



**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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Executive Summary

Dominica is a small lower-mid-income economy with an area of 750 sq km; a population of 72,500 (2008 estimate); a total GDP of US\$ 275,5 M and GDP per capita of US\$3,800 (projected 2008 current market prices). The island is a stable democracy with independent Courts of law and a tradition of free elections at the local and central government levels. The Constitution mandates elections for a Central Government every five years and the appointment of a Prime Minister and Government that commands the largest support in the Parliament. 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 continued in 2008 although at slower pace than in 2007, reaching a growth rate of 2.1 per cent in real terms. This growth has been driven by continued expansion in the construction and the tourism sectors, with the latter benefiting transportation, accommodation and the distributive services. 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 and these actions are expected to remain important for further strengthening of Dominica in a long time perspective. However the Eastern Caribbean Central Bank anticipates the economic growth of Dominica would continue decelerate in 2009 due to the global economic and financial crisis.

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 112 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 have decided 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. 10% of the "A Envelope" is being 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.

As a member of CARIFORUM, Dominica signed the EPA on October 15, 2008, thereby allowing for the progressive and asymmetric removal of barriers to trade and enhanced cooperation in all areas related to trade with the European Union. An implementation strategy to make the country EPA-ready is to be prepared by the end of the first quarter of 2009.

1. The country performance

1.1 Update on the political situation and political governance

Dominica has a parliamentary system of government. The Parliament, which is the highest court in the land, is made up of twenty-one representatives elected by the people, nine Senators appointed by the President on the advice of the Prime Minister and the Leader of the Opposition in the Parliament, and the Speaker. The elected member who commands the support of the majority of the elected members of the Parliament is appointed as the Prime Minister by the President. All ministers of Government are members of the Parliament a requirement of the Constitution.

The Dominica Labour Party commands 14 elected seats in the Parliament and therefore, by virtue of its majority, forms the Government. The United Workers' Party holds the remaining seven elected seats. In August 2008, Hon. Ronald Green, the leader of the main opposition party, was appointed the new Leader of the Opposition in Parliament.

In November 2008, Prime Minister Roosevelt Skerrit reshuffled his Government, bringing in a new minister for education and re-assigning some portfolios among existing ministers, including his relinquishment of the Foreign Affairs portfolio to the former minister of education.

Currently, there are five female parliamentarians; this number includes only one elected member. This situation 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.

A significant development in the political governance of the country in 2008 was the appointment of the Integrity in Public Office Commission. The purpose of the Commission is to give effect to the Integrity in Public Office Act which was enacted in 2003. Specifically, the Commission is mandated to receive declarations on the financial affairs of persons holding specific positions in public life for the purpose of establishing probity, integrity and accountability in public life and for related matters.

Dominica strengthened its ties to the regional integration process when in January 2008 it joined the Bolivarian Alternative for the Americas, a development cooperation pact involving five other countries namely, Venezuela, Cuba, Bolivia, Nicaragua, and Honduras. Dominica, however, has opted not to participate in SUCRE, a currency arrangement to facilitate trade among the Member States of ALBA. At a deeper level of integration, Dominica, as a member of the OECS grouping, has committed itself to pursue economic and political integration with Trinidad and Tobago by 2013.

Security concerns are mainly related to the trafficking of illicit drugs. Dominica is a member of the Regional Security System, which is an arrangement among Antigua, Barbados, Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent and the Grenadines to render “mutual assistance on request” in the face of security threat. The RSS security forces comprise the military and police personnel who remain under the command of their respective security forces comprise both Military and Police personnel who remain under the command of their respective forces.

1.2 Update on the economic situation and economic governance

Based on preliminary data, the economy of Dominica is estimated to have grown by 2.1 per cent in 2008 in real terms. This growth was driven by continued expansion in the construction and the tourism sectors, with the latter benefiting transportation, accommodation and the distributive services. Activity in construction grew for the sixth consecutive year, registering a 10 per cent growth rate. Output in the mining and quarrying sector, which mirrors developments in the construction sector, expanded by 7.9% following growth of 12 % in 2007 and 8.4 per cent in 2006. In the agricultural sector, modest growth was recorded for livestock (1.5%) and fishing (3.0 %); the important subsector of crop production recorded negative growth (of 0.8 %). The *overall* performance of the sector remained unchanged, reflecting the extent of the damage of Hurricane Dean on the sector. The hurricane, which passed in the second half of 2007, wiped out almost 100 percent of the main export crop of bananas. The manufacturing sector further declined by an estimated 20 percent—a performance affected by the closure of a major production plant in the third quarter of 2007.

Gross Investment is estimated to have increased by approximately 10 per cent, largely on account of construction activity. The momentum in residential home development coupled with government’s expanded capital expenditure programme and post-hurricane infrastructure replacement and rehabilitation led to a 13 per cent growth in investments in this sector.

