

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

**OFFICE OF THE NATIONAL AUTHORISING OFFICER
IN DOMINICA**

**COOPERATION BETWEEN
THE EUROPEAN UNION
AND THE COMMONWEALTH OF DOMINICA**

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1. Update on the political, economic and social situation

1.1 Update on the political situation

Elections in Dominica are constitutionally due every five years. The last election took place in May 2005, and the Dominica Labour Party (DLP) retained office, winning 12 of the 21 elected seats in the Parliament. The United Workers Party (UWP) obtained eight seats and one seat went to a candidate who ran as an independent. DLP leader Roosevelt Skerrit was again sworn in as prime minister. In October 2007, the Prime Minister reshuffled his Cabinet, a move which he said was “‘vitaly necessary to invigorate new energy and dynamism in the advancement of [the Government’s] social and economic agenda.’”. In that re-shuffle, the Prime Minister kept the portfolio of finance and assumed responsibility for foreign affairs and social security. The Dominican leader is CARICOM’s lead head of government with respect to free movement of labour, an important component of the implementation of the CARICOM Single Market and Economy (CSME).

Currently, there are only five female parliamentarians, but this does not fully reflect how active women are in the governance of the country. Most senior civil servants—for example, in the offices of Permanent Secretary—are women.

The legal system is based on English common law as exercised by the Eastern Caribbean Supreme Court (located in Saint Lucia). One of the six judges resides in Dominica and presides over the Court of Summary Jurisdiction. Provision is made for appeal to the East Caribbean Appeals Court with final appeal to the Privy Council. A declaration of individual rights and freedoms is entrenched in the Constitution of Dominica. In general, the country, which is a signatory to the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child, is not considered to have major problems with human rights or the protection of civil liberties, although it has not yet signed the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT). The death penalty remains on the country’s statutes, but it has not been carried out in more than twenty five years.

Internal security concerns are mainly related to trans-shipment of narcotics bound for the US and Europe; and minor production of cannabis.

Since Prime Minister Skerrit assumed the leadership of the country in 2004, Dominica has taken a more pro-active approach to the conduct of its foreign policy guided by its development needs. In April 2004, Dominica severed relations with the Republic of China (Taiwan) and switched to the People's Republic of China, which has pledged to provide a reported US\$100 million in aid. Relations between Dominica and Venezuela, which have existed since independence, have strengthened particularly in the area of development cooperation. Dominica is set to benefit from the Petrocaribe initiative which involves the purchase of petroleum fuel products on concessional terms from Venezuela and the construction of a storage and distribution terminal for such fuel through a joint venture between the two governments. The development objective is to develop the country’s physical and institutional capacities to fortify its energy security. Further, the Venezuelan government has given Dominica a US\$ 10.1 million grant for the expansion of the Melville Hall Airport and US\$10.92 million (EC\$29.49 m) for low income housing and has forgiven the island nation’s US\$ 1.1 million debt owed to Venezuela. In addition, the Government of Dominica is considering a proposal by Venezuela to build a US\$ 80 million oil refinery on the island. In January 2008, Dominica joined the Bolivarian Alternative for the Americas initiative, which is based upon the idea of social, political, and economic integration between the countries of Latin America and the Caribbean.

1.2 Update of the economic situation¹

Dominica is a very small lower-mid-income economy with an area of 750 sq km; a population of 72,000 (2005 estimate); a population density of 96 inhabitants per sq km (the lowest in the Eastern Caribbean); a GDP of US\$ 316.3 M (EUR 210.87 M); and GDP per capita of US\$4,393 (EUR 2 929) (projected 2007 current market prices).

The 2007 IMF country report, which was based on data up to May 2007, concluded that the near-term outlook for the economy is positive.² Economic growth has resumed with output performance in 2006 exceeding the historical average growth rate of 2%.³ Output growth was recorded at 4 percent in real terms in that year. The overall economic performance reflects in part a general improvement in the country's macroeconomic policy environment, particularly with respect to Government's fiscal framework. The target for the primary surplus in FY 2005/2006 (3 percent of GDP) was exceeded by a wide margin (4.3 percent of GDP) as a result of a strong revenue outturn and a firm control on spending. The primary surplus was some 10 percentage points of GDP higher than in 2000/2001. Central Government's overall balance has moved from a deficit that was equivalent to 5.4 percent of GDP in FY 2002/2003 to a surplus position estimated at 1.2 percent of GDP in 2005/2006. The primary fiscal surplus before grants was projected at 6 percent of GDP for 2006/2007.

The greater macroeconomic stability has led to general improvement in consumer confidence and a concomitant expansion in domestic credit, which grew by 11.2 % in 2006, the highest in 15 years. The credit expansion, largely concentrated in the household sector, was funded in part by increases in public savings and deposits. Although remaining high, public sector debt has declined from 131 percent of GDP in 2002 to 103 percent at the end of 2006, owing in part to the restructure of a large part of Central Government's debt.

Despite the passage of Hurricane Dean which wiped out almost 100 percent of the island's important banana crop, rising international oil prices and the high costs of regional air transportation, overall growth in 2007 was positive though it slowed. Real GDP is estimated to have grown by 1.6 %. This represented the fifth consecutive year of positive growth for the Dominican economy following the 2000-01 crisis period when GDP contracted by over 9 %. Growth was driven by the surge in residential home development coupled with government's expanded capital expenditure programme and post-hurricane infrastructure replacement and rehabilitation. Activity within the construction sector is estimated to have expanded by 15%, the highest in over 10 years. Output in the mining and quarrying sector, which mirrors developments in the construction sector, expanded by approximately 7.9% in real terms following growth of 9.3% in 2006.

Construction-related activity also influenced an expansion of credit to the private sector, accounting for two-fifths of the 5.2% growth in credit in 2007. Inflationary pressures intensified on account of spiralling energy and food import prices and a (hurricane-related) shortage of fresh agricultural produce during the last quarter of the year. Nevertheless, growth in the CPI remained within single digits as inflation rose to 3.2% compared with 1.7% and 2.6% in 2005 and 2006, respectively.

¹ This section is based on the 2006 CDB Annual Economic Review

² This assessment was made before the passage of Hurricane Dean in August 2007.

³ Average growth rate for 1990-1999. The growth rate hovered around 2% for much of the decade. The year 1990 was exceptional in the sense that the economy grew by an impressive 6.3%.

The balance of payments is estimated to have deteriorated as the rising growth of imports alongside a sluggish export performance precipitated a widening of the external current account deficit. At the end of 2007, the visible trade balance stood at approximately EC\$434.4 million. This represents a 23% increase from the balance recorded at the end of 2006. The growth in imports was chiefly driven by increases in the international prices of food and petroleum and petroleum products. The value of food imports increased by 30% between 2006 and 2007, moving from EC\$70 million in 2006 to \$91 million in 2007. Imports of petroleum and petroleum products rose by 20% in value, moving from \$70 million in 2006 to \$84 million in 2007. However, public finances remained stable, reflecting a strong macroeconomic policy environment coupled with prudent fiscal management and significant grant inflows. Total revenue collected for the first half (July to December 2007) of fiscal year 2007/2008 was EC\$156.3 million compared to \$135.8 million for the first half of the previous fiscal year. Total grants received and spent for the first half of 2007/2008 amounted to EC\$45 million compared to \$ \$31 million for the same period in 2006/2007. A primary surplus of 2% of GDP for the *first half* of fiscal year 2007/2008 was recorded, short of the Government's target of 3% for the *fiscal year*, which reflects increased expenditures relating to post hurricane repairs and rehabilitation. However, the authorities remain confident of attaining the year's target. External debt declined by 1.8 percent in 2007 relative to 2006. Obligations under the restructured terms of the debt continue to be made on time and in some instances ahead of schedule.

Progress has been made with structural reforms. A Value Added Tax was introduced on March 1, 2006 at a general rate of 15% but with a reduced rate of 10% applied to hotel accommodation. The VAT replaced the 7.5% sales Tax, the 20% Consumption Tax, the 5% Hotel Occupancy Tax and the Entertainment tax. The VAT reform is considered to have been largely successful. At the end of January 2006, the security and maintenance function of the GOCD was privatised as part of the 2003 agreement between the Government and the IMF to reduce the public service by 10%. The resultant private security and maintenance companies have since absorbed the majority of the affected workers. The work force of the public service in Dominica numbers approximately 3,000 personnel. Parliament has introduced legislation allowing for the liberalisation and regulation of the energy sector. In April 2006, the authorities launched its strategy for growth and poverty reduction for the medium term. The GSPS concentrates on the attainment of growth and on the distribution of its benefits to the most under-privileged in the society, the poor and the indigent that account for nearly 40% of the population. It also aims at a better targeting of existing social programmes. In The February 2007, the World Bank Board of Directors approved USD1.45M credit to support the implementation of the GSPS through a technical assistance project, which is also supported by the EC with funds from the 9th EDF Private Sector Development Programme.

In March 2007, the EC-funded a Public Finance Management (PFM) Assessment to update the previous study carried out in 2005 and to benefit from the new Public Expenditure and Financial Accountability (PEFA) diagnostic tool. The draft report was submitted to the Delegation on 12 April and the results were positive, with substantial reforms and improvements recorded in public finance management during the period under review with the support of the IMF Poverty Reduction Growth Facility (PRGF).

To address the identified weaknesses in public procurement and audit, several important initiatives are underway. Efforts to modernize the procurement framework have begun with the drafting of preliminary legislation. Further reform work in procurement arrangements and auditing is envisaged under the Growth and Social Protection technical Assistance project to be funded by the World Bank, EU and GOCD. Additionally, Dominica's finance administration will benefit from the country's participation in CARICOM's Framework Regional Integration Policy on Public Procurement.

The general objectives of this project are to establish an effective regional regime for public procurement that facilitates the full implementation of the CSME and to participate more effectively in external trade negotiations relating to public procurement.

