.0	7.1	7.1	14.2	0.0	0.1	0.0	57.5		TOTAL		
TOTAL EU																																0.0		TOTAL
TOTAL (%)		1.3	0.4	9.6																												0.0		TOTAL (%)
Percentage EU/others		0%	0%	0%	#DIV/0!	#DIV/0!	0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0%	#DIV/0!	56%		0%	0%	0%	#DIV/0!	0%	#DIV/0!	0%	#DIV/0!	700%	18%	#DIV/0!					#DIV/0!	

Questions on the EU Aid Effectiveness targets.

The Commission has to report its performance annually against the four EU targets on aid effectiveness. The data for this will be collected through the EAMR reporting system. You are therefore requested to complete the questions below with specific information as noted so that the current baseline we have from the July 2007 EAMR can be tracked annually. The information will also be important for you to exchange with your government colleagues, NGOs and with other donors, including MS.

Delegations had difficulty completing the questionnaire for the July 2007 EAMR. Following discussions with them the guidance to measure each target has been made more specific, following the revised OECD guidance for the 2008 survey. We hope you find the new elements more helpful. If you would still like further clarifications please contact your desk officer in AIDCO.

Some Delegations will also be completing the OECD survey during Jan-March 08. Your responses below should make it much easier to answer the OECD survey.

Regional offices will have to complete Annex C separately for each country in their region.

Please note that within the strategy that EuropeAid in relation to EU Target 4 – reduce the number of uncoordinated missions by 50 % - a number of new points have been prepared:

- Delegations are invited to:

- list dates for HQ missions already planned for the immediate 6 months period and mention if they are not coordinated;
- indicate to HQ what priority missions the Delegations estimate better serves coordination arrangements at local level for the following 6 months period.

The periods for missions, to be used in the January and July EAMR are as follows:

- In the 2008 January EAMR; Delegations list missions agreed for the period March to August 2008 and indicate their priorities for HQ in the period September 2008 to February 2009;
- In the 2008 July EAMR: Delegations list missions agreed for September 2008 to February 2009 and then indicate their priorities for HQ missions in the period March to August 2009.

1. EU Target No 1		
Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements		
2. Introduction		
The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)		
3. Questions and definitions		
Question	Definition – OECD Ref	Response EUR
How much ODA did you disburse at country level for the government sector in FY 2007 (EUR)?	Qd2	34000000
How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	Qd5	9000000
How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	Qd6	9000000
How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	Qd7	9000000
How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	Qd9	9000000
4. Definition of Indicator		
[[Qd5 + Qd6 + Qd7 + Qd9] ÷ 4] ÷ [Qd2] (please calculate and enter as response %)		26%
5. Additional information		
Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)		
No		

Definitions from "Definitions and Guidance" OECD/DAC

www.oecd.org/dataoecd/13/29/36306366.doc

ODA	<p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none"> ▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and ▪ are concessional in character and convey a grant element of at least 25%.
Disbursements	<p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p>
Government sector	<p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p>
Disbursements for the government sector	<p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p>
Use of national budget execution procedures (Q ^{d5})	<p>Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.</p>
Use of national financial reporting procedures (Q ^{d6})	<p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <u>NOT</u> require:</p> <ul style="list-style-type: none"> ▪ The production of additional financial reports. ▪ Periodicities for reporting that are different from government's normal reporting cycle. ▪ Formats for reporting that do not use government's existing chart of accounts.
Use of national auditing procedures (Q ^{d7})	<p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>
Use of national procurement procedures	<p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation).</p>

1. EU target 2		
Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements ⁵		
2. Introduction		
<p>EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.</p> <p>The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.</p> <p>To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and definitions		
1	How much technical cooperation did you disburse in 2007 (Total TC in EUR)? <i>OECD question reference in the Paris survey : Q^{d3}</i>	Euro 5000000
2	How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)? <i>OECD question reference in the Paris survey : Q^{d4}</i>	Euro 0
4. Definition of Indicator		
3	<i>Q^{d4} / Q^{d3} (please calculate this and enter in the next column as %)</i>	0%

⁵ Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q^{d4}.

5 Additional Information

4

Qualitative information⁶ :

Are there any significant initiatives to promote coordinated technical cooperation in your country?

If so, please provide a short description. And indicate whether they are linked to the Code of Conduct / Division of Labour process or any other "EU initiatives"

If not, highlight key constraints delaying joint work on TC and capacity development.

