



**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**

JOINT ANNUAL REPORT 2008

In conformity with Article 81 of
The Cotonou Agreement

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EXECUTIVE SUMMARY

There was no significant political development in St. Lucia during 2008. General elections are constitutionally due in 2011. There were several episodes of cabinet reshuffling by the Prime Minister, the Hon. Stephenson King, as well as much public debate regarding the severing of ties with the People's Republic of China in favour of the Republic of China on Taiwan. The Taiwanese Government is presently assisting the Government of St. Lucia in the areas of community-based infrastructure, ICT, Health (completion of the Psychiatric Hospital) and Agriculture. In the context of the cooperation programme with the European Union, the signature of the works contract for the construction of the new national hospital represented a defining moment for both the European Commission and the Government and people of St. Lucia. The contract was awarded in the amount of €21.3m, and activities are expected to commence early in 2009.

The Caribbean Development Bank signed a policy based loan with the Government of St. Lucia in the amount of USD\$30.m. The loan is intended to support the Government of St. Lucia's efforts at macro-economic reform, particularly in the area of improving public sector management. Special emphasis will be placed on revenue and expenditure management (VAT and a new property tax). This policy based loan will auger well for the country in the assessment of its eligibility for the sector policy support programme to be implemented in the context of the CSP/NIP, 2008-2013.

The performance of the domestic economy improved relative to 2007, and was largely driven by recovery in the tourism (both stay-over and cruise passenger arrivals) and agriculture (banana sub-sector) sectors. There was a 30% increase in banana exports to the UK as a result of replanting efforts following the devastation of Hurricane Dean in 2007. There was a sharp acceleration in the rate of inflation from 0.9% in the first half of 2007 to 5.2% in the first half of 2008. This appears largely the result of the high price of imported fuel and its knock on effect on transportation and food prices. It is anticipated, that Government's fiscal position will worsen (in terms of a decline in the primary balance *viz a viz* 2007) as the slowdown in the domestic economy is translated into slower growth in revenue receipts, particularly from falling levels of imports. Conversely, current expenditure is projected to increase, reflecting salary and wage increases to public servants. St. Lucia's high debt to GDP ratio puts a considerable constrain on the Government's ability either absorb the negative repercussion of the deceleration in economic activity or respond to the challenges with appropriate policy stimulus.

As a member of CARIFORUM, St. Lucia signed the **EPA** on October 15, 2008, thereby allowing for the progressive and asymmetric removal of barriers to trade and enhanced cooperation in all areas related to trade with the European Union.

The Country Strategy Paper and National Indicative Programme, 2008-2013 (10th EDF) was signed on 3rd December, 2008 between the Government of St. Lucia and the European Commission. An indicative allocation of €8.1m has been made under the "A" envelope, of this amount, €6.885 million euro, is earmarked for private sector development to be implemented through a sectoral budget support programme, providing the Government of St. Lucia satisfies the relevant criteria. The overall objective of the intervention is to achieve sustainable social and economic development by improving national productive capacity, efficiency and quality (in commodity and labour markets) for increased economic competitiveness and for successful integration into the new global economic environment. The specific objective is to foster the development of the private sector by encouraging its export-readiness, training human resources in relevant areas, and taking advantage of trade liberalization and regional integration. The PSDP Programme will focus mainly on achieving an export-ready private sector, ensuring the adequacy of the human resource and ensuring congruency with the regional/international integration process.

Overall 2008 was a watershed year in the cooperation programme between the European Union and the Government of St. Lucia. The implementation of the EPA and the 10th EDF private sector development programme will no doubt consolidate previous and ongoing efforts at restructuring the productive economy and certainly lay the foundation needed for sustainable economic growth and by

extension poverty reduction. The signing of the works contract for the new national hospital, as well as the completion of most of the contracting to be done under the cooperation portfolio will result in increased attention being placed on the management and monitoring of implementation in order to successfully achieve the desired results in a timely manner. In this regard, the capacity of the Government of St. Lucia will receive a significant boost through a long term technical assistance initiative funded under the SFA programme and support to the office of the NAO, as well as relevant Government ministries/agencies and department to be financed under the 10th EDF. The role of NSAs is expected to be heightened considerably with continued support under the 10th EDF.

Certainly, continued economic growth and stability will depend on the depth and the length of the present global economic downturn and the associated freeze in the global credit markets. If the developed economies begin showing signs of recovery before the end of 2009, then the negative repercussions to St. Lucia, the OECS sub-region and indeed the Caribbean will be limited at best. However, if as predicted the global economic slump lasts to the end of 2009. Then increased job losses in the USA, in particular, will be largely reflected in declines in tourist arrivals and remittances. In addition, FDI flows will be dramatically reduced.

1. THE COUNTRY PERFORMANCE

1.1 Update on the political situation and political governance

St. Lucia, as part of the CARIFORUM grouping, signed an Economic Partnership Agreement (EPA) with the European Union on 15 October 2008. After at least two delays and criticism from Non-Governmental Organisations (NGOs) thirteen (13) CARIFORUM states cemented future trade with Europe by signing the EPA. The two countries that did not sign during the official ceremony in Barbados were Haiti and Guyana. However, five days later on October 20, Guyana's ambassador to Brussels P.I. Gomes signed the agreement. Haiti, which had recently installed a new government, did not sign because at the time it was still coming to grips with the impact of recent hurricanes. The EPA signing was concluded after an earlier scheduled date of 2 September was postponed to allow Caribbean leaders further time to discuss EPA related issues at a meeting in Barbados on 10 September. At the end of this meeting only Guyana had opposed the signing while the Haitian representative had reserved the right to discuss it further on return home.

In November the WTO ruled that the European Union (EU) import regime for bananas from African, Caribbean and Pacific (ACP) countries was illegal.

The Caribbean Basin Trade Partnership Act (CBTPA) expired in September 2008. Attempts by the United States to secure additional waivers for the continuation of this programme have been repeatedly challenged by a failure to secure consensus in meetings of the Council for Trade in Goods. Under the (CBTPA) OECS exports were eligible for duty-free access to the U.S. market under the Caribbean Basin Initiative (CBI) since 1984. In 2000, the CBI was expanded and replaced by the Caribbean Basin Trade Partnership Act (CBTPA) and further enhanced by the Trade Act of 2002. Access is subject to qualification under the rules of origin regime. The CBI had facilitated the development of the manufacturing sector in the region, particularly light manufacturing such as electrical assembly and garment production. However, due to changes in the rules of origin regime, export of garments to the U.S. had become less profitable, resulting in the closure of these operations and social fall out in the areas where production had been located. This further compounded the fall-out from decline in the banana industry in the 1990's.

The CARICOM Development Fund (CDF) was launched at the Twenty-Ninth Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM) in Antigua and Barbuda 1-4 July 2008. A decision was taken by the Heads of Government to frontload US\$60M of the US\$250M Fund to coincide with the launch. The CDF is aimed at compensating disadvantaged Member States, regions and sectors for any dislocation that may occur as they moved towards deeper integration. Provision for the CDF is found in Chapter Seven of the Revised Treaty of Chaguaramas, which established the Caribbean Community including the CARICOM Single Market and Economy (CSME). Member States would contribute \$120M of the Fund through a formula that would take into account size, per capita income and other minor indices. The Community would tap its international development partners for contributions to the remainder of the Fund.