Rising imports and a poor export performance further widened the visible trade deficit. At the end of 2008, the deficit stood at approximately EC\$421.3 million or 44 percent of GDP at market prices. This represents a 16.2 % increase over the balance recorded at the end of 2007. The increase in imports is mainly related to the implementation of large capital infrastructure projects, the rehabilitation that was required in the aftermath of Hurricane Dean, and sharp global increases in fuel and food prices for most of the year. Exports, which were hampered by Hurricane Dean and persistent supply side constraints, declined by 16 percent

Inflationary pressures intensified on account of spiralling energy and food import prices and a (hurricane-related) shortage of fresh agricultural produce. The Consumer Price Index is provisionally estimated to have risen by 6.3 per cent in 2008 on the heels of a rate of increase of 3.2 per cent in 2007. The food and energy sub-indices rose more sharply at 11.7 per cent and 10 per cent, respectively.

To cushion the effects of rising prices, the Dominican authorities have increased spending on public assistance, revised upwards the minimum wage for selected categories of labour, reduced the excise tax rate on fuel for electricity generation and have implemented the first phase of income tax reform which involves the reduction of the marginal tax rates and increase of the tax-exempt income threshold. A broad-based committee has been established to further advise Government on measures to alleviate the adverse impact of rising food prices.

Furthermore, in an effort to boost rural income and food security, the Government is subsidising the price of fertilizers and has established an Investment Unit in the Ministry of Agriculture to spearhead public sector investments in that sector. Contract marketing is to be encouraged to link farmers with fresh produce buyers. Part of the infrastructure for this has been established with the Agricultural Information

Management System, which has been designed to facilitate better organisation of production and marketing through information gathering and sharing. The FAO is also supporting the objective of increased food security with financial assistance for the purchase of inputs for subsistence farmers and fishers.

The fiscal outturn for 2007/2008 was positive despite a 23 per cent rise in expenditure. The Government's chief fiscal target of a primary surplus of 3 per cent was achieved and exceeded by 1.6 percentage points. Revenue collection remained strong, fuelled mainly by the exceptional performance of the VAT, which was introduced in 2006. Development aid financed 26 per cent of the budget, the highest level of expenditures financed by grants in a fiscal year. Foreign grants limited recourse to borrowing.

Total revenue collected (excluding grants) for the year increased by almost 12 per cent to \$318.7 million over the previous fiscal year. This performance is consistent with the trend of growth in revenue collection over the past five fiscal years, the result of fiscal reforms and a resumption of positive growth following the economic collapse of 2001-2002.

Total expenditure for fiscal year 2007/2008 reached an unprecedented level of \$405.9 million. The growth in expenditure is accounted for by the cost of emergency rehabilitation work associated with the passage of Hurricane Dean in August 2007 and the implementation of major infrastructure works (such as the upgrade of the existing main airport and the construction of sea defence walls) which resulted in a 50% increase in capital expenditure relative to the previous fiscal year.

Reliable and up to date labour force data are not available for Dominica. The Country Poverty Assessment of 2002, however, reported an unemployment rate of 25 per cent for the country. The situation for youth (15-34 years of age) is much more pronounced with an unemployment rate of nearly 80 per cent.

The IMF's medium term baseline projection for Dominica is for an economic growth rate at around 3 per cent from 2010. This is predicated on continuing policy reform to reduce the cost of doing business, further diversification of the economy into tourism, and foreign direct investment. However, the prospects for growth are largely dependent on global economic developments. Major downside risks include a worsening of global economic conditions, decline in external aid and the occurrence of natural disasters.

The current global economic downturn is projected to widen the balance of payments deficit by US\$54.3 million in gross terms in 2009. The impact on the tourism sector will be particularly hard. Stayover tourist arrivals declined by around 14 per cent during the first four months of 2009, reflecting the slowdown in the U.S and Europe, Dominica's major tourism markets, as well as a reduction in airlift. Stayover arrivals are projected to decline by about 15 percent in 2009, but the discounting of hotel room rates and lower spending by tourists would result in a much larger decline in tourism receipts equivalent to 4.8 per cent of GDP. Similarly, remittances are expected to decline and FDI is projected to fall by almost half.

The economic fortunes of Dominica will also depend on fostering an enabling environment for private sector investments. Dominica has slipped in the World Bank's rank of Ease of Doing Business. In 2008, the country was ranked seventy (70) out of a total 181 countries; in the Bank's report of 2009, the country occupied the 74th position. Areas of particular concern are the registration of property and the enforcement of contracts where the country was ranked 103 and 164, respectively. The Government is seeking to address these issues and the general investment climate through an ongoing public sector reform programme that is aimed at making the public service more efficient in the delivery of services. The major components of this programme include the revamping of the institutional and regulatory environment for investment promotion and facilitation; modernization of the operational processes and procedures of the Customs; strengthening of the fiduciary capacity in audit and public procurement; modernization of the Registry through computerization; reform of the regulatory framework for the energy sector through the establishment of an independent regulatory commission and the enactment of legislation for alternative energy; reform of land tenancy and land administration to improve the functioning of the land market; and participation in regional initiatives geared at improving the efficiency of the Court System.