Structure and management of public finances

Government's fiscal performance has shown a marked turnaround in recent years. Government's operations, particularly with respect to its expenditure patterns, continued to be informed by the critical need to generate high levels of savings consistent with both the country's growth objectives and debt reduction strategy. More broadly, the Government of the Commonwealth of Dominica's (GOCD) strong commitment to implementing tough structural measures and pursuing critical policy reforms in fiscal administration, particularly in relation to debt management and public sector employment rationalisation, is a fundamental determinant of fiscal recovery.

As a percentage of GDP, tax revenues have performed creditably over the past three budget cycles. With respect to direct taxes, yields from both personal income and corporate profits were up by 10% and 5.2% (on a calendar year basis) respectively, reflecting continued favourable macroeconomic conditions. In relation to the indirect tax take, after a full year of operations, the VAT seems to be a success story for Dominica. Collection has outpaced projections, primarily due to strong administrative efficiency coupled with a high degree of compliance. GOCD's revenue yields have been supported by robust grant inflows which reached 10% of GDP in 2006/2007. On the expenditure side, government has maintained a relatively firm rein in relation to recurrent expenditure. However, outlays for both personal emoluments and for goods and services rose during the year. Wages increased by approximately 6% when compared to outlays in 2006, primarily as a result of wages settlement for public officers including a salary upgrade for parliamentarians. Recurrent expenditure on goods and services grew by around 26% over the review period, and reflected the significant costs associated with the hurricane relief effort. On the other hand, debt servicing costs fell by just over 20% on account of a reduced debt burden. Fiscal savings are estimated at around 3.3% of GDP compared with 6.1% in 2006/2007. On the capital side, expenditure rose to almost 10% of GDP, facilitated by significant grant inflows. The overall balance continued to be positive at around 3.7% of GDP compared with 3.5% one year ago.

The confluence of improved economic growth and strong revenue inflows, supported by significant grant receipts, has led to a gradual reduction in the country's debt burden. The increase in the level of grant assistance is particularly high. Grant inflows rose from an average of under 5% of GDP prior to 2002 to over 10% in 2006. The bulk of this assistance has come from bilateral sources, particularly the People's Republic of China and Venezuela. By the end of 2007, Dominica's debt-to-GDP ratio fell to just under 95% compared to over 130% in 2003.

Trade policy and external environment, in particular regional cooperation agreements and EPAs

The current international economic environment poses many challenges to the economic survival of Dominica. It is characterised by an expanding and increasingly complex trade agenda, increasing emphasis on trade liberalisation and strengthening of the multilateral trading systems, arrangements and disciplines. It is also characterised by increasing globalisation of the world economy and the configuration of large regional economic groupings or blocs.

The implications of the new international economic environment for Dominica are significant. Dominica's limited resources have not allowed it to respond effectively or deal adequately with the current trade agenda. There is a movement away from non-reciprocal preferential trade arrangements. The successive challenges to the EU-ACP LOMÉ and the Cotonou Agreements and the EU trade preferences for banana and sugar regime at the WTO are testament to this. The

delay in obtaining waivers for the U.S. and Canada's preferential schemes (CBI and CARIBCAN respectively) are also examples. These are being replaced by "WTO compatible" reciprocal arrangements in the form of the Economic Partnership Agreements (EPAs) between the EU and the ACP.

The main goal of Dominica's trade policy is to transform Dominica's economy into an export oriented economy that is open, resilient and competitive and that is fully integrated into the global economy.

Some of the key objectives which will be pursued are:

- Increased efficiency, productivity and competitiveness of local production;
- Diversification of the range of export-oriented products to encompass traditional and non-traditional manufactured and agricultural goods;
- Diversification of the range of markets to which Dominica's goods are exported; and
- Increased output and exports from the services sector in Dominica

Dominica sees regional integration as a corner stone of its trade and development thrust. It is a member of the OECS and CARICOM, key trading partners. As a small island developing state facing monumental challenges in the international economic environment, the CSME together with the proposed OECS Economic Union offers the best option for Dominica and the Caribbean region for the consolidation of limited resources, productive capacity and negotiating capital.

The OECS integration process is viewed as the foundation on which the wider regional integration process is based. The Member States of the OECS have already achieved a high level of integration with a common judiciary, a common currency and central bank (OECS Countries together with Anguilla have formed the Eastern Caribbean Currency Union), joint foreign representation, a common directorate of civil aviation, pharmaceutical procurement, telecommunications regulation, banking regulation, and close collaboration in health, education and security matters. On 21 June 2006, the Heads of Government of the OECS signed a Declaration of Intent to submit for ratification an Economic Union Treaty.

Dominica's policy towards the CSME is to use it first as a catalyst for the growth and development of the productive sectors particularly the services sectors and secondly as a springboard for launching exports beyond the region and therefore further the integration of Dominica into the global economy. Dominica has removed all unauthorized restrictions on the free movement of goods, services, capital, the rights of establishment and the free movement of approved categories of CARICOM nationals. In December 2005, Dominica amended seven pieces of legislation to remove restrictions in accordance with the programme for removal of restrictions. The country also enacted the Revised Treaty of CARICOM into domestic law. Dominica has been declared as compliant with the CARICOM Single Market by the CARICOM Heads of Government Meeting.

Under the Treaty of Chaguaramas establishing the CARICOM, OECS countries are classified as Less Developed Countries (LDCs) and are exempted from certain liberalisation obligations. In particular, Article 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 Article 164 in the Revised Treaty of Chaguaramas establishing the CSME.

At the multilateral level, Dominica's emphasis has been the development dimension. Specifically, Dominica has argued that the peculiarities of Small Island Developing States (SIDS) must be placed high on the international agenda, and for any agreement to have any real meaning for SIDS the rules of engagement must provide for development that is socially and environmentally sustainable and the facilitation of structural transformation which would reduce the acute economic vulnerability of small states and bring about a level of international competitiveness leading to sustainable development.

As a member of CARIFORUM, Dominica has initialled a comprehensive Economic Partnership Agreement with the European Union on 16 December 2007. The EPA aims for the progressive and asymmetric removal of barriers to trade and enhanced cooperation in all areas related to trade. It also aims to provide an open, transparent and predictable framework for goods and services to circulate freely as well as to promote incoming investment, thus increasing the competitiveness of CARIFORUM Member States.

The general approach is to build on and reinforce regional integration in the Caribbean (market building) and, in subsequent market opening, to use asymmetric flexibility in favour of the Caribbean in terms of product coverage and periods for tariff elimination, thereby helping to promote sustained wealth creation and development. Since 1 January 2008, there is duty free quota free access to the EC market for all products (including bananas) originating in countries having initialled an EPA with the EU.

In this context, traditional ACP banana producers, like Dominica, are also faced with the challenges of a changing EU trade regime for bananas. The changes implemented in 2006, while preserving ACP preferential market access, have already led to a more open EU market with increased competition. The phasing out of import licenses may also require adjustments in the commercial strategies of some ACP operators. However, a large part of Windward banana exports has shifted to the Fair Trade market through a successful market differentiation strategy. The sector will have to continue upgrading its competitiveness in view of future challenges and opportunities, i.e. continued pressure on the MFN tariff on the one hand and the potential of EPAs to secure and improve ACP market access on the other.

With respect to the Doha Round of multilateral trade negotiations, the balancing of the development deficit of the Uruguay Round Negotiations remains the single most important objective for Dominica. As a small vulnerable economy, Dominica is particularly interested in the prospects of potential benefits to be derived from the new Aid For Trade (AFT) initiative in the WTO. Technical and financial assistance for trade related capacity building can play a very critical role in assisting small developing countries in participating in the global economy. Dominica sees the AFT Initiative as an avenue to obtain necessary assistance to build its capacity to produce and export internationally competitive goods and services. This will contribute to the goals of greater integration into the global economy and increased national wealth and development.

Medium-term Economic Prospects and Assessment of the Reform Process

Dominica's principal development challenges continue to focus around the need to sustain economic growth through economic diversification; to aggressively combat a still unacceptably high level of poverty; and to significantly reduce risks to trade shocks and natural disasters. Moreover, to facilitate the transition to a more open, diversified and competitive economy, Dominica needs a more enabling macroeconomic and regulatory environment for private investment. The importance of solidifying the recent improvements in Central Government's fiscal position and reducing the ratio of public debt to GDP to a prudential level is also recognised as a critical precondition for growth.

Going forward, Dominica will have to maintain strict discipline with respect to its fiscal operations as a necessary condition for sustained development. While maintaining that good fiscal management will be necessary, it will not be sufficient to sustain favourable growth outcomes in the longer term. Economic growth will have to be broad based. This will require some degree of modernisation and expansion of the traditional sectors of the economy while uncovering new growth sources. Against this backdrop, the ongoing upgrade of the main airport as well as the enhancement of critical road infrastructure is essential public investment that can serve to boost activity in tourism and agriculture.

In terms of macroeconomic fundamentals, growth is expected to return to above the historical average in the medium term as the economy recovers from Hurricane Dean and planned investments are realized. Growth is expected to be driven largely by the agricultural, tourism, construction and distributive trade sectors. Inflation is expected to be at 3-4% %. Unemployment and under-employment is projected to decline as investment expenditures increase with notable improved labour participation in the construction and tourism sectors.

The Growth and Social Protection Strategy (GSPS) demonstrates a credible attempt to respond in a strategic manner to Dominica's development challenges. The GSPS highlights the need to seek to broaden the country's economic base as a critical prerequisite to protecting past social gains and tackling poverty. The focus on poverty reduction is particularly pronounced and appropriately, given the significantly adverse and widespread impact of the stagnation of the banana industry on the poor. However, the international environment is expected to remain challenging. A protracted downturn in the U.S. economy coupled with sustained high fuel prices could weigh heavily on the country's growth prospects. In this situation, Dominica should seek to exploit benefits that the CSME and the EPA may offer. These relate primarily to the potential for strong investment inflows, source markets for tourism as well as potentially strong export markets

1.3 Update of the poverty and social situation

According to the UNDP Human Development Report for 2007, Dominica ranked 71 among 177 countries on the basis of adult literacy, school enrolment, life expectancy at birth and per capita GDP. While the country enjoys a relatively high index of human development (0.798), available data suggest that the recent protracted and severe economic crisis has led to a rise in the incidence of household poverty and in the unemployment rate.