The Fund is expected to promote business development, and primarily targets disadvantaged countries in the region. The priority allocations from the CDF in the forms of loans, grants and interest subsidy grants, would be largely determined by the economic integration process.

1.2 Update of the economic situation and economic governance

DG DEV has requested that paragraph 1.2 / paragraph 2.2 should include an analysis on the progress/outlook for becoming eligible for the SBS.

Regional Overview

During 2008, the six countries of the Eastern Caribbean (OECS) like the rest of the global economy faced an unprecedented series of exogenous shocks beginning with record levels of fuel and basic food prices in the first half of the year which placed considerable pressure on already weak and vulnerable balance of payment positions and threatened an acceleration of domestic inflation. The problems were further exacerbated later in the year by a global financial crisis that saw its genesis in the sub-prime mortgage meltdown in the USA and rapidly spread to credit markets around the world. The resulting negative impacts on the availability of capital for investment, slowing global economic growth overall, recession in major economies such as the USA and Japan and accompanying record levels of job losses are expected to trickle down to the OECS mainly from 2009 and onward via a slowing in Foreign Direct Investment (FDI) related construction activities, tourism receipts (arrivals and expenditures), and remittances (among other things). Notwithstanding, the IMF predicts that despite the downside risks, many countries in the Caribbean (including those in the OECS) are in a better position to deal with the current global shocks than in previous crises.¹ The IMF attributes this to hard won successes in the management of inflationary expectations, the development of robust safety nets for low-income households as well as general improvements in the macro-economic fundamentals.

Saint Lucia's Overview

Overall economic activity in St. Lucia accelerated during 2008 relative to 2007. This was driven mainly by growth in the tourism sector for the first six months of the year in both stay-over (up by 5.4%) and cruise passenger arrivals (up by 5.1%), relative to the same period last year. However, expectations are that there will be a slow-down in arrivals, particularly in the last quarter of the calendar year reflecting the economic challenges facing consumers the country's major markets (USA, UK and the Caribbean) and the resultant intensification in the level of competition in the tourism market in the region and sub-region. The construction sector is already exhibiting the effects of the decline in both public and private sector activities in tandem with a slowing of FDI, mostly in the tourism sector. This is expected to have serious repercussions for the domestic economy as construction has been the main contributor to economic growth over the past three years.

Manufacturing and agriculture showed contrasting growth rates. The manufacturing sector contracted by approximately 8% in 2008, due mainly to a decline in sales in the beverage subsector as a result of a major fire at the St. Lucia Distillers in 2007 and a reduction in exports to Trinidad from the Windward & Leeward brewery Ltd. In contrast the production of boxes increases as a result of the increase in banana exports to the UK and sales to the commercial sector.

In 2008 banana exports to the UK increase by 30% due to the replanting effort of farmers after the devastation of the industry by hurricane Dean. Non-banana agriculture production show modest increase as sales to supermarkets continue to show an upward trend.

During the review period, the value of total imports of construction materials rose by 10.3% to \$143.2 million. Despite the increase in the price of some construction materials, data indicate that the value of imports of prefabricated materials increased by 73 percent while the value of sand was the only construction import item which experienced a 24.7% decrease. The importation of cement rose by 14.9% to \$27.9 million. This increase in the value of cement can be attributed to a 5.7 percent increase in the cost of cement.

There was a sharp acceleration in the rate of inflation from 0.9% in the first half of 2007 to 5.2% in the first half of 2008. This appears largely the result of the high price of imported fuel as reflected in a 16.6% increase in the price of '*Housing, Water, Electricity, Gas and Fuels*'. This in turn may have partly contributed to the escalation in the prices of '*Transport*' (increase of 8.0%) and '*Food and Non-Alcoholic Beverages*' (increase of 3.4%).

¹ IMF Press Release No. 08/247, 11th October 2008

It is anticipated, that Government's fiscal position will worsen (in terms of a decline in the primary balance *viz a viz* 2007) as the slowdown in the domestic economy is translated into slower growth in revenue receipts, particularly from falling levels of imports. Conversely, current expenditure is projected to increase, reflecting salary and wage increases to public servants. St. Lucia's high debt to GDP ratio puts a considerable constrain on the Government's ability either absorb the negative repercussion of the deceleration in economic activity or respond to the challenges with appropriate policy stimulus.

Medium-Term Prospects

St. Lucia's prospects in the medium term are not expected to improve greatly, particularly if the global economic slow-down worsens and/or continues for any protracted period of time. The IMF has stressed the need for efforts to maintain the primary surplus thereby ensuring debt sustainability and dampening inflationary pressures. In order to prevent a worsening of the fiscal and debt situation, the IMF has also advised the Government of St. Lucia to restrain expansions in the public sector wage bill and put measures in place to enhance its debt management capabilities.

1.3 Update of the poverty and social situation

The last preliminary estimates done in 2007 indicate that the population of St. Lucia grew by 2.6% to 171,226. The natural rate of increase of the population rose marginally from 1,036 (2006) to 1,044 (2007), after steadily declining between 1999 and 2006. The data show a contraction in the otherwise bottom heavy or youthful population distribution. 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 particularly in the north. 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).

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. According to UNDP's Human Development Index 2008 St Lucia was ranked 66 and therefore considered to be high with regards to overall human development.

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. The quality of education at all levels of the system has been the Government's main focus, which is manifested in the achievement universal secondary education. Skills training has also been given priority through the establishment of institutions such as the National Skills Development Centre (NSDC) and the Centre for Adolescent Renewal and Education (CARE).

There are concerns regarding the high investment in education is manifesting a diminishing rate of return to the country in terms of productivity, and that educational attainment is not translating into sustainable livelihoods, employment and perhaps self-sustaining capacity.

Health

The Government has undertaken Health Sector Reform as a high priority for the people of St. Lucia. The general objectives are the improvement of the administration and management of the health

service, enhancement of health service delivery and equitable access to health care by the poor in conjunction with establishment of a system of sustainable financing for the health sector. Two important initiatives with regards to health care have been the completion of a Health Policy and Strategic Plan for the improvement of health system and the construction of a new national hospital to replace the existing Victoria Hospital.

Poverty Reduction

The 2006/07 Country Poverty Assessment conducted by the Caribbean Development Bank revealed that approximately 25.1% of individuals and 18.7% of households in St. Lucia could be classified as poor. Almost 36% the rural population lived 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 relatively high levels of poverty are also impacted by and impacts the prevailing high levels of employment (15.7% overall). The public aspect to St Lucia's poverty problem is manifested in a general lack of proper toilet facilities and potable water in most 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.

The global economic slowdown and particularly the economic recession being experienced developed countries such USA, will have a very negative impact on the economies of the Caribbean Islands (including St. Lucia) and by extension exacerbate the high levels of unemployment and poverty. One of the main contributing factors will be a decline in the rate of growth of the tourism sector, which is heavily dependent on visitors from the USA each year. St. Lucia's tourism officials have warned that as many as 4,000 jobs could be lost within the industry. In addition, the escalating job losses in the USA are expected to negatively impact the levels of remittance flows.