Resistance from recipient countries to foreign TA

Please note any other comments you have on these issues

⁶ These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU target 3		
Avoid establishment of new project implementation units (PIUs).		
2. Introduction		
<p>EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"</p> <p>To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and Definitions		
1	How many parallel project implementation units funded by EC were in operation in December 2007? <i>OECD question reference in the Paris survey : Q^d10</i>	0
2	Out of these, how many <u>new</u> parallel project implementation units were established during 2007?	0
4. Additional Information		
3	<p>Qualitative information⁷:</p> <p>Are there any significant initiatives to avoid the establishment of parallel PIUs in your country?</p> <p>What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements?</p> <p>Increase capacity within the ministries in charge of ODA implementation.</p> <p>Please note any other comments you have on these issues</p>	

1. EU Target No 4	
Reduce the number of uncoordinated missions by 50%.	
2. Introduction	
<p>The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.</p> <p>The Paris Declaration objectives underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field⁸ it is important that donors: Conduct fewer missions, coordinate timing of missions with partner authorities and, where necessary, with other donors, <i>conduct more joint missions, avoid conducting missions during "mission free periods"</i>⁹.</p> <p>Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on</p>	

⁷ These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

⁸ 'Field' refers to the country in general including missions to the capital only.

⁹ The target set for 2010 for indicator 10 a) is to have 40% of donor missions to the field as joint.

behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:

1. Does the mission involve international travel to a beneficiary country? i.e. **this concerns only missions from HQ, not missions undertaken within the country by the Delegation.**
2. Does the mission involve a request to meet with government officials, including local government?
3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?

The Definitions and Guidance of the OECD (www.oecd.org/dataoecd/13/29/36306366.doc) requires that missions undertaken by consultants contracted by AIDCO (or other DG's), if they meet the 3 above questions, must also be included.

3. Questions and definitions		
OECD ref: Q^d15	How many HQ missions to the field were undertaken in FY 2007? ¹⁰	12
Q^d16	How many of these were coordinated?	5
Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2007 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission		
AIDCO	4	
DEV	1	3
RELEX	2	
TRADE		1
ECHO		
FISH		
OTHER DGs Taxud		1
Consultants contracted by the Commission		
Total		

4. Definition of Indicator		
Q^d16 / Q^d15	2006	2007
Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ;		

5. Additional Information			
Delegations are invited to list the dates for main HQ missions already planned for the March 2008 to August 2008, indicating whether they are, or not, to be coordinated with other donors;			
HQ DG	Date planned	Purpose/Sector	Coordinated (Yes/No)
DEV, TRADE	July	signature of EPA	YES
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2008 to February 2009, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue.			
HQ DG	Date planned	Purpose/Sector	Donor(s) involved
NOT APPLICABLE NO REAL DONOR PRESENCE IN OUR REGION APART FROM EU			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

¹⁰ This question applies to the missions from the HQ

Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.

Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, ie. the OECD target of 40% and the EU target of halving the number of uncoordinated missions.

- OECD target of 40% likely to be met: Yes/
- EU target of halving the number of un-coordinated missions: Yes/

Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:

Other aid effectiveness related information

On 4 July 2007 our Counsellors Louis Michel and Benita Ferrero-Waldner wrote to all Heads of Delegations requesting implementation of the Code of Conduct for Division of Labour. Several Delegations have responded and have attached their progress reports on aid effectiveness. We need information on the specific points below:

1. Paragraph 5 of the Council conclusion on Division of Labour notes:

"Simultaneously with the implementation of the Code of Conduct, the Member States and the Commission **will promote wide discussions with partner countries and other donors on complementarity and division of labour**, based on the EU code of Conduct which will be complemented by first experiences in the field. **The outcome of these discussions would constitute an input to the OECD/DAC partnership and the High Level Forum on Aid Effectiveness III that will take place in Accra, Ghana in 2008.** The Council invites the **incoming Presidencies to actively support such a process**, in close cooperation with the Member States and the Commission." (Highlights by AIDCO 01)

1.1 Have the discussions with partner countries and other donors been held?

Coordination with beneficiaries for the JARs and Country Portfolio Reviews in the process of planning between April and July

1.2 What input on division of labour is planned by the partner country towards HLF III? If none, then leave blank.

2 In paragraph 14 the Council invites the Commission to outline Community implementation of the Code of Conduct in its annual report on development cooperation, including: '**a self-assessment in its potential areas of comparative advantage** as referred to in the joint Development Policy Statement'. (highlights by AIDCO 01)

2.1 What action has been taken towards this self assessment of comparative advantage?

(a) nothing done yet.

(b) If no, do you have any plans for initiating such a process? What are the plans?

3 In country that have already initiated some form of division of labour:

3.1 Please describe the process. (e.g., when did it start; partner country leadership; donors involved; results on the ground, etc).

3.2 As a result of this process, did the Delegation:

- Pending on the signature of Country Strategy Papers held by the Taxud issue (financial responsibility and reporting)