Reliable information on poverty in Dominica derives almost exclusively from the 2002 Country Poverty Assessment (CPA) conducted for the Government of Dominica by the Halcrow Group and others and sponsored by the Caribbean Development Bank. That assessment comprised three major components namely a survey of living conditions (SLC), a participatory poverty assessment (PPA) and an institutional analysis (IA). The 2002 CPA found that poverty in Dominica is high – about 29% of households and 39% of the population, which is high by Caribbean standards. Approximately 10% of households and 15% of the population are indigent, i.e. very poor with 7% of the population living below US\$ 4 per day.

Poverty exists in urban and rural areas. Three quarters of poor households live in rural areas where one in every three households is poor. The remainder (24%) is to be found in the main towns of Roseau and Portsmouth. Poverty amongst the Caribs is much higher: 70% of the Carib population is poor and almost half are indigent. Aside from the concentration in rural areas (where those households, especially Carib ones, providing labour to the banana plantations have fared worse), poverty disproportionately affects children: 70% of poor households have children as against only 44% for non-poor households and half Dominica's children live in poor households.

Less than half the households with children have two parents at home, and 14% have no resident parents. On the other hand, there is little statistical relationship between poverty and single parenthood, nor the elderly, gender, health, disability and young motherhood. Nonetheless, indigent households mostly exhibit one or more of these characteristics together with an almost total absence of family support.

While poverty trends cannot be ascertained accurately due to the absence of comparable data for previous years, it is generally accepted that the poverty situation has been exacerbated in recent years by the continuing decline in the agricultural sector, in particular the banana industry. This decline was accompanied by a marked deterioration in government finances during the years 2000 to 2003 and little expansion in other sectors (e.g. tourism, construction and manufacturing) to compensate. Thus until 2004 both production and demand stagnated, doubtless leading to reduced employment and income for a large segment of the population.

On the basis of the above, the Government of Dominica takes the position that poverty reduction over the long term requires the creation of sustainable employment and income earning opportunities for all Dominicans.

Dominica's social indicators are quite good: infant mortality, primary school completion, adult literacy and life expectancy are significantly higher than the averages for upper-middle income countries and are similar for the poor and non-poor, reflecting Dominica's long-standing tradition of productive investments in human development, including social protection.

Consequent with the above, Dominica has already achieved the majority of the Millennium Development Goals (MDGs):

- Goal 2 has been attained. Primary education is universal for boys and girls with an enrolment rate of 99 percent.
- Goal 3 statistics indicate no significant difference in participation rates between boys and girls at the primary level. Females out-perform boys at the primary level, female participation rates are higher at the secondary level and they out-perform boys at that level as well as at the tertiary level.
- Goal 4 is also in the right direction since child mortality rates have been dropping – 23 per 1000 in 1990 to 17.51 per 1000 in 2000. In 2002, it stood at 11 (eleven) per 1000.
- Goal 5 is doing well, with maternal mortality rate declining from 80.91 in 1998 to 0.00 per 1000 in 2003.
- Goal 6, in particular HIV/AIDS, poses a very serious challenge. It is reported that Dominica has the second highest incidence of HIV/AIDS on a per capita basis in the English-speaking Caribbean, thereby requiring of the Dominican authorities the design and implementation of effective prevention programmes. This is being addressed within the framework of the country's national HIV/AIDS prevention strategy.
- Goal 7 has been partially attained. Approximately 97% of the households in Dominica have access to safe drinking water. On the other hand, 84% have access to sanitary toilet facilities. Dominica is determined to increase this figure and launched a national programme in the first quarter of 2006 in that regard.

- As for Goal 8 (Donor Partnership), Dominica will continue to provide support and contribute to efforts at achieving it, in concert with its regional and international partner countries and institutions.

2. Overview of past and ongoing EC co-operation

As a traditional ACP banana producer, Dominica has received significant levels of funding from the EC, through Stabex, SFA and NIP, making it one of the top beneficiaries of EU assistance on a per capita basis. The total amount of European Community aid provided to Dominica since 1975 is estimated to be more than EUR 108 M, of which the biggest share is provided through the Stabex and SFA mechanisms which represent almost three times the amounts of the NIPs and are being used to expedite the ongoing restructuring of the banana sector and to support economic diversification. The restructuring programme includes targeting efficient farms for EU-funded investment in irrigation and drainage and other infrastructure works to raise efficiency, quality, and labour productivity. A critical element of the programme is the implementation of programmes to help displaced farmers move into non-traditional agriculture and so minimise the adverse social impact from the restructuring of the industry.

The 8th EDF focused on Tourism Development, while the 9th EDF originally focused on Infrastructure Development (Road maintenance).

Dominica originally benefited from a 9th EDF allocation of EUR 3.7 M under the ‘A’ envelope and EUR 12 M under the B-envelope. Following the Mid-Term Review and transfers from funds left over from previous EDF allocations, the amount of the A envelope is now EUR 10.9 M and the B envelope is EUR 5.3 M. During the MTR it was agreed to add “Macroeconomic Support” as a focal sector, given the performance of Dominica within the framework of the three-year IMF Programme. In addition, Dominica has received a FLEX allocation of EUR 4.38 M.

Disbursements, however, lag behind commitments in a significant way for a variety of reasons. There are implementation problems at the level of the projects and competent Ministries, exacerbated by the freeze on new recruitment in the context of government stabilisation programme. The new EU Financial Regulation has also slowed down implementation, particularly for SFAs. The two sides have addressed the issue and have agreed to commit remaining Stabex funds as targeted budget support and a new FMO has been prepared. With regard to SFAs, an adaptation of the new EU Financial Regulation is being completed with a series of riders and it is expected that disbursements will catch up.

There is nevertheless good cooperation with the NAO Office (staffed with competent personnel) even though the departure of staff in 2005 and 2007 slowed down somewhat the cooperation. Specific support is foreseen for the NAO office in the context of the 10th EDF non-focal sector. Given the number of infrastructure programmes in Dominica, the NAO Office has benefited from the services of staff with engineering skills to speed up the interventions in this sector. The implementation of the 8th EDF Eco-tourism is very satisfactory and has definitely helped to place tourism at the heart of the Government’s Development Agenda; there is full ownership over this project.

Most of the interventions agreed between the Government and the European Commission, including under SFA and STABEX, coherently target agriculture and economic diversification, especially tourism (Ecotourism Project, Waitukubuli National Trail, Road Development, Airport Improvement) which has great potential for increasing foreign exchange earnings, private sector development and social protection. This is being combined with budget support to enhance the Government’s efforts to implement its Growth and Social Protection Strategy in coordination with other Donors. It is hoped that the interventions in these strategic sectors will create the necessary conditions for Dominica to achieve sustained growth and sustainable development.

Following transfers from the B-envelope, total EDF funds, including possible de-commitments from on-going projects, amount to about EUR 10.8 M. In accordance with the addendum signed following the EDF 9 ETR, these will be used for a Private Sector Development Programme (topped up with Flex allocations) in the form of sectoral budget support, a programme to support Non-State Actors, and second phase of the Road Maintenance Project.

The total active aid portfolio for Dominica in 2005, including EDF, Stabex and SFA balances stands at EUR 54.6 M.

2.1 Focal sectors, including macroeconomic support

9th EDF Project – Focal Sector 1: Infrastructure Development

The focal sector under the 9th EDF for which the “A envelope” (EUR 3.7 M) has been allocated is infrastructure development with emphasis on the road sub-sector. The weakness of the infrastructural base is regarded as a critical constraint to the pursuit of the country’s diversification agenda. The project will serve to complement the investments in the social sectors and to enhance the efficiency of agricultural and economic diversification programmes supported by the EU through the EDF, Stabex and SFA.

The Road Improvement Programme has been split into two separate phases, with Phase I devoted to much-needed institutional reform within the relevant Ministries before the start of a works-focused Phase II. The financing agreement for Phase I was signed in December 2005 and a consultant, who started work in May 2007, has already made good progress, producing a road rehabilitation plan, an institutional reform strategy and a draft Road Transport Policy. The Financing Agreement for Phase II was signed in October 2007 for an amount of EUR 2 820 000, most of which will be used for the rehabilitation of the main road network. Recently, the Commission allocated a provisional amount of EUR 380 000 to Dominica under Flex 2006, and these funds will be added to Phase II of the Road Improvement Programme.

A works contract (EUR 4.34 M) for the expansion of the terminal building at Melville Hall Airport in Dominica was signed with the contractor Gaddarkhan & Fils on 19 August 2004. The works started on 14 Dec 2004 without supervision and very little work was completed in the first five months up to 5 May 2005, when the Contractor requested an authorisation to change the original design. The change was accepted by the Government, although fifteen months elapsed before the Government provided any design details. The Delegation suspended payments on the contract and eventually rescinded it. A technical and financial audit was conducted in 2007.

The contract for the airside works was awarded to COLAS of Guadeloupe for a sum of EUR 8 800 415.16 and was signed on 8 December 2006. The work was due to begin on 6 June 2007 and last 12 months. Unfortunately, COLAS could not start on the set date as much of the earthworks, being undertaken by the Venezuelan Army, had not been completed. As a consequence, the Supervisor ordered an ‘extension of time’ for the contract, with a new start date of 6 January 2008. The Venezuelan Army was still not close to completion when this new date arrived and the Supervisor was instructed to order a suspension of works with a tentative start date of 6 April 2008.

9th EDF Project – Focal Sector 2: Macroeconomic Support

Following the Mid-Term Review (MTR) and the subsequent increase of the A-envelope resulting from a transfer of funds from the B-envelope and a EUR 4.3 M allocation of Flex Funds, and considering the heightened financial needs imposed by the ongoing structural adjustment programme with the IMF, it was decided to add “Macroeconomic Support” as the second Focal Sector for Dominica. An amount of up to EUR 10.78 M is available to enable the EC to more effectively contribute to the economic stability and growth of the country.