1.4 Update on the environmental situation

Saint Lucia has adopted a National Environment Policy and National Environmental Management Strategy (NEP/NEMS) approved by the Cabinet of Ministers in 2005. The NEP/NEMS is consistent and confluent with the Saint Georges Declaration on Principles for Environmental Management adopted by OECS member territories in 2001 and revised in 2006. Other relevant policies include, but are not limited to, a National Land Policy approved in 2007, a National Water Policy and a National Climate Change Adaptation Policy. At present, efforts are being made to finalize a National Energy Policy.

Environmental management is guided by a number of legal instruments including the Fisheries Act, the Physical Planning & Development Act and Forestry & Wildlife Act. A draft Environmental Management Act has been prepared and it is hoped that this can be finalized in the near future. This instrument will, hopefully, provide the legal basis for improved inter-agency collaboration and for the establishment of a full-fledged Department of the Environment. Draft legislation has recently been prepared to address, inter alia:

- i. Horseback riding on beaches;
- ii. Returnable Containers;
- iii. Coastal Zone Management.

Saint Lucia is party to several Multilateral Environmental Agreements (MEAS) including the:

- Convention on Biodiversity;
- UN Convention to Combat Desertification;
- UN Framework Convention on Climate Change;

- Stockholm Convention on Persistent Organic Pollutants;
- Cartagena Convention.

In 2008, Saint Lucia ratified the Land Based Sources of Marine Pollution Protocol to the Cartagena Convention.

2. OVERVIEW OF PAST AND ONGOING CO-OPERATION

2.1 Reporting on the financial performances of EDF resources

2.1.1 7th, 8th and 9th EDF (€19.5m)

Most of the 7th, 8th, and 9th EDF NIPs' funds have been earmarked for the construction of St. Lucia's new national hospital. In 2007, the tender for the works contract was cancelled as the two bids submitted were in excess of the available budget. A Framework Contract (FWC) was subsequently launched to revise the estimate for the scope of works. The consultancy estimated that € 37.0 million was needed for a hospital with four wards, which implied that additional resources had to be found. It was therefore decided that the balance of the money would be derived from uncommitted STABEX funds, for which a Framework of Mutual Obligations was prepared and approved by the Commission in mid December 2008.

A second FWC was launched to update the tender dossier, and assist the NAO in the administration of the tender process. With a D+3 deadline of the 31st of December 2008 looming, derogations to reduce the time limits for responses by both the consultant and contractor were requested and granted. The severe time constraint also limited the extent to which the tender documents could be properly updated. In addition, the original designs although completed were found to be inadequate but could not be updated in time for the re-casting of the budget and the re-tendering of the contract.

The award of the works contracts pushed the amount contracted by St. Lucia under the EDF for 2008 to €21,328,000. Disbursements for the same period were €753,430, and are expected to show considerable improvement in 2009 with the progression of the works contract.

2.2 Reporting on General and Sector Budget Support

It is proposed in the Country Strategy Paper (CSP) and National Indicative Programme (NIP) (2008-2013) that 85% of the A Envelope allocation be directed towards a Private Sector Development Programme. It is also proposed that this Programme be delivered via sector budget support providing the country satisfy the eligibility requirements. It is highly likely that the Government of St. Lucia will satisfy the three main eligibility requirements for sector budget support, namely, Sector Policy/Strategy, Macro-economic Stability and Public Financial Management Reform.

With regard to the Sector Policy and Strategy, the GoSLU is presently revising a 1998 Private Sector Development Strategy. A public consultation was held on April 2009 to which the Delegation was invited and attended. The draft strategy is expected to be approved by Cabinet mid-July 2009. There is also a National Industrial Policy (2001) and a National Export Development Strategy (2004). The Office of Private Sector Relations (Office of the Prime Minister) is presently conducting with EU assistance a private sector baseline study.

As mandated by the European Commission's (EC) Guidelines for Budgetary Support, a preliminary assessment of the Public Financial Management (PFM) system of St. Lucia was conducted in October 2006 using the PEFA Framework (PEFA). The assessment was broadly positive with recommendations for improvements in (among other things): the Ministry of Finance's oversight of

aggregate risk posed by other public entities; competition, value for money and controls in procurement; and, timely preparation of annual financial statements by the Office of the Budget. A new PEFA Performance Report will be prepared in time for submission of the Project Identification Fiche before end December 2009.

GoS is considered to have a long standing reputation for effective economic policy management, this was confirmed by a macro-economic assessment conducted in January 2007. The country's macro-economic performance was characterised by rapid GDP growth in the 1980s, approaching 8.0% per annum. This was largely attributed to the highly preferential access of banana exports to the UK market. The period 1986 to 2005 saw an overall decline in GDP growth from 12.6% to 1.5%, partly reflecting the reversal in the fortunes of the banana industry which experienced an erosion of preferential treatment in the UK.

The economy went into recession in 2001 following the events of September 11, but has subsequently recovered with GDP growth in excess of 5% in 2005 and probably 6% in 2006. Services, particularly tourism are now the main drivers of economic development which is considered to have a positive economic outlook in the near future. (See Section 1.2 for the most recent macro-economic update)

2.3 Projects and programmes in the focal and non focal areas

The Country Strategy Paper and National Indicative Programme, 2008-2013 (10th EDF) was signed on 3rd December, 2008 between the Government of St. Lucia (GoSLU) and the European Commission (EC). The implementation of the CSP will be financed through several financial instruments. An indicative allocation of €8.1m has been made under the "A" envelope, which is expected to cover the long-term development activities identified in the CSP. Of this amount, €6.885 million euro, is earmarked for private sector development (PSD) to be implemented through a sectoral budget support programme, providing the GoSLU satisfies the relevant criteria. The action plan or road map to guide the implementation of the strategy, as well as the national monitoring mechanism will be developed during the identification and formulation stages.

The overall objective of the intervention is to achieve sustainable social and economic development by improving national productive capacity, efficiency and quality (in commodity and labour markets) for increased economic competitiveness and for successful integration into the new global economic environment. The specific objective is to foster the development of the private sector by encouraging its export-readiness, training human resources in relevant areas, and taking advantage of trade liberalization and regional integration. The PSDP Programme will focus mainly on achieving an export- ready private sector, ensuring the adequacy of the human resource and ensuring congruency with the regional/international integration process.

An allocation of €607,500 has been made under each of the two non-focal sectors, namely the Technical Cooperation Facility (TCF) and Technical Assistance to the Office of NAO (TA-NAO). The overall objective of the TCF is to support the implementation of the NIP and other relevant ad-hoc activities as needs emerge, including EPA related ones. The specific objective is to provide rapid financing for i) Technical Assistance; ii) Training Support and Capacity Building; and iii) Conferences and Seminars.

	Indicative allocation 10 th EDF (M€)	Commitments planned in 2008 (M€) ²	Commitments realized in 2008 (M€) ³	Realised/planned (%) ⁴	Disbursements realised in 2008
Focal Area 1 – Private Sector Development (SBS)	6.885	0	0	0	0
Non Focal Areas TCF	.6075	.6075	.6075	100%	0
Non Focal Areas NSAs	.6075	.6075	.6075	100%	0
Total A-Envelope	8.1	1.215	1.215	100%	0
Total B-Envelope					
Total 10th EDF NIP	8.1	1.215	1.215	100%	0

Part of the funds under the TCF will be allocated to providing support to Non-State Actors (NSAs), notably through the consolidation of the NSA National Advisory Panel as an important instrument for enhanced dialogue between the Government, the EU, the private sector and civil society organisations. NSAs can also benefit from the three main areas of intervention of the TCF.

The objectives of the TA-NAO programme are to ensure efficient management and coordination of EC (not only EDF) funds; to guarantee an increased implementation rate in the future and, in areas identified or required, to promote good governance in the tax area or areas identified, through studies, other expertise or through capacity building initiatives for the relevant tax institution. Cooperation – both in the past and currently - has highlighted the huge importance of the need to provide the office of the NAO with the necessary human resources to ensure a more effective, efficient and rapid implementation of EU-funded projects

The Financing Agreements for the TCF and TA NAO were approved in the last semester of 2008 and are expected to be signed in the first semester of 2009. A Framework Contract is to be launched to conduct an institutional assessment of the office of the NAO in St. Lucia, prior to the preparation and signature of the first Programme Estimate.

Saint Lucia also participates in the EC Erasmus Mundus programme with two students obtaining scholarships under action 2 in 2007/2008, and another student has been selected for 2008/2009.

2.4 Other cooperation

STABEX transfers (EDF)

Article 186 of the Lomé IV Convention provides compensation for loss of export earnings with certain agricultural products on which countries' economies are dependent and which are affected by

² Add in brackets planned share of SBS

³ Add in brackets effective share of SBS

⁴ Add in brackets ration realised/planned SBS

fluctuations in price or quantity or in both these factors. Saint Lucia is implementing projects and programmes funded by Stabex allocations for 1994–2000. It has also received allocations for the repayment of balances upon expiry of the Lomé Convention in 2000 (Article 195). Stabex transfers to Saint Lucia were only related to loss in banana exports. 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.

The overall performance of the implementation of the STABEX programmes in 2008 showed a marked improvement over 2007, particularly in terms of the levels of commitments. Approximately, €17,263,305 was contracted, largely as a result of the signing of the works contract for the construction of the New National Hospital in December. Disbursements totalled €334,000 due to 4 projects still on-going. They are expected to increase with the commencement of the works contract for the Hospital early in 2009.

It is proposed subsequent to the Mid-term Review of the Country Strategy Paper to be held in the first semester of 2010, that remaining funds not covered by an FMO be decommitted and transferred to the 10th EDF National Indicative Programme via a Rider. The additional resources will not be incorporated in the 10th EDF focal sector (private sector development) but will be earmarked for the completion of activities under the 9th EDF, specifically for the New National Hospital.

A brief overview of Stabex funding, as of 31 December 2008, is provided in the following table.

Status of Stabex finances, as of 31 December 2008:

Funding year	Total Funds(1)	Committed	RAC	Paid	RAL
Stabex 1994	26,387,359	24,495,864	1,891,495	24,006,323	2,381,036
Stabex 1995	20,581,413	19,770,874	810,539	19,600,794	980,619
Stabex 1996/97	14,117,846	14,064,396	53,450	12,534,509	1,583,337
Stabex 1998	5,250,272	1,419,982	3,830,290	0	5,250,272
Stabex 99/00 + Art. 195A	15,237,813	14,653,287	584,526	0	15,237,813
TOTAL	81,574,703	74,404,403	7,170,300	56,141,626	25,433,077

1. including interests.

Special Framework of Assistance (SFA, EC budget)

Council Regulation (EC) No 856/1999 established a Special Framework of Assistance (SFA) for traditional ACP suppliers of bananas. Following amendment of the banana trade arrangements by Regulation (EC) No 1637/98, which has substantially altered the market conditions for traditional ACP suppliers and might in particular harm the most disadvantaged suppliers, the European Commission has recognised that particular efforts will be needed to adapt to these new market conditions in order to maintain a presence on the EU market.

In the case of Saint Lucia, the initial strategy focused on the commercialisation of the banana industry, the creation of an enabling environment, the improvement of the physical infrastructure, the social impact of restructuring the banana industry, and the stimulation of agricultural diversification.

As of November 2008, €71.7 m (including interest) was allocated to St. Lucia under the SFA programme. Of this amount, €51.5m was committed and €33.1 m disbursed. The pace of implementation is still relatively slow however, with much of the contracting backlog completed; increased attention will be placed on managing and monitoring implementation. A needs assessment of the Ministries, Agencies and Organizations involved in the implementation of SFA programmes in St. Lucia was conducted in 2008. The result was a strategic plan for capacity building technical assistance, which will include one short term expert (for five months) and one long term expert (for eighteen months). The short term expert has been recruited and will begin his assignment in the first quarter of 2009. The tender for the long term expert was launched in the last quarter of 2008 and the contract is expected to be awarded in the second quarter of 2009.

SFA 1999 and 2000: Re-start documents submitted to the Delegation in the last quarter of 2007 were signed beginning of 2008. The Delegation submitted 2 riders to the Commission's services in Brussels for new extensions of the respective operational implementation phases from June 2008 to December 2009. A new agricultural programme (Rural Road Rehabilitation) for the remaining funds not committed (new FR 2003) under SFA 1999 and SFA 2000 was identified and completed. This new programme takes stock of the damages due to the hurricane Dean. Credit and social protection programmes were also restarted after some adjustments.

The restart documents for **SFA 2001** were signed in mid-2007. A new programme of rural roads under the agricultural component was elaborated and is currently under implementation. Credit and Social protection programmes were also restarted after some adjustments. A new rider was requested in February for an extension of the operational implementation period (till end of 2009), this was approved and signed in December 2008.

SFA 2002: This programme is managed under Financial Regulations 03. All activities are on-going except the rural credit component (€470,000) which is still being discussed.

SFA 2003: the entire programme is devoted to Natural Resources Management and started in early 2007. A service contract (€ 1,000,000) was signed in December 2006 with AGRER for the Programme Management TA. The TA team leader was replaced in early February 2008, and the TA service contract which was scheduled to expire in December 2008 has been extended (at no additional cost) to February 2009. A 3 year Grant (€ 4,000,000) was signed in December 2006 with BIT for the management of the Environmental Fund. A PE was also signed with the Ministry of Environment end of 2006 (€ 1,900,000). It finished in September 2008. The implementation of this programme is very slow and there are serious delays in the submission of reports.

SFA 2004: The execution of the grant contracts signed in December 2007 with TUTECH for the implementation of the Banana and Agricultural Diversification component, SEQUA for the implementation of the Economic Diversification component, and National Skills Development Centre the implementation of the Human Resources Development component, are on-going but implementation under the respective programmes is slow.

SFA 2005: A request for a rider to allow grants as an implementation modality was submitted early 2008 and approved in December. A Call for Proposals for the Economic Diversification component was launched in June (with a suspensive clause) and the resulting grant contract awarded to the Officer of Private Sector relations, St. Lucia in the amount of €1,150,000. A combined PE covering two components: Sustainable use of the country's natural resources promoted and Social Stability Maintained - which focuses on programmes and activities for prevention of crime among vulnerable and susceptible youth, was signed and started on 1 November 2008 for a period of 18 months. A grant contract was awarded to BIT for the implementation of the banana fair-trade component.