A Financing Agreement (FA) for a Private Sector Development Programme was signed in November 2007 and is being implemented in close conjunction with a World Bank GSPS Technical Assistance Credit (TAC), which was finalised in mid-2006. Indicators for the disbursement of the variable tranches have been extracted from the priority reforms identified within the WB TAC. In September 2007, a rider was added to assign Dominica’s EUR 1 020 000 allocation under FLEX 2005 to the FA, increasing the total for the SBS programme to EUR 11 800 000.

The 8th EDF NIP – Focal Sector: Eco-tourism Development Programme

The FA (EUR 5 990 000) for the ETDP was signed in June 2002 and ended in December 2006. Subsequently, a rider was signed giving the programme an extension to June 2007 to complete outstanding elements under a closure work programme. The objective of the programme is to strengthen the tourism sector so it can contribute to the long-term sustainable development of the island, having due regard for national, economic, socio-cultural and environmental issues. The main activities are targeting human resource development, marketing, niche product development, private sector and community, as per the 1998 EC Communication on Sustainable Tourism.

The project has brought excellent publicity to Dominica and the EC and the impact on community tourism is quite significant although the impact on tourism arrivals has been limited because of the air access problems. Funds are allocated to tourism under SFA 2006-2008 to continue the marketing and rural tourism development efforts and the benefit of improved air access following the completion of the Airport works.

The 7th EDF NIP - Focal Sector: Solid Waste Management Programme

The allocation under the Solid Waste Management Programme was composed of EUR 1.5 M under a previous Financing agreement topped up by EUR 2.35 M from the Agricultural Diversification Programme. The Programme’s objective was to upgrade and improve the standards of three solid waste disposal sites as part of a wider World Bank-funded OECS initiative. A works contract was signed in August 2003 and construction work commenced in November 2003. The works subsequently experienced a number of delays due notably to poor supervision and a non-performing contractor. The recruitment of a project coordinator in late 2004, along with tighter financial and technical monitoring by the Delegation, allowed the project to be closed within the FA deadline of September 2006. Final acceptance was issued in November 2007. Account closure will be in early 2008 and about EUR 700 000 of unused funds will be de-committed from the project.

2.2 Projects and programmes outside focal sectors

The use of resources set aside for Non-State Actors (under EDF only)

No resources were initially 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/Dominica development partnership, it was agreed that a non state actor (NSA) advisory

panel, representative of Dominica’s civil society, would be established by the Government of Dominica 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 Dominica.

In the second half of the year, a team of international consultants assisted the Government and the Delegation with the mapping of NSAs in Dominica, the selection of members of the Panel and the preparation of an NSA capacity building programme with support from EDF funds. The Panel was formally launched in June 2006 coinciding with the consultations on the 10th EDF Programming.

A Financing Proposal for EUR 300 000 (to be funded from the remaining funds under the 9th EDF) for institutional strengthening and capacity-building of NSA organisations was signed in January 2007. The first Work Programme was prepared, but has yet to be signed as the Dominican authorities are revisiting its content with the NSA panel.

2.3 Utilisation of “B” envelope

No more funds are available under the B envelope.

2.4 Other instruments

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 fluctuations in price or quantity or in both these factors. The use of such Stabex allocations is governed by a Framework of Mutual Obligations (FMO), which stipulates the objectives, obligations, actions and results to be achieved by Stabex transfers. A brief overview of Stabex funding, as of 31 December 2007, is provided in the following table.

Overview of STABEX funding, as of 31 December 2007 (in Euros)

Funding year	Total Funds⁴	Committed	RAC	Paid	RAL
Stabex 1994	10 524 664	10 527 958	(3 294)	10 531 807	(7 143)
Stabex 1995	14 138 283	14 042 380	95 903	14 048 605	89 678
Stabex 1996/97	10 434 185	10 286 996	147 189	10 287 605	147 174
Stabex 98, 99, 195A BAL.	7 472 061	3 367 709	4 104 352	3 367 709	4 104 352
TOTAL	42 5691193	38 225 043	4 344 150	38 235 132	4 334 061

⁴ Including interest

At present, Dominica is implementing projects and programmes funded by Stabex allocations for 1994–1999. It has also received allocations for the repayment of balances upon expiry of the Lomé Convention in 2000 (Article 195), altogether totalling EUR 6 281 815.

An FMO for a sector budget support programme to support the rural sector was signed in June 2006 for EUR 7 235 419, committing all remaining Stabex funds under 1998/99/00 plus interest. This FMO focuses on support for institutional and legislative reforms, in particular the Government’s Land Tenure and Administration Reform Programme (LTARP). This sector budget support programme is the main programme still currently ongoing under Stabex.

Special Framework of Assistance

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 order to benefit from the available funds, each qualifying country is required to prepare a strategy paper for the duration of the SFA. Additionally, each year a Financing Proposal must be submitted setting out the activities envisaged for implementing the SFA allocation for that particular year. As with Stabex funding, SFA funds are allocated to banana commercialisation, agricultural and economic diversification, and social protection/social development.

In the case of Dominica, 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 (SFA from 1999 to 2002).

The implementation of SFA 2003 (with a focal area on tourism and water supply), 2004 (with a focal area on air access and private sector development) and 2005 (with a focal area on competitiveness of the agricultural and other productive sectors through the introduction and sustainable use of ICTs) is underway.

SFA 2006 focuses on tourism and private sector development and on studies (Annual Regional Agricultural Review, OECS Transport and Shipping Study, West Coast Water Supply studies).

The water studies component of SFA 2006 funded an in-depth examination of the regulatory framework for water supply in Dominica. SFA 2007 will fund feasibility and design studies for the West Coast water project in the Portsmouth area (which is to be developed as a new tourist site). SFA 2008 will finance the construction of the water infrastructure in this area.

Overview of SFA funding as of 31 December 2007 (in Euros)

Funding year	Total Funds	Committed	RAC	Paid	RAL
SFA 1999	6 500 000	6 337 522	162 478	6 007 475	492 525
SFA 2000	6 500 000	384 427	6 115 573	380 427	6 119 573

Funding year	Total Funds	Committed	RAC	Paid	RAL
SFA 2001	6 700 000	6 700 000	0	3 830 000	2 870 000
SFA 2002	6 400 000	5 545 588	854 412	1 878 874	4 521 126
SFA 2003	5 900 000	5 539 065	360 935	1 869 830	4 030 170
SFA 2004	5 300 000	4 911 003	388 997	37 727	5 262 273
SFA 2005	4 510 000	3 461 377	1 048 623	1 348 879	3 161 121
SFA 2006	3 830 000	160 000	3 670 000	96 000	3 734 000
SFA 2007	3 260 000	0	3 260 000	0	3 260 000
TOTAL	48 900 000	33 038 982	15 861 018	15 449 212	33 450 788

Caribbean Regional Indicative Programmes (CRIP- EDF)

Dominica, 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 M 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 M is available.

Transfers of unused funds from previous EDF CRIPs have allowed the setting aside of EUR 12 M to assist Dominica in overcoming some of the weaknesses associated with its air access infrastructure.

Support from all ACP funds (EDF)

The EC approved EUR 50 M all ACP Trade.Com programme in August 2003, which is aimed at reinforcing the analytical and research capacities for trade policy formulation; providing immediate assistance for ongoing negotiation and promoting activities for institutional support in the area of trade support services to ACP countries. A specific project (“Hubs and Spokes”) has been designed for the Caribbean region, which has been initiated in 2004. Under this project the OECS Secretariat is benefiting 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 M WTO Support Facility, as well as for Capacity Building in support of the preparation of the EPA (EUR 350 000) under the EUR 20 M EPA Support Facility. The Caribbean Regional Negotiating Machinery (CRNM) has also received support (EUR 857 652) from the EPA Support Facility. Also the NAO Office benefited from a 9th EDF Financial and Contractual Procedures Training held in Barbados in January 2005, under an All ACP programme started in 2004.

Thematic Budget-lines (EC Budget)

The EC approved in May 2003 a Caribbean regional programme from a budget line B7-701 (Human Rights Development) to further restrict the implementation of the death penalty in the Commonwealth Caribbean with a view to its eventual abolition.

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 Saint 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 & Saint Lucia operation, done by Oxfam-GB for EUR 620,000 was "Emergency food security and livelihoods recovery for populations affected by Hurricane Dean in St Lucia and Dominica, Eastern Caribbean".

The Sixth DIPECHO Action Plan in the Caribbean (EUR 4 M) was adopted on 20 July 2007, valid from 1 September 2007 for 18 months. Its main objective is to enable local communities and institutions to prepare for and to mitigate natural disasters, by enhancing their capacities to cope, thereby increasing resilience and decreasing vulnerability. Its key components are: local and institutional capacity-building, early warning systems, small-scale mitigation works, mapping and data computerisation, research and dissemination, advocacy and public awareness-raising, plus education. The Plan is being implemented in Haiti, Dominican Republic, **Dominica**, Suriname, Trinidad and Tobago, The Bahamas, Belize, Guyana, St. Vincent, Grenada, Montserrat, Anguilla and Barbados. In **Dominica** DG ECHO is funding the French Red Cross for a Disaster Preparedness operation, with this objective: "Well organised disaster preparedness committees foster inter-community solidarity and support the National Disaster Plan of Dominica." **Dominica** is also one of the countries included in the regional ECHO-funded operation under PAHO/WHO, "Strengthening communities through safer health facilities in the Caribbean".

European Investment Bank (EIB)

The EIB has provided Dominica with a total of EUR 9.6 M in financial assistance since 1982. In 1998 the EIB signed a finance contract to support the Dominica Agricultural Industrial Development Bank (AID) with EUR 3.0 M of risk capital in favour of small and medium enterprises.

Amongst the various projects that the Bank is currently pursuing is the development of global loan structures with financial intermediaries in the commercial sector that have a broad reach throughout the Eastern Caribbean. Three projects under this heading were signed in 2005: Caribbean Development Bank Global Loan III EUR 40 M, Clico Investment Bank Global Loan EUR 20 M and DFL IX EUR 7 M. All these facilities can be used throughout the Caribbean ACPs. Additionally the Bank supports the micro finance sector through Caribbean Microfinance Limited, which has subsidiaries in Grenada and St. Lucia.