SFA 2006: the signature of grant contract to the St. Lucia Chamber of Commerce, Industry and Agriculture (€ 1,281,302.28) for the implementation of the Economic Diversification component is

pending. The Call for Proposals for the Social Recovery Component was launched June 2008 however no proposals were received by the deadline of 5th September 2008. The Call will be re-launched in 2009. The short-listing for the Energy component has been completed. Tender dossiers will be sent out in January 2009. The Agricultural Diversification Programme implemented by FAO is on-going since October 2008.

SFA 2007: The tender for technical assistance to the Agro-Tourism Sector programme was launched with the dead line for offers set at 19 December 2008. Five tenders were received and were evaluated on 29 December 2008. The tender was successful and the evaluation report is under preparation for the award of the contract and start of project in March/April 2009. Additional components will be implemented through Programme Estimates.

SFA 2008: the Financing Proposal for SFA 2008 has been approved and the Financing Agreement will be signed early 2009 by the NAO. SFA 2008 will mainly finance the Education Enhancement through Information and Communication Technology Programme.

Status of SFA finances, as of 31 December 2008:

Funding year	Allocation	Committed	RAC	Paid	RAL
SFA 1999	8,500,000	7,719,046	780,954	7,673,111	826,889
SFA 2000	8,875,000	8,111,595	763,405	7,618,358	1,256,642
SFA 2001	9,200,000	8,740,000	460,000	7,405,809	1,794,191
SFA 2002	8,800,000	5,093,657	3,706,343	2,893,843	5,906,157
SFA 2003	8,000,000	6,843,621	1,156,379	3,570,328	4,429,672
SFA 2004	7,260,000	6,830,776	429,224	2,181,818	5,078,182
SFA 2005	6,170,000	5,220,981	949,019	861,659	5,308,341
SFA 2006	5,410,000	2,961,302	2,448,698	859,895	4,550,105
SFA 2007	4,600,000	0	4,600,000	0	4,600,000
SFA 2008	4,808,000	0	4,808,000	0	4,808,000
TOTAL	71,623,000	51,520,978	20,102,022	33,064,821	38,558,179

For SFA as a whole, €9,547,602 was committed in 2008. 77% of the allocated funds (SFA 1999 to 2007) are now committed. However €9,017,231 was paid in 2008 which is a record breaking. The global RAL (1999 to 2007) is now at 56%.

Flex

St. Lucia also received €0.7m from Flex for the application year 2006.

2.4.2 European Investment Bank

Under successive Lomé conventions, EIB has lent to Saint Lucia total of EUR 29 million of which EUR 21 million originated from its own resources and EUR 8 million from EDF-funded risk capital. The electricity sector with Saint Lucia Electricity Service (Lucelec) concentrated 75 percent of activity while the balance went to the support of SMEs via the Saint Lucia Development Bank and its successor the Bank of Saint Lucia. Outstanding in this country stands at EUR 6.7 million.

2.5 Policy Coherence for Development

There is considerable coherence between the policies being pursued by the GoSLU and those of the European Community, particularly in the areas of 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 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. With regard to the latter, the Government approved a National Export Development Strategy (NEDS), in 2004 and in 2008 with assistance under SFA 2002 a tender was launched for a technical assistance to develop the institutional framework for its implementation. The contract is expected to be signed and executed early in 2009.

In 2008, the Government began the process of review of the Private Sector Development Strategy (PSDS) and will early in 2009 launch a Private Sector Baseline Study as well as conduct a National Symposium on Private Sector Development which will provide the basis for the 1st draft of the PSDS. The approval of the Strategy by Cabinet is one of the criteria for eligibility for Sector Budget Support under the 10th EDF.

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.

2.6 Dialogue in country with the National Parliaments, local authorities and NSAs

The Commission continues to fund the operational costs of the NSA panel in St. Lucia. The Panel meets on a regular basis and the office of the NAO often attends these meetings and otherwise maintains regular contact which facilitates the flow of information. The Delegation meets the Panel or Chairperson of the Panel at least once per year. A Country Portfolio Review meeting was held 1st July and was co-chaired by the Head of Delegation and the NAO for St. Lucia and was attended by all the Government Departments, Agencies, Organizations and Project Implementing Units involved in the execution of the EU-GoSLU cooperation programme. The meeting entailed brief reviews of all the projects and programmes under implementation specifically highlighting the problems and bottleneck posing an impediment to successful performance.

2.7 Aid effectiveness

Most aspects with regards to aid effectiveness are coordinated through the Eastern Caribbean Donor Group, a framework guided by the UNDP. Currently sub-groups on poverty, private sector development and governance exist and another one on economic management and public finance management is being established.

The presence of development partners with a sizeable programme in this Caribbean region is limited. Besides the UK, the involvement of EU member states in development cooperation is rather small. France has a small development fund for OECS countries and has recently approached the Delegation to ensure the coordination of efforts. However, Canada and the US have a sizable development component.

Closer working relations were established with relevant development partners in the region, especially DFID, CIDA, WB, IMF IDB, CDB and co-funding mechanisms established with UNDP, WB, FAO and CARTAC with the purpose to increase efficiency and development impact. Cooperation and coordination is relatively well established in matters related to Budget Support (macro-economic analysis, Public Finance Management). Contact and exchange of information with the EIB was held on a regular basis. Disaster management and civil protection received particular attention due to two new regional initiatives, the EC contribution to the Caribbean Catastrophe Risk Insurance Facility – CCRIF managed by the WB (€12,500,000) and the Regional Risk Reduction Initiative -R3I through a contribution to the UNDP (€4,932,000). Donor coordination on trade issues is effective (eg CRNM donor group meets regularly) and intensified on drugs and crime issues (eg mini-Dublin group meetings).

Apart from the EU, the principal donors to St Lucia are France, UK (DFID), Germany, Canada (CIDA), the Caribbean Development Bank (CDB), the UN agencies, USAID and the World Bank. There is no formal in-country collaborative approach with the other development partners, although there are active consultations taking place to avoid duplications with the purpose of increasing efficiency and effectiveness of development aid to the country. The World Bank's major programmes are Aids awareness, Skills for Inclusive Growth and Disaster Preparedness and water improvement initiatives; whereas through diplomatic relations with the Republic of China on Taiwan, the Government receives support for Community-based infrastructure projects, ICT, Health (completion of the Psychiatric Hospital) and Agriculture. In 2008, the CDB signed a policy based loan with the Government of St. Lucia in the amount of USD\$30.m. The loan is intended to support the Government of St. Lucia's efforts at macro-economic reform, particularly in the area of improving public sector management. Special emphasis will be placed on revenue and expenditure management (VAT and a new property tax).

3. CONCLUSIONS

Overall 2008 was a watershed year in the cooperation programme between the European Union and the Government of St. Lucia. The implementation of the EPA and the 10th EDF private sector development programme will no doubt consolidate previous and ongoing efforts at restructuring the productive economy and certainly lay the foundation needed for sustainable economic growth and by extension poverty reduction. The signing of the works contract for the new national hospital, as well as the completion of most of the contracting to be done under the cooperation portfolio will result in increased attention being placed on the management and monitoring of implementation in order to successfully achieve the desired results in a timely manner. In this regard, the capacity of the Government of St. Lucia will receive a significant boost through a long term technical assistance initiative funded under the SFA programme and support to the office of the NAO, as well as relevant Government ministries/agencies and department to be financed under the 10th EDF. The role of NSAs is expected to be heightened considerably with continued support under the 10th EDF.