Centre for the Development of Enterprise (CDE)

The CDE supports private sector development by providing non-financial services to ACP companies and businesses and support to joint initiatives set up by economic operators of the Community and of the ACP States. In the OECS region the CDE supports Private Sector development through sector programmes in Construction and Mining, Agro-processing, Wood, Herbal Medicines and Tourism. Over the period 1999-2005, CDE has assisted in the OECS region a total of 69 projects carrying out 103 interventions at a total cost of EUR 719 035 of which EUR 517 376 were contributed by the CDE. Dominica benefited from 32 interventions for a total amount of EUR 237 669.

The PROINVEST programme financed by 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

More over 5 years to support private sector development in the Caribbean, African and Pacific Countries. By the end of 2005, the Programme had committed EUR 5 373 679 to activities within the Caribbean region; of this, EUR 2 212 817 was committed during the course of 2005, to support individual company business plans, public-private sector dialogue, company match-making activities, and business development institutional services.

Centre for the Development of Agriculture (CTA)

The CTA supports policy and institutional capacity development and information and communication management capacities of agricultural and rural development organisations in ACP countries. CTA assists organisations in formulating and implementing policies and programmes to reduce poverty, promote sustainable food security and preserve natural resources. In 2005, the Eastern Caribbean states benefited from CTA support to the agricultural and rural development in the Caribbean at the regional and national levels. The activities at the regional level were implemented in collaboration with CARDI (CTA's Regional Branch Office for the Caribbean) and IICA.

At the national level, the activities were targeted at the public and non-public sector and implemented through direct partnership arrangements between CTA and the relevant institutions.

3.0 Policy Coherence for Development (PDC)

The Government has developed a medium term Growth and Social Protection Strategy (GSPS) which provides the over-arching framework for economic development and poverty reduction in Dominica over the five-year period 2005-2010. The Government strategy is, in effect, a home-grown Poverty Reduction Strategy Programme (PRSP). It is based on the position that poverty will be effectively tackled through the attainment of high levels of economic growth that is as far as possible widely distributed across the country and takes account of distributive and geographic considerations.

Arising out of this GSPS, a medium term strategic reform agenda has been developed. The GSPS presents the framework that informs the medium-term macro-economic framework, the structural reform agenda, the medium-term public investment programme, and the annual budgets to be presented to Parliament. It also provides for the monitoring and evaluation of the progress in implementing the strategy on an annual basis. The consultative process to which it has been subjected ensures that the GSPS has a high degree of public ownership. The support of the international community, particularly donor agencies, IFI's, and regional organisations for the strategy is also pursued by the Government.

Economic growth in Dominica was curtailed by a conjuncture of unfavourable developments, particularly with respect to trade, but there were underlying weaknesses in the economy such as a reliance on one or two sectors, with this lack of diversity exacerbating its vulnerability to economic shocks. Poor fiscal management led to unsustainable debt levels. The last aspect, which had imperilled prospects for investment and growth, has been tackled successfully by fiscal adjustment and debt restructuring supported by past IMF's Stand-by and PRGF arrangements, the World Bank's Economic Recovery Support Operation, Caribbean countries and institutions as well as bilateral development partners. Many other weaknesses remain. Their most serious implications are: Dominica is not internationally competitive; and internally there is a lack of dynamism in the economy.

The GSPS attempts to remedy this situation by focusing public policy and programming on three key areas:

1. Fiscal policy and administrative reform, including creating an enabling environment for private enterprise activity;
2. Sector strategies for growth;
3. Strengthening of social protection

The Government intends on conducting prudent fiscal policy that is conducive to growth, based on expenditure restraint, administrative modernising and reform, and managing borrowing in a manner that is consistent with sustainable fiscal parameters and targets. Administrative reforms aim at a more modern and effective public service that promotes and is supportive of private sector development. Substantial improvements of the enabling environment for private enterprise by a combination of institutional, fiscal, legislative, regulatory and administrative reforms and improvements are critical to achieving the GSPS objectives.

The Government has been taking action in this area but considerably more needs to be done such as removing impediments to foreign investment and business activity in general, including creating simple and transparent conditions for access to land, construction/renovation and start of new businesses; restructuring of the parasitical enterprises; outsourcing and commercialisation of some activities now conducted by the Government.

The strategy aims at achieving a sustained annual rate of economic growth of at least 3% over the medium term based on increased levels of activity in all sectors—. . Eco-tourism, agro-industries, niche-focused agriculture and fisheries, water and geothermal energy are natural resource based industries in which Dominica enjoys some comparative advantages. Exploitation of these endowments should provide employment and income-growth opportunities. Private investment needs to play a major role in mobilising this potential. However, increasing the attractiveness of the economy to investors requires reducing cost and improving reliability of transportation and energy, and increasing the productivity of the labour force. As a result, infrastructural development and an improved focus on education and training (including upgrading technical, management and entrepreneurial skills) are major aspects of the GSPS.

Even with higher levels of economic growth, targeted and well-managed social protection programmes will be clearly needed. Expert reviews found that Dominica has an appropriate range of programmes and instruments to implement the social protection strategy. The Government is committed to improving targeting, management, and administration of its social programmes and to providing the framework for better coordination among various programmes and agencies.

It is the Government's hope that the GSPS will serve its purpose of providing an overarching and strategic perspective on the management of Dominica's economy into the medium term, a perspective that is informed by fiscal and debt parameters and considerations of prudential national economic management.

4. Joint EU-Caribbean Strategy

The EU and the Caribbean have a long standing and strong partnership that is based on history and shared values. Over the years, this partnership has been important and beneficial to both sides. The Cotonou Agreement, which runs to 2020, offers a solid basis on which to further strengthen this valued relationship. The many opportunities offered by the Cotonou Agreement need to be mobilised. The EU and the Caribbean will work as partners in the global effort to support, democracy, universal human rights, peace and stability in the world and to combat the scourge of poverty.

The Caribbean has embarked on a path of regional integration, wider cooperation and economic diversification, restructuring and reform, as a mean towards harnessing the opportunities and minimising the negative effects of globalisation on its small and currently vulnerable states and as a way to achieving the Caribbean Peoples high aspiration to human development. National Governments, Civil society, private enterprise and regional structures in the Caribbean will obviously carry the responsibility for shaping their own future. Based on a shared vision of the future and through an enhanced political partnership and the support of the actions to address the regions socio-economic and environmental vulnerabilities and to promote social cohesion and combat poverty, the EU will be a steadfast partner for the Caribbean in its efforts.

5. Donor Coordination and harmonisation

Apart from the UK, the involvement of EU member states in development cooperation is negligible. 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. The Delegation actively participates in the UNDP chaired donor coordination groups and other coordination mechanisms. We are also 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 especially 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 WB, the IDB, the CDB and UNDP. Donor coordination on trade issues is effective (eg CRNM donor group meets regularly) and periodic on drugs and crime issues (eg mini-Dublin group meetings). Relations with CDE and CTA leave a large margin for potential improvement for the purpose of better structured and deeper involvement of Eastern Caribbean civil society in our development partnership.

An NSA Advisory Panel has been launched in Dominica as well as in other countries in the Eastern Caribbean. A NSA Task Force has been established within the National Economic and Social Development

A European Community Contribution Agreement with FAO has been prepared for SFA 2006. This Agreement will allow the implementation of several projects financed by the 2006 Banana Budget Line by the FAO. These projects will concern both Dominica and the three other SFA countries. Project documents were prepared by FAO during 2007. The Contribution Agreement has been signed by FAO and will be signed and started in the beginning of 2008.

6. Dialogue in country with the NSAs, local authorities and the national parliaments

For more than a decade substantial resources mainly from STABEX have been utilised to provide assistance to farmers dependent upon the Windward Islands banana industry, including diversification opportunities. These interventions have been underpinned with the establishment of social safety nets, including Social Investment Funds, and NGO activities which complement initiatives taken by governments and their agencies. An EU instrument introduced in 1999, the Special Framework for Assistance (SFA), also related to the banana sector, provides complementary resources for this development agenda. From their design stage and throughout their implementation these programmes and projects have involved the active participation of farmers' organisations, chambers of commerce, representatives of particular sectors, NGOs and the local communities in general.

With the aim of strengthening civil society involvement in the EU/Dominica development partnership, it was agreed in 2004 that a non state actor (NSA) advisory panel, representative of Dominica's civil society, would be established by the Government of Dominica 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 Dominica. The Dominica Non-State Actors (NSA) Advisory Panel was successfully launched on 1 June 2006.

The Government, Delegation and all NSA members of the Panel formally approved the Memorandum of Understanding establishing the Panel and the Operating Guidelines governing its work, including provisions aimed at ensuring a measure of rotation in the membership of the Panel and regarding dissemination of the Panel's work in the broad Dominican NSA community. A 9th EDF-financed Financial Proposal for €300,000 was approved in 2007 for an "NSA capacity building programme" in Dominica. Subsequently a Programme estimate for the first year's implementation has been drawn up but awaits signature pending consultations between the NAO's Office & the NSAs.

7. Conclusions

Dominica is a small lower-mid-income economy with an area of 750 sq km; a population of 72,000 (2005 estimate); a GDP of US\$ 316.3 M (EUR 210.87 M); and GDP per capita of US\$4,393 (EUR 2,929) (projected 2007 current market prices). Social indicators are quite good and reflect Dominica's long-standing tradition of productive investments in human development, including social protection. While the country enjoys a relatively high index of human development (0.798), available data suggest that the economic crisis in 2001/2 led to a rise in poverty and in unemployment. The economy depends on agriculture, primarily bananas, and remains highly vulnerable to climatic conditions and international economic developments.

Regarding the poverty situation, around 29% of households and 39% of the population are considered to be poor in Dominica, which is high by most Caribbean standards. Three quarters of poor households live in rural areas where 1 in every 2 households is poor. Poverty is much higher among the Caribs. Primary education is universal for boys and girls and Dominica has an enrolment rate of 99 percent. The biological resources in Dominica, as in the other small OECS islands are under pressure caused by economic interests (tourism, agriculture and fisheries) and factors such as concentration of population and high frequency of disasters.

Tourism has been increasing recently as the government seeks to promote "ecotourism", but requires better air access which is addressed with the support of the EU and Venezuela. The Government began a comprehensive restructuring of the economy in 2003, which included elimination of price controls, privatisation of the state banana company, and tax increases. To address the economic crisis, the Government engaged in a 3-year IMF Poverty Reduction and Growth Facility which came to an end in December 2006. However, in November 2007, the IMF provided about US\$3.3 M in emergency assistance for Dominica. This amount is available immediately to help the government deal with the effects of Hurricane Dean, which struck the country in August 2007.

Dominica's economic growth momentum strengthened in 2007 as the country's principal output sectors consolidated recent gains and the economic outlook remains strong. Enhanced macroeconomic stability particularly with respect to public sector operations seemed to have provided a strong basis for a heightened level of private sector confidence and associated business activity.

The principal development challenges focus around the need to sustain economic growth through economic diversification; combat a still unacceptably high level of poverty; and reduce risks posed by natural disasters. Moreover, to facilitate the transition to a more open, diversified and competitive economy, Dominica needs a more enabling macroeconomic and regulatory environment for private investment. The importance of regaining fiscal sustainability and implementing a successful debt restructuring process is also recognised as a critical precondition for growth. The Government has developed and is implementing a medium term Growth and Social Protection Strategy (GSPS) for the period 2005-2009. The strategy assumes that poverty will be reduced through balanced economic growth.

The EC aid provided to Dominica since 1975 is estimated at EUR 108 M. The biggest share has come through the Stabex and SFA mechanisms, almost three times the amounts of the NIPs, used to expedite the ongoing restructuring of the banana sector and support economic diversification. The 8th EDF focused on tourism development, while the 9th EDF originally focused on infrastructure (road maintenance). Following the Mid-Term Review, it was agreed to add macroeconomic support as a second focal sector to enhance Government's efforts to address the macroeconomic challenges in cooperation with the IMF/PRGF being implemented at that time.

The EC and the Government are proposing propose to allocate 80% of the “A Envelope” under the 10th EDF to Macroeconomic General Budgetary Support (GBS) to assist the Government with the implementation of policies and strategies aimed at achieving sustained growth and poverty reduction. Approximately 10% of the “A Envelope” will be allocated to the Technical Cooperation Facility, notably to support Non-State Actors (NSAs) and possibly to provide Trade-Related Technical Assistance (TRTA). The remaining 10% will be allocated to Technical Assistance to the NAO Office.

A) GENERAL ANNEXES "COUNTRY AT A GLANCE" – TABLE

ANNEX A1) Table of Macroeconomic Indicators

Indicator	Actual			Estimate			Projected			
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
current account % of gdp	-19,51	-18,89	-14,45	-10,85	-14,78	-15,21	-14	-14	-14	-14
GDP ECS	722	694	685	711	740	768				
Nominal GDP (calendar year) EC\$ millions	726	681	697	732	763	797				
Nominal GDP fiscal year EC\$ million	722	694	685	714	748	780				
Nominal GDP fiscal year US\$million	268	257	254	265	277	289				
Exports GNFS annual growth %		-16	2	-4	9	11	3	4		
M2 EC\$			549	555	587	622	660			
M2 % GDP			78,78	75,78	76,95	78,10	79,30			
National accounts (as % of GDP)										
Gross domestic product ^a	100	100	100	100	100	100	100	100	100	100
Agriculture	18,1	17,7	18,6	17,9	17,5	17,5	17,2	17	16,7	16,7
Industry	23,4	22,2	21,0	22,5	22,6	22,1	21,8	22	21,9	22,4
Services	58,4	60,1	60,4	59,6	59,9	60,4	61	61	61,4	60,9
Total Consumption	89,7	97,0	103,1	96,3	95,0	91,9	91,4	90,8	91,1	89,5
Gross domestic investment	24,7	21,2	9,6	14,8	17,7	18,9	19,0	19,0	19,0	19,0
Government investment	16,6	5,7	5,1	10,1	9,4	9,5	9,5	9,5	9,5	9,5
Private investment	8,1	15,5	4,5	4,7	8,3	9,4	9,5	9,5	9,5	9,5
Exports (GNFS) ^b	53,7	48,0	47,8	43,7	45,4	48,5	48,3	48,3	47,7	49,0
Imports (GNFS)	68,1	66,3	60,5	54,8	58,2	59,3	58,7	58,1	57,8	57,5
Gross national savings ^c	5,5	5,3	3,0	10,7	11,0	10,5	11,7	12,5	13,0	13,4
<i>Memorandum items</i>										
Gross domestic product (US\$ million at current prices)	269,0	252,0	258,2	271,0	282,7	295,1	308,4	322,3	336,8	352,0
GNI per capita (US\$, Atlas method)	3300	3370	3190	3380	3650	..	..	..	..	..
Real annual growth rates (%)										
Gross domestic product at factor cost	1,4	-4,2	-4,7	0,0	3,5	3,0	3,0	3,0	3,0	3,0
Real annual per capita growth rates (%)										
Gross domestic product at market prices	1,5	-4,1	-4,6	0,1	3,6	3,1	3,1	3,1	3,1	3,1
Balance of Payments (US\$ millions)										
Exports (GNFS) ^b	144,4	121,1	123,3	118,3	128,5	143,0	147,0	153,6	160,5	172,5
Merchandise FOB	54,7	44,4	43,6	41,0	42,2	44,1	46,2	48,4	50,7	53,2
Imports (GNFS) ^b	183,1	167,0	156,1	148,5	164,5	175,0	181,1	187,4	194,6	202,5
Merchandise FOB	130,4	115,3	102,4	104,9	118,6	126,2	130,6	135,1	140,3	146,0
Resource balance	-38,7	-45,9	-32,8	-30,2	-36,0	-32,0	-34,1	-33,8	-34,1	-30,0
Net current transfers	18,1	17,5	13,8	12,8	15,9	14,7	14,8	15,4	16,1	16,8
Current account balance	-52,5	-47,6	-37,3	-29,4	-41,8	-44,9	-45,2	-44,7	-45,0	-45,6
Net private foreign direct investment	10,8	11,9	11,4	19,8	18,1	21,1	21,7	22,4	23,0	23,7
Change in reserves ^d	2,5	-1,5	-12,1	-1,4	10,3	-0,4	-3,7	-3,5	-2,4	-3,2
<i>Memorandum items</i>										
Resource balance (% of GDP)	-14,4	-18,2	-12,7	-11,1	-12,7	-10,8	-11,1	-10,5	-10,1	-8,5
Public finance (as % of GDP at market prices)^e										
Current revenues	27,8	28,4	28,0	31,0	30,7	29,4	29,4	29,4	29,4	29,4
Current expenditures	31,9	33,1	33,1	31,2	30,3	29,4	28,6	28,4	28,1	27,9
Current account surplus (+) or deficit (-)	-4,1	-4,7	-5,1	-0,2	0,4	0,0	0,8	1,0	1,3	1,5
Capital expenditure	16,6	5,7	5,1	10,1	9,4	9,5	9,5	9,5	9,5	9,5
Primary balance	-3,3	-2,1	-1,6	5,6	2,7	3,0	3,0	3,0	3,0	3,0
Monetary indicators										
M2/GDP	64,3	71,0	78,8	75,8	76,9	78,1	..	..	..	..
Growth of M2 (%)	0,6	7,4	8,5	1,0	5,9	6,0	..	..	..	..
Consumer price index (% cop)	1,1	1,9	0,4	2,9	0,8	1,5	1,5	1,5	1,5	1,5

a. GDP at factor cost

b. "GNFS" 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 (July - June).

Figures shown for a given calendar year relate to the fiscal year beginning on July 1 of that year.

f. "LCU" denotes "local currency units." An increase in US\$/LCU denotes appreciation.

ANNEX A2) 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%	..	..	..	..
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)	4	7	..	8
Goal 2: Achieve universal primary education				
Literacy rate, youth total (% of people ages 15-24)	..	..	..	..
Persistence to grade 5, total (% of cohort)	75	..	86	93
Primary completion rate, total (% of relevant age group)	..	..	94	109
School enrollment, primary (% net)	..	..	95	84
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)	10	9	9	13
Ratio of girls to boys in primary and secondary education (%)	..	..	105	107
Ratio of young literate females to males (% ages 15-24)	..	..	..	..
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	48.4	47.5	46.6	45.8
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	88	99	99	98
Mortality rate, infant (per 1,000 live births)	15	14	13	13
Mortality rate, under-5 (per 1,000)	17	15	14	15
Goal 5: Improve maternal health				
Births attended by skilled health staff (% of total)	..	..	100	100
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)	..	..	50	..
Incidence of tuberculosis (per 100,000 people)	19	18	17	16
Prevalence of HIV, female (% ages 15-24)	..	..	..	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	..
Tuberculosis cases detected under DOTS (%)	..	84	35	..
Goal 7: Ensure environmental sustainability				
CO2 emissions (metric tons per capita)	0.8	1.1	1.4	2.0
Forest area (% of land area)	67	..	63	61
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	..	..	..	..
Improved sanitation facilities (% of population with access)	..	..	..	84
Improved water source (% of population with access)	..	..	..	97
Nationally protected areas (% of total land area)	..	..	..	26.5
Goal 8: Develop a global partnership for development				
Aid per capita (current US\$)	272	342	213	211
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	6.0	5.8	6.7	13.2

Millennium Development Goals				
	1990	1995	2000	2005
Fixed line and mobile phone subscribers (per 1,000 people)	161	244	335	879
Internet users (per 1,000 people)	..	5	84	361
Personal computers (per 1,000 people)	..	..	77	182
Total debt service (% of exports of goods, services and income)	5.6	6.1	7.4	13.2
Unemployment, youth female (% of female labor force ages 15-24)	29.3	46.3	..	..
Unemployment, youth male (% of male labor force ages 15-24)	13.6	36.3	..	..
Unemployment, youth total (% of total labor force ages 15-24)	20.0	40.6	..	..
Other				
Fertility rate, total (births per woman)	2.7	2.1	1.9	1.9
GNI per capita, Atlas method (current US\$)	2,260	2,910	3,300	3,800
GNI, Atlas method (current US\$) (billions)	0.2	0.2	0.2	0.3
Gross capital formation (% of GDP)	40.8	32.4	24.8	25.1
Life expectancy at birth, total (years)	73	75	76	..
Literacy rate, adult total (% of people ages 15 and above)	..	..	..	..
Population, total (millions)	0.1	0.1	0.1	0.1
Trade (% of GDP)	135.1	114.2	120.4	113.5
Source: World Development Indicators database				
Figures in italics refer to periods other than those specified.				
Page: Country: Dominica Row: Series Column: Time				