Certainly, continued economic growth and stability will depend on the depth and the length of the present global economic downturn and the associated freeze in the global credit markets. If the developed economies begin showing signs of recovery before the end of 2009, then the negative repercussions to St. Lucia, the OECS sub-region and indeed the Caribbean will be limited at best. However, if as predicted the global economic slump lasts to the end of 2009. Then increased job losses in the USA, in particular, will be largely reflected in declines in tourist arrivals and remittances. In addition, FDI flows will be dramatically reduced.

ANNEX-SOCIAL AND MACRO-ECONOMIC INDICATORS⁵ DG DEV/C1: Some of the financial annexes might be missing in the report.

⁵ World Bank Country Assistance Strategy (OECS), 2006-2009

St. Lucia Social Indicators

	Latest single year			Same region/income group	
	1970-75	1980-85	1997-03	Latin America & Carib.	Upper-middle-income
POPULATION					
Total population, mid-year (<i>millions</i>)	0.1	0.1	0.2	534.2	334.9
Growth rate (% annual average for period)	1.3	1.5	1.2	1.5	1.2
Urban population (% of population)	38.6	37.3	38.6	76.6	75.8
Total fertility rate (<i>births per woman</i>)	5.5	4.0	2.1	2.5	2.4
POVERTY					
<i>(% of population)</i>					
National headcount index	..	..	..	..	..
Urban headcount index	..	..	..	..	..
Rural headcount index	..	..	..	..	..
INCOME					
GNI per capita (<i>US\$</i>)	..	1,450	4,030	3,260	5,340
Consumer price index (<i>1995=100</i>)	31	68	112	..	..
Food price index (<i>1995=100</i>)	..	..	..	..	..
INCOME/CONSUMPTION DISTRIBUTION					
Gini index	..	..	..	..	..
Lowest quintile (% of income or consumption)	..	..	..	..	..
Highest quintile (% of income or consumption)	..	..	..	..	..
SOCIAL INDICATORS					
Public expenditure					
Health (% of GDP)	..	..	3.4	3.3	3.7
Education (% of GNI)	..	..	..	4.5	4.4
Social security and welfare (% of GDP)	..	1.5	..	..	..
Net primary school enrollment rate					
<i>(% of age group)</i>					
Total	..	..	99	94	93
Male	..	..	99	94	93
Female	..	..	100	95	94
Access to an improved water source					
<i>(% of population)</i>					
Total	..	..	98	86	89
Urban	..	..	98	94	93
Rural	..	..	98	65	77
Immunization rate					
<i>(% of children ages 12-23 months)</i>					
Measles	..	68	90	91	94
DPT	..	87	90	88	90
Child malnutrition (% under 5 years)					

Life expectancy at birth					
<i>(years)</i>					
Total	62	69	74	71	73
Male	61	67	72	68	70
Female	64	71	76	74	77
Mortality					
Infant (<i>per 1,000 live births</i>)	..	..	16	28	19
Under 5 (<i>per 1,000</i>)	..	..	18	34	22
Adult (15-59)	..	..	..	..	..
Male (<i>per 1,000 population</i>)	..	..	186	222	197
Female (<i>per 1,000 population</i>)	..	..	112	125	103
Maternal (<i>per 100,000 live births</i>)	..	..	..	..	..
Births attended by skilled health staff (%)	..	..	100	..	..

CAS Annex B5. This table was produced from the CMU LDB system.

04/13/05

Note: 0 or 0.0 means zero or less than half the unit shown. Net enrollment rate: break in series between 1997 and 1998 due to change from ISCED76 to ISCED97. Immunization: refers to children ages 12-23 months who received vaccinations before one year of age.

St. Lucia - Key Economic Indicators

Annex B6: Key Economic Indicators

Indicator	Actual			Estimate			Projected			
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
National accounts (as % of GDP)										
Gross domestic product ^a	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	7.4	6.8	6.4	5.4	5.3	5.3	5.2	4.9	5.0	5.0
Industry	19.6	19.4	18.5	18.0	18.1	18.3	18.1	17.5	17.8	17.7
Services	73.0	73.8	75.1	76.6	76.6	76.4	76.7	77.6	77.2	77.3
Total Consumption	84.2	80.5	84.5	84.6	83.3	74.3	78.2	78.6	77.9	78.2
Gross domestic investment	24.4	24.0	23.6	18.8	20.7	29.1	24.5	23.5	23.5	22.5
Government investment	7.3	7.5	10.7	7.1	8.1	10.0	7.5	7.5	7.5	7.5
Private investment	17.1	16.5	12.9	11.7	12.6	19.1	17.0	16.0	16.0	15.0
Exports (GNFS) ^b	55.6	53.2	51.2	54.9	56.3	56.8	57.8	58.9	60.0	61.1
Imports (GNFS)	64.1	57.7	59.3	68.3	60.3	60.2	60.5	61.0	61.4	61.9
Gross domestic savings	17.4	16.4	16.8	15.2	-	-	-	-	-	-
Gross national savings ^c	14.2	9.4	7.4	0.8	5.8	3.7	-	-	-	-
Memorandum items										
Gross domestic product	687	664	675	704	739	784	825	866	910	955
(US\$ million at current prices)										
GNI per capita (US\$, Atlas method)	4010	3790	3830	4030	4300	-	-	-	-	-
Real annual growth rates (%)^d										
Gross domestic product at factor cost	0.1	-4.3	1.0	3.1	3.7	3.8	3.3	3.0	3.0	3.0
Real annual per capita growth rates (%)										
Gross domestic product at market prices	-1.3	-5.7	-0.4	1.7	2.3	2.4	1.9	1.6	1.6	1.6
Balance of Payments (US\$ millions)										
Trade Balance	-259	-218	-203	-283	-289	-389	-381	-373	-360	-342
Exports (GNFS) ^b	381.5	353.2	345.6	386.0	416.3	445.4	476.6	510.0	545.7	583.9
Merchandise FOB	52.9	54.5	69.5	71.8	93.9	112.9	141.7	170.2	204.6	245.9
Imports (GNFS) ^b	440.3	383.2	400.1	480.2	446.2	472.0	499.3	528.2	558.7	591.0
Merchandise FOB	312.4	272.4	272.1	354.6	383.0	502.4	522.4	543.3	565.1	587.7
Resource balance	-58.8	-30.0	-54.5	-94.2	-29.9	-26.6	-22.7	-18.2	-13.0	-7.2
Net current transfers	28.5	14.6	12.2	12.0	12.6	24.3	12.5	11.8	12.2	11.9
Current account balance	-96.8	-107.6	-104.0	-145.6	-118.3	-188.1	-149	-147	-146	-158
Net private foreign direct investment	53.5	59.1	50.0	97.1	105.7	149.7	117.5	124.3	130.5	124.1
Change in reserves ^e	-4.5	-10.1	-4.8	-17.2	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0

(Continued)