B) ANNEXES WITH A RETROSPECTIVE CHARACTER

ANNEX B1) the 9th EDF and previous EDFs as per closure of financial year of 2007

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	INDIV. COMMIT	RAC
		N° INDIV COMMIT.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
TOTAL ON ONGOING GLOBAL COMMITMENTS					26,098,684	11,432,336	14,666,348
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS					10,838,687	10,263,851	574,836
2002	7ACP DOM22	0	SOLID WASTE DISPOSAL	20060915	3,950,000	3,268,405	681,595
2002	7ACP DOM22	1	PROCESL	20050215	288,500	266,184	22,316
2002	7ACP DOM22	2	EMILE GADDARKHAN & FILS/CONSTRUCTION NEW LANDFILL	20060731	2,835,100	2,519,918	315,182
2000	8ACP DOM7	0	STABEX 99 BANANAS FRESH	20001231	908,635	908,635	0
2000	8ACP DOM7	1	CONV. TRANSFER STABEX /25/99/DOM (FRESH BANANAS)	20011231	908,635	908,635	0
2001	8ACP DOM9	0	Franchise art 195 a - bananes	20011231	4,523,684	4,446,482	77,202
2001	8ACP DOM9	1	STABEX/21/REP LIV 2ND PR/DOM REPAYMENT AGREEMENT ART 195(A)	20011231	4,259,464	4,259,464	0
2001	8ACP DOM9	2	ENGAGEMENT INTERETS POUR PAIEMENT - DEMANDE DELEGATION DU	20071108	187,019	187,019	0
2001	8ACP DOM10	0	DOMINICA ECO-TOURISM DEVELOPMENT PROGRAMME ETD	20070630	5,990,000	5,837,277	152,723
2001	8ACP DOM10	2	TOURISM INTELLIGENCE INTERNATIONAL XCD 2.568.134	20061231	950,300	934,260	16,040
2001	8ACP DOM10	5	ECO-TOURISM DEVELOPMENT THIRD WORK PROGRAMME-WP 2005/2006	20061231	2,538,383	2,538,383	0
2001	8ACP DOM10	6	COMMITMENT_OF FUNDS FOR THE STRATEGIC MARKETING TECHNICAL	20061130	256,000	232,147	23,853
2001	8ACP DOM10	7	SUPPLY & INSTALLATION CONTRACT FOR HYPERBARIC CHAMBERBY	20061231	237,000	229,893	7,107
2001	8ACP DOM10	8	CLOSURE WP (01/01/2007 TO 30/06/2007) ECO-TOURISM	20070630	613,085	613,085	0

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	INDIV. COMMIT	RAC
		N° INDIV COMMIT.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
2001	8ACP DOM10	9	FWC BENEF FOR ECORYS RE: FINAL EVALUATION OF 8TH EDF ECO-	20070630	33,449	33,449	0
2001	8ACP DOM10	10	FINAL AUDIT OF ECO-TOURISM DEVELOPMENT PROGRAMME BY V.A.	20070630	4,333	4,036	297
2003	8ACP DOM12	0	MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT	20061231	260,000	237,240	22,760
2003	8ACP DOM12	3	WP 3 - DRUG DEMAND REDUCTION PROGRAMME - DOMINICA	20061231	89,000	85,992	3,008
2003	9ACP DOM1	0	ETUDE SECTORIELLE/ ROAD MAINTENANCE STRATEGY PLAN	20060930	140,000	121,294	18,706
2004	9ACP DOM2	0	TECHNICAL COOPERATION FACILITY (TCF)	20101031	360,000	339,823	20,177
2004	9ACP DOM2	2	FRAMEWORK CONTRACT NO.2005/102899-B&S EUROPE FOR EUR 38,400	20051231	38,400	36,486	1,914
2004	9ACP DOM2	3	GOAL ORIENTED PLANNING MODERATORS TRAINING COURSE/TOURISM	20060305	5,000	5,000	0
2004	9ACP DOM2	4	PREPARATION OF MULTI-ANNUAL STRATEGIES & FINANCING PROPOSAL	20070228	56,000	56,000	0
2004	9ACP DOM2	5	FWC-BENEF-SUPPORT TO THE NAO OFFICE-DOM WITH 10TH EDF	20060731	15,000	14,636	364
2004	9ACP DOM2	6	PROG.ESTIMATE 1 (JUNE 30, 2006 TO MARCH 24 2007) FORSUPPORT	20070324	82,400	22,334	60,066
2004	9ACP DOM2	7	COMMITMENT OF PE 2 FOR SUPPORT TO NAO OFFICE AND NON-STATE	20080930	115,000	33,291	81,709
2005	9ACP DOM4	0	ROAD IMPROVEMENT PROGRAMME PHASE 1	20121231	925,000	450,220	474,780
2005	9ACP DOM4	1	T/A-WSP INTERNATIONAL MANAGEMENT CONSULTINGFOR DOMINICA	20090527	450,220	69,742	380,478

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0	TITLE GLOBAL COMMITMENT	END date of implementat°	GLOBAL COMMIT.	INDIV. COMMIT	RAC
		N° INDIV COMMIT.	TITLE INDIVIDUAL COMMITMENT		AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
2006	9ACP DOM5	0	INSTITUTIONAL STRENGTHENING OF NSA SECTOR AND CAPACITY BUILD	20111231	300,000	0	300,000
2007	9ACP DOM6	0	PRIVATE SECTOR AND GROWTH DEVELOPMENT PROGRAMME	20121231	6,400,000	0	6,400,000
2007	9ACP DOM6	1	TRUST AGREEMENT WITH WORLD BANK FOR EUR 526,000	20100630	0	0	0
2007	9ACP DOM7	0	PRIVATE SECTOR AND GROWTH DEVELOPMENT PROGRAMME	20121231	4,380,000	0	4,380,000
2007	9ACP DOM8	0	ROAD IMPROVEMENT PROGRAMME PHASE 2	20121231	2,820,000	0	2,820,000

ANNEX B2) 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 enveloppe	5.05
9 ACP RCA 23	Cyclone Noel – rehabilitation assistance budget support programme – Dominican Republic – Regionalised B enveloppe	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 Caribbean	23.57
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 B3) EIB projects in Dominica

Country	Project Name	Status	Convention	Contract Number	Amount Signed (M)		Date Signature	Amount Outstanding (M)		Beginning Repayment
					OR	RC		OR	RC	
Dominica	Domlec Centrale Hydro-Electrique	Disbursed	Lome - 3	70678		3,800,000	08/20/1987		549,820.45	08/15/1993
	Aidbank Global Loan	Disbursed	Lome - 4	70896		500,000	12/16/1992		500,000	11/30/2008
	Aidbank GI li	Disbursed	Lome - 4 - Bis	71115		3,000,000	09/03/1998		1,810,200	08/05/2004
	Total					7,300,000			2,860,020.45	

ANNEX B4) Use of budget support

Programme	Type	Amount Signed (M€)	Date of Signature	Amount outstanding	Forecast Tranche Disbursement (M€)				
					Tranche 1 (Fixed)	Tranche 2 (Fixed)	Tranche 3 (Variable)	Tranche 4 (Fixed)	Tranche 5 (Variable)
					April 08	Aug 08	Aug 08	April 09	April 09
Private Sector & Growth Development Programme	Sector Budget Support	10.78	17.10. 2007	10.78	4.38	1.433	1.444	1.433	1.444
					Tranche 1 (Fixed)	Tranche 2 (Fixed & Variable)	Tranche 3 (Fixed & Variable)		
					Jan 2007	April 08	July 08		
Revised Framework of Mutual Obligations (Stabex 1998-2000)	Sector Budget Support (rural)	7.24	30.05.2006	3.873	3.367	1.683	1.683		

ANNEX B5) Budget lines

Dominica 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	5,790,000		8,244,332	8,244,332	--	8,244,332	8,244,332	
Agricultural Diversification	475,500		475,000	475,000	--	475,000	475,000	
Diversification of the Economy	1,000,000		759,923	759,923	--	759,923	759,923	
Rural Development & Social Safety Nets	893,885		893,885	793,573	100,312	797,422	686,924	
EDF/Programme Mgmt Coordination Unit	500,000		228,819	228,819	--	228,819	228,819	
Monitoring & Evaluation	500,000		26,311	26,311	--	26,311	26,311	
1st Protocol Stabex/28/REP Liv1st Pr./DOM	221,588		--	--	--	--	--	
Interest	--	729,622	(103,606)	--	(103,606)	--	--	
Total for STABEX 1994 PROGRAMME (8 detail records)	€ 9,380,973	729,622	10,524,664	10,527,958	(3,294)	10,531,807	10,421,308	
Percent			(414,068)	100.0%	0.0%	100.1%	99.0%	
* STABEX 1995 PROGRAMME								
Banana Productivity Support	3,600,000		3,360,659	3,360,659	--	3,360,659	3,360,659	
Social & Community Development	1,000,000		771,324	771,324	--	777,548	755,299	
Promotion of Economic Diversification	170,000		170,000	70,385	99,615	70,385	70,385	
Budgetary Support	8,009,624		7,881,654	7,881,733	(79)	7,881,733	7,881,695	
Monitoring -EDF/PCMU & Support	--		624,221	623,086	1,135	623,086	615,523	
Transfer to Stabex 1994 MFPP	--		414,068	414,068	--	414,068	414,068	
Interest	--	1,358,659	211,358	216,126	(4,769)	216,126	198,451	
Financing Gap in 2003/2004 Budget	--		705,000	705,000	--	705,000	705,190	
Total for STABEX 1995 PROGRAMME (8 detail records)	€ 12,779,624	1,358,659	14,138,283	14,042,380	95,903	14,048,605	14,001,269	
Percent				99.3%	0.7%	99.4%	99.0%	

Dominica 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 1996/97 PROGRAMME								
Social & Community Development	750,000		--	--	--			
Private Sector Development	250,000		250,000	250,000	--	250,016	196,421	
Monitoring, Auditing & Evaluation	374,346		931,083	912,830	18,253	912,830	926,596	
Budgetary Support	8,000,000		8,750,000	8,750,000	--	8,750,000	8,746,640	
Interest	--	1,053,530	122,627	--	122,627			
Financing Gap in 2003/2004 Budget	--		374,166	374,166	--	374,166	374,356	
Total for STABEX 1996/97 PROGRAMME (6 detail records)	€ 9,374,346	1,053,530	10,427,876	10,286,996	140,880	10,287,011	10,244,013	
Percent				98.6%	1.4%	98.6%	98.2%	
* STABEX 1998, 1999+ART. 195A BAL.								
Budgetary Support	6,281,815		6,281,815	3,367,709	2,914,106	3,367,709	3,367,870	
Interest	--	1,181,226	1,181,226	--	1,181,226			
Total for STABEX 1998, 1999+ART. 195A BAL. (2 detail records)	€ 6,281,815	1,181,226	7,463,041	3,367,709	4,095,332	3,367,709	3,367,870	
Percent				45.1%	54.9%	45.1%	45.1%	
Grand Total	€ 37,816,758	4,323,037	42,553,864	38,225,043	4,328,821	38,235,132	38,034,461	

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								
Banana Commercialisation	5,177,000		5,072,000	5,072,000	--	5,072,000	2,815,698	
Agricultural Diversification	694,000		799,000	799,000	--	826,019	752,189	
Coordination & Monitoring	64,000		64,000	58,000	6,000	58,000	55,796	
Regional Technical Assistance	400,000		400,000	330,557	69,443	330,557	245,551	
Contingencies	165,000		165,000	77,965	87,035	77,965	46,779	
Interest	--	72,015	72,015	--	72,015			
Total for SFA 1999 (6 detail records)	€	6,500,000	72,015	6,572,015	6,337,522	234,493	6,364,541	3,916,013
Percent				96.4%	3.6%	96.8%	59.6%	
* SFA 2000								
Banana Commercialisation	5,000,000		5,000,000	10,000	4,990,000	10,000	6,000	
Agricultural Diversification	1,040,000		1,040,000	--	1,040,000	--		
Coordination and Monitoring	60,000		60,000	--	60,000			
Regional Technical Assistance	400,000		400,000	400,000	--	374,427	374,427	
Interest	--	--	--	--	--			
Total for SFA 2000 (5 detail records)	€	6,500,000	--	6,500,000	410,000	6,090,000	384,427	380,427
Percent				6.3%	93.7%	5.9%	5.9%	
* SFA 2001								
Agriculture (Bananas and Non-Bananas)	2,600,000		3,940,000	2,600,000	1,340,000	675,000	883,968	
Credit, Inst. Strengthening, Support Services	2,000,000		2,000,000	2,000,000	--	1,994,581	2,201,331	
Social Recovery	1,450,000		110,000	110,000	--	110,000		
Coordination, Monitoring and Evaluation	300,000		300,000	300,000	--	300,000	340,320	
Monitoring, Audits and Evaluation	100,000		100,000	100,000	--			
Contingencies	250,000		250,000	250,000	--			
Interest	--	48,351	48,351	--	48,351			
Total for SFA 2001 (7 detail records)	€	6,700,000	48,351	6,748,351	5,360,000	1,388,351	3,079,581	3,425,619
Percent				79.4%	20.6%	45.6%	50.8%	

Dominica 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 2002								
Social Investment Fund	4,400,000		4,400,000	4,437,138	(37,138)	4,437,138	1,033,841	
Feasibility & Design Fund	800,000		800,000	199,995	600,005	199,995	96,916	
TA for Management and Monitoring	600,000		600,000	508,455	91,545	508,455	387,075	
Regional Technical Assistance	400,000		400,000	400,000	--	361,042	361,042	
Evaluation and Audits	100,000		100,000	--	100,000			
Contingencies	100,000		100,000	--	100,000			
Interest	--	--	--	--	--			
Total for SFA 2002 (7 detail records)	€ 6,400,000	--	6,400,000	5,545,588	854,412	5,506,630	1,878,874	
Percent				86.6%	13.4%	86.0%	29.4%	
* SFA 2003								
Waitukubuli National Trail Programme	4,400,000		4,400,000	4,396,000	4,000	4,396,000	1,516,217	
Carib Territory/Concorde Water Supply System	1,000,000		1,000,000	1,000,000	--	1,000,000	473,090	
Evaluation & Audits	300,000		300,000	--	300,000			
Contingencies	200,000		200,000	143,065	56,935	143,065	34,397	
Interest	--	--	--	--	--			
Total for SFA 2003 (5 detail records)	€ 5,900,000	--	5,900,000	5,539,065	360,935	5,539,065	2,023,704	
Percent				93.9%	6.1%	93.9%	34.3%	
* SFA 2004								
Air Access Improvement	4,000,000		4,000,000	3,872,721	127,279	3,872,721		
Private Sector Development	1,000,000		1,000,000	1,000,000	--	1,000,000		
Evaluation	200,000		200,000	19,980	180,020	19,980	19,425	
Audits	100,000		100,000	18,302	81,698	18,302	18,302	
Interest	--	--	--	--	--			
Total for SFA 2004 (5 detail records)	€ 5,300,000	--	5,300,000	4,911,003	388,997	4,911,003	37,727	
Percent				92.7%	7.3%	92.7%	0.7%	

Dominica 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 2005								
Comp.1- ICT & e-Business Strategy Development	486,000		486,000	279,000	207,000	279,000	139,500	
Comp.2- Business Skills Dev./e-Business Incubator	1,625,000		1,625,000	1,620,230	4,770	1,620,230	605,650	
Comp.3- Capacity-building - Enhancing Skills Base	1,235,000		1,235,000	641,000	594,000	641,000	320,500	
Comp.4- Legislative & Regulatory Framework	150,000		150,000	75,000	75,000	75,000	37,500	
Comp.5- Business-Oriented e-Government Initiatives	375,000		375,000	255,000	120,000	255,000	127,500	
Comp.6- Regional Co-ordination	108,000		108,000	97,200	10,800	97,200	19,440	
Regional Programme Mgt. & Short & Long-term TA	501,000		501,000	493,947	7,053	493,947	98,789	
Audit & Evaluation	30,000		30,000	--	30,000			
Interest	--		--	--	--			
Total for SFA 2005 (9 detail records)	€ 4,510,000	--	4,510,000	3,461,377	1,048,623	3,461,377	1,348,879	
Percent				76.7%	23.3%	76.7%	29.9%	
* SFA 2006								
OECS Transport Sector Study	70,000		70,000	--	70,000			
Tourism Advisory Services	450,000		450,000	--	450,000			
Publicity/Destination Marketing	1,250,000		1,250,000	--	1,250,000			
Rural Tourism Development Programme	1,000,000		1,000,000	--	1,000,000			
Annual Regional Agricultural Review	30,000		30,000	--	30,000			
Feasibility Study & Design - West Coast Water	760,000		760,000	160,000	600,000	160,000	96,000	
Evaluation/Audit & Impact Monitoring	150,000		150,000	--	150,000			
Contingency	120,000		120,000	--	120,000			
Total for SFA 2006 (8 detail records)	€ 3,830,000	--	3,830,000	160,000	3,670,000	160,000	96,000	
Percent				4.2%	95.8%	4.2%	2.5%	

Dominica 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 2007								
West Coast Water Supply Project	2,810,000		2,810,000	--	2,810,000			
WCWSP Supervision	200,000		200,000	--	200,000			
Agricultural Review & Monitoring	100,000		100,000	--	100,000			
Evaluation & Audit	80,000		80,000	--	80,000			
Contingency	70,000		70,000	--	70,000			
Total for SFA 2007 (5 detail records)	€ 3,260,000	--	3,260,000	--	3,260,000			
Percent				0.0%	100.0%			
Grand Total	€ 48,900,000	120,367	49,020,367	31,724,555	17,295,812	29,406,623	13,107,243	

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D) ANNEXES ON AID EFFECTIVENESS

ANNEX D1) Completed EAMR aid effectiveness questionnaire

Annex C of EAMR: 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

$[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2]$ (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})	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.
Use of national financial reporting procedures (Q ^{d6})	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: <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})	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.
Use of national procurement procedures	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).

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

1. EU target 3

Avoid establishment of new project implementation units (PIUs).

2. Introduction

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.**

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"

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.

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.

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>	
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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.**

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 field⁸ 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"*⁹.

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 2007? ¹⁰	12
Q ^d 16	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		

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% if donor missions to the field as joint.

¹⁰ This question applies to the missions from the HQ

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 ^d 16 / Q ^d 15	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			

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.

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)

D2) Donor Matrix on current and future donor roles

Source: World Bank OECS Country Assistance Strategy 2007-2011

Development Partner	Thematic Areas																
	Private Sector	Financial Sector	Energy	Infrastructure/Transport	Trade	Agriculture & Rural Dev.	Health	Education	Environment	Tourism	Water & Sanitation	Social Protection	Public Sector	Judicial & Legal Reform	Capacity/Inst. Building	Disaster Management	Security & Stability
CDB		X				X	X	X				X	X	X	X	X	
CIDA	X				X				X				X		X	X	
DFID		X			X	X	X	X				X	X				
European Union	X			X	X	X	X	X		X	X	X			X	X	X
France							X					X			X		
Japan	X								X							X	
Kuwait				X													
OAS			X		X			X	X	X		X				X	
Taiwan, China													X				X
UNDP	X	X				X		X	X			X	X		X	X	
USAID	X	X					X							X		X	X
World Bank		X	X	X	X		X	X	X		X	X	X		X	X	X
Cuba				X			X	X							X		
Venezuela			X	X					X						X		