St. Lucia - Key Exposure Indicators

Indicator	Actual			Estimate			Projected			
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total debt outstanding and disbursed (TDO) (US\$m) ^f	301	340	434	461	538	583	599	602	601	600
External debt (% GDP)	28.6	33.0	45.0	46.0	45.8	47.4	46.2	44.3	42.1	40.1
Debt and debt service indicators (%)										
TDO/XGS ^b	79.0	96.3	125.6	119.4	129.3	130.9	125.7	118.1	110.2	102.7
TDO/GDP ^f	43.9	51.2	64.3	65.5	72.8	74.4	72.6	69.5	66.1	62.8
External debt service/XGS		8.1	12.1	7.9	8.5	7.8	9.8	12.2	9.3	9.0
IBRD exposure indicators (%)										
IBRD DS/XGS	0.2	0.3	0.3	0.4	0.4	..	..	..	..	..
IBRD TDO (US\$m) ^d	6.0	5.2	5.9	10.1	10.5	12.1	12.0	14.7	18.8	19.2
IDA TDO (US\$m) ^d	11.6	11.8	20.1	23.2	26.1	31.0	37.2	44.8	47.4	50.0
IDA DS/XGS	0.0	0.1	0.1	0.1	0.1	..	..	..	..	..
IFC (US\$m)										
Loans	..	..	..	..	..	..	..	..	..	..
Equity and quasi-equity /c	..	..	..	..	..	..	..	..	..	..
MIGA										
MIGA guarantees (US\$m)	..	..	..	..	..	..	..	..	..	..

a. Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.

b. "XGS" denotes exports of goods and services, including workers' remittances.

c. Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.

d. Includes present value of guarantees.

e. Includes equity and quasi-equity types of both loan and equity instruments.

f. Data presented on a fiscal year basis (April - March).

ANNEX C– AID EFFECTIVENESS

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		
<p>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)</p>		
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 2008 (EUR)? 6 OECS+3 OCT+BAR (regional not included)	Qd2	59,000,000
How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	Qd5	15,000,000
How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	Qd6	15,000,000
How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	Qd7	15,000,000
How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	Qd9	15,000,000
4. Definition of Indicator		
$[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2] \text{ (please calculate and enter as response \%)} = 40 \%$		Response %
5. Additional information		
<p>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)</p>		
<p>Initiatives: Support to CARTAC at regional level to support PFM reform. Several PEFA assessments done in the past years and 7 planned for 2009. Work with IMF and WB on macro and PFM reform in several countries. Budget support is in use to the utmost possible.</p> <p>Constraints: Middle income countries that have seldom real IFM and WB programmes. Small countries with limited capacity.</p>		

ANNEX C– AID EFFECTIVENESS (cont'd)

1. EU Target No 4		
Reduce the number of uncoordinated missions by 50%.		
2. Introduction		
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.		
The Paris Declaration objectives underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field ⁶ it is important that donors: Conduct fewer missions, coordinate timing of missions with partner authorities and, where necessary, with other donors, conduct more joint missions, avoid conducting missions during "mission free periods" ".		
Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on 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 ^d 15	How many HQ missions to the field were undertaken in FY 2008? ⁸
	Q ^d 16	How many of these were coordinated?
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	3	
DEV	4	
RELEX	1	
TRADE	5	
ECHO		
FISH		
OTHER DGs		4
Consultants contracted by the Commission		
Total	13	4
4. Definition of Indicator		
Q ^d 16 / Q ^d 15	2007	2008
Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ;	12	17
5. Additional Information		
Delegations are invited to list the dates for main HQ missions already planned for March 2009 to August 2009, indicating whether they are, or not, to be coordinated with other donors;		
HQ DG	Date planned	Purpose/Sector Coordinated (Yes/No)
		AIDCO, DEV March Regional programming yes
Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2009 to February 2010, 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
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.		

⁶ 'Field' refers to the country in general including missions to the capital only.

⁷ The target set for 2010 for indicator 10 a) is to have 40% if donor missions to the field as joint.

⁸ This question applies to the missions from the HQ

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 un-coordinated missions.

- OECD target of 40% likely to be met: Yes/No
- EU target of halving the number of un-coordinated missions: Yes/No

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:

_____ Yes. Many missions took place in the context of EPA in 2008 but the agreement is now signed.

ANNEX" SFA St. Lucia as at end December 2008

Decision year	Title	Currency	Allocated	Contracted	Paid	RAC	RAL
2008	Education Enhancement through ICT Programme	EUR	4,808,000	0	0	0	0
2007	Improving the competitiveness of the Rural Economy of Saint Lucia	EUR	4,600,000	0	0	4,600,000	4,600,000
2006	Special Framework of Assistance. St. Lucia SFA 2006	EUR	5,410,000	1,680,000	859,894	3,730,000	4,550,105
2005	SFA St Lucia 2005	EUR	6,170,000	5,220,981	941,865	949,019	5,228,134
2004	Banana Commercialisation, Economic Diversification and Poverty Reduction - HRD&T	EUR	7,260,000	6,830,776	2,181,817	429,224	5,078,182
2001	RURAL ECONOMIC AND SOCIAL TRASFORMATION PROGRAMME VIABILITY BANANA INDUSTRY & ECONOMIC EMPOWERMENT RURAL	EUR	9,200,000	8,740,000	7,405,809	460,000	1,794,191
2000	COMMUNITIES ST. LUCIA	EUR	8,500,000	7,719,046	7,673,111	780,953	826,888
2002	RURAL ECONOMIC AND SOCIAL TRANSFORMATION PROGRAMME	EUR	8,800,000	5,093,656	2,893,842	3,706,343	5,906,157
2003	Bananas	EUR	8,000,000	6,843,621	3,570,328	1,156,379	4,429,672
2000	ECONOMIC AND SOCIAL TRANSFORMATION PROGRAMME	EUR	8,875,000	8,111,594	7,618,358	763,405	1,256,641
	TOTAL		71,623,000	50,239,674	33,145,024	16,575,323	33,669,970

St Lucia STABEX Programmes

Situation Summary as at 31 December 2008

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 3.483

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		7,971,686	7,971,686	--	7,971,686	7,971,686		
Agricultural Diversification	6,000,000		7,152,137	7,152,137	--	7,152,137	7,152,137		
Rural Development & Social Safety Nets	2,000,000		1,660,991	1,660,992	(1)	1,660,992	1,660,992		
Diversification of the Economy	7,000,000		5,898,785	5,898,785	--	5,898,785	5,436,432		
Agricultural Sector Institutional Strengthening	600,000		292,214	292,214	--	292,214	341,772	--	
EDF/Programme Management Coordination Unit	400,000		1,364,298	1,364,298	--	1,364,298	1,364,298	--	
Monitoring & Evaluation	1,000,000		141,544	141,544	--	141,544	79,007		
Reserves	1,176,403		--	--	--	--	--		
Balance of First Protocol	302,130		--	--	--	--	--		
Interest	--	3,908,825	75,121	14,209	60,912	14,209	--		
New Nation Hospital	--		1,830,583	--	1,830,583	--	--		
Total for STABEX 1994 PROGRAMME (11 detail records)	€	22,478,533	3,908,825	26,387,359	24,495,864	1,891,494	24,495,864	24,006,323	--
Percent					92.8%	7.2%	92.8%	91.0%	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		1,674,295	1,674,295	--	1,671,874	1,600,854		
EDF/PMCU and consultancy Services	350,000		462,291	462,291	--	462,291	405,693		
Monitoring & Evaluation	456,294		250,513	250,513	--	250,513	250,513		
Budgetary Support	13,900,000		12,900,000	12,900,000	--	12,900,000	12,883,622		
Interest	--	2,875,119	863,049	768,000	95,049	768,000	741,916		
New National Hospital	--		713,068	--	713,068	--	--		
Total for STABEX 1995 PROGRAMME (7 detail records)	€	17,706,294	2,875,119	20,581,413	19,773,295	808,118	19,770,874	19,600,794	
Percent					96.1%	3.9%	96.1%	95.2%	

St Lucia STABEX Programmes

Situation Summary as at 31 December 2008

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 3.483

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 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	--	769,999	548,431	
Agricultural Diversification	500,000		--	--	--			
EDF/ Programme Management & Coordination Unit	100,000		--	--	--			
Monitoring, Auditing and Evaluation	258,222		116,069	116,069	--	116,442	59,469	
Budgetary Support	10,200,000		10,430,000	10,430,000	--	10,430,000	10,430,000	
Interest	--	1,559,624	20,671	--	20,671			
New National Hospital	--		624,722	--	624,722			
Total for STABEX 1996/97 PROGRAMME (8 detail records)	€ 12,558,222	1,559,624	14,117,846	13,472,453	645,393	14,064,396	12,534,509	
Percent				95.4%	4.6%	99.6%	88.8%	
* STABEX 1998 PROGRAMME								
New National Hospital	4,096,556		5,068,437	1,419,982	3,648,455	1,419,982		
Interest	--	1,153,716	181,835	--	181,835			
Total for STABEX 1998 PROGRAMME (2 detail records)	€ 4,096,556	1,153,716	5,250,272	1,419,982	3,830,290	1,419,982		
Percent				27.0%	73.0%	27.0%		
* STABEX 1999/00+ART. 195A								
Construction of New National Hospital	12,146,414		14,653,287	14,653,287	--	14,653,287		
Interest	--	3,091,399	584,526	--	584,526			
Total for STABEX 1999/00+ART. 195A (2 detail records)	€ 12,146,414	3,091,399	15,237,813	14,653,287	584,526	14,653,287		
Percent				96.2%	3.8%	96.2%		
Grand Total	€ 68,986,019	12,588,684	81,574,703	73,814,881	7,759,822	74,404,403	56,141,626	0
20/02/09 13:07:24	Delegation of the European Commission, Barbados							

Millennium Development Goals								
	1990	2000	1994	1997	2003	2004	2007	2008
Goal 1: Eradicate extreme poverty and hunger								
Employment to population ratio, 15+, total (%)*								
Employment to population ratio, ages 15-24, total (%)*								
Income share held by lowest 20%								
Malnutrition prevalence, weight for age (% of children under 5)								
Poverty headcount ratio at national poverty line (% of population)								
Prevalence of undernourishment (% of population)				7	5	5		
Vulnerable employment, total (% of total employment)								
Goal 2: Achieve universal primary education								
Literacy rate, youth female (% of females ages 15-24)								
Literacy rate, youth male (% of males ages 15-24)								
Persistence to last grade of primary, total (% of cohort)		99			90	90		
Primary completion rate, total (% of relevant age group)	121.7	100.9	116.4		105.6	101.6		
Total enrolment, primary (% net)		94			97	98		
Goal 3: Promote gender equality and empower women								
Proportion of seats held by women in national parliament (%)**		11			11	11		
Ratio of female to male enrolments in tertiary education								
Ratio of female to male in primary and secondary enrolment		109			105.3	97.2		
Ratio of young literate females to males (% ages 15-24)								
Share of women employed in the non-agricultural sector (% of total non-agricultural employment)	47	49	50	47	49	49		
Goal 4: Reduce child mortality								
Immunization, measles (% of children ages 12-23 months)	82	88	92	95	90	95		
Mortality rate, infant (per 1,000 live births)	20	17				13		
Mortality rate, under-5 (per 1,000)	21	16				14		
Goal 5: Improve maternal health								
Adolescent fertility rate (births per 1,000 women ages 15-19)								
Births attended by skilled health staff (% of total)				99.7				
Contraceptive prevalence (% of women ages 15-49)								
Maternal mortality ratio (modeled estimate, per 100,000 live births)								
Pregnant women receiving prenatal care (%)								
Unmet need for contraception (% of married women ages 15-49)								
Goal 6: Combat HIV/AIDS, malaria, and other diseases								

Children with fever receiving anti malarial drugs (% of children under age 5 with fever)								
Condom use, population ages 15-24, female (% of females ages 15-24)								
Condom use, population ages 15-24, male (% of males ages 15-24)								
Incidence of tuberculosis (per 100,000 people)	20.9					16.4		
Prevalence of HIV, female (% ages 15-24)								
Prevalence of HIV, total (% of population ages 15-49)								
Tuberculosis cases detected under DOTS (%)		57.3		114.4	67.3	93.3		
Goal 7: Ensure environmental sustainability								
Annual freshwater withdrawals, total (% of internal resources)								
CO2 emissions (kg per PPP \$ of GDP)								
CO2 emissions (metric tons per capita)	1.2	2.2	1.8	2	2.4			
Forest area (% of land area)	28	28						
Improved sanitation facilities (% of population with access)					89			
Improved water source (% of population with access)	98				98			
Marine protected areas, (% of surface area)								
Nationally protected areas (% of total land area)								
Goal 8: Develop a global partnership for development								
Aid per capita (current US\$)	92.5	70.4	192.9	170.2	92.9	-131.4		
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	2	7	3	3	5			
Fixed line and Mobile phone subscribers (per 1,000)	126.8	329.5	179	257.9	411.5			
Internet subscribers (per 1000 people)		51.3		10	211.7	336.1		
Personal Computers (per 1000 people)		141	0.6		155.7	158.9		
Total Debt Services (% of exports of goods, services and income)	2	8	3	4	8			
Unemployment, youth female (% of female labor force ages 15-24)		40.5	39.4	43.2	49.2	49.2		
Unemployment, youth male (% of male labor force ages 15-24)		32.2	28	31.2	31.8	31.8		
Unemployment, youth total (% of total labor force ages 15-24)		36.1	33.7	36.6	40	40		
Other								
Fertility rate, total (births per woman)	3.3	2	2.8	2.6	2.1	2.1		
GNI per capita, Atlas method (current US\$)	2810	4010	3430	3620	4040	4180		
GNI, Atlas method (current US\$) (billions)	0.4	0.6	0.5	0.5	0.6	0.7		
Gross capital formation (% of GDP)	25.8	26.6	23.9	24.7	28.8	28.8		
Life expectancy at birth, total (years)	71	71.8	72.2	71.8	73.7	73.4		
Literacy rate, adult total (% of people ages 15 and above)	..	..				
Population, total (millions)	0.1	0.2	0.1	0.1	0.2	0.2	0.2	
Trade (% of GDP)	156.7	115.6	137.1	133.1	124.8	124.8		