In terms of the framework for Public Finance Management, an EU-funded, independent examination of the country's public finance laws and financial management systems was conducted in 2008 to determine the extent to which these were consistent with EC financial regulations applicable to the General Budgetary Support modality of aid delivery. The overall conclusion of the assessment was that there was general conformity with EC regulations. It noted, however, that the segregation of accounting and authorising responsibilities are not specific and the rules on public tenders are not sufficiently precise and do not cover several aspects (transparency, for example).

Regional integration is a cornerstone of Dominica's 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 offer the best option for Dominica and the Caribbean region for the consolidation of limited resources, productive capacity and negotiating capital. As a member of CARIFORUM, Dominica signed the EPA on October 15, 2008, thereby allowing for the progressive and asymmetric removal of barriers to trade and enhanced cooperation in all areas related to trade with the European Union. An implementation strategy to make the country EPA-ready is to be prepared by the end of the first quarter of 2009.

Dominica is preparing to have the EPA ratified and to sensitize the general public specifically the private sector on the provisions of the Agreement. As from January 1, 2008, Dominica, along with the other 14 CARIFORUM Member States (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago) have been enjoying duty free and quota free access for their goods to the European Union. Given the different levels of development between the two sides, one signal of the asymmetrical nature of the EPA is that Dominica and its CARIFORUM counterparts have a phased period between 3 to 25 years for European goods to enter their markets duty free, as well as an important number of exclusions for sensitive products.

To ensure that the Caribbean states are able to adjust to the new challenges and to maximise the benefits from the opportunities offered by this Agreement, development co-operation is an integral part of the EPA. In addition, the European Union Aid for Trade strategy and co-operation under the Cotonou Agreement offer many opportunities to develop programmes in support of the implementation of this Agreement. Special programmes have also been put in place for sugar, bananas, rice and rum with a view to help Dominica and other Caribbean states become more competitive and diversify their economies.

1.3 Update of the poverty and social situation

According to the UNDP Human Development Report for 2007/2008, Dominica ranks 71 among 177 countries on the basis of adult literacy, school enrolment, life expectancy at birth and per capita GDP. 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 within the country, reflecting a 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). See Appendix 1B.

While the country enjoys a relatively high index of human development (0.798), available data suggest that the poverty situation has been exacerbated in recent years by the continuing decline in the agricultural sector (in particular the banana industry) and the protracted and severe economic crisis of 2001 and 2002. The economic 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, doubtlessly leading to reduced employment and income for a large segment of the population.

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 on less than 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.

Currently, a new poverty assessment is being carried out and will report on the progress that the country has made in reducing poverty levels and as well the effects of the structural adjustment programme undertaken during the period 2002 to 2006. There is also an UNDP-GoCD initiative, which will commence in the second half of 2009, to assess the impact of the global economic downturn and rising global food prices on the population.

The Government's strategy for poverty reduction (enunciated in the GSPS) is to promote economic growth that will create employment and income opportunities for the poor and to improve the effectiveness of social safety nets. The core objective of the GSPS of sustained economic growth and poverty reduction accords with the goals and targets of MDGs. Pro-poor growth and targeted investments will allow for the creation of jobs and income and hence poverty reduction since, according to the CPA of 2002, poverty in Dominica is largely due to lack of employment. Sustained growth will also generate the financing for increased spending on education, health, and sanitation.

In addition to the ongoing efforts at maintaining macroeconomic stability and growth and strengthening social safety nets, the Government recently launched a national programme with the assistance of its development partners to improve the housing situation, especially of the lower income segments of the population. A national shelter policy has been developed. Special financing facilities have been set up to provide affordable mortgages to low income families. More than two hundred squatter families have thus far benefited from the Government's land regularisation policy. More than five hundred homes were renovated in the last fiscal year. Government is also providing homes for indigent and vulnerable persons throughout the country, including the Carib Territory.

1.4 Update on the environmental situation

The Commonwealth Vulnerability Index ranks Dominica as having the sixth (out of 111 countries assessed) most vulnerable economy to external shocks and natural hazards in the world and the most vulnerable in the Caribbean. The primary natural hazards affecting the island are tropical storms and hurricanes and their attendant impacts, which include erosion, landslides and floods. Seismic activity is frequent. It is estimated that over 90 per cent of the population live within five kilometres of seismic activity zones.

Currently, Dominica does not have an overarching national environmental policy in place. A National Environmental Management Strategy was developed, but this has not been finalized. However, several pieces of legislation that address various aspects of environmental management are in existence and the country is party to several Multilateral Environmental Agreements, which reflects a formal policy position and demonstrates a commitment to sustainable environmental management.

In 1997, Dominica became a Party to the United Nations Convention to Combat Desertification. While land degradation in Dominica is not as severe as some other countries, there is an urgent need for corrective and precautionary measures to mitigate/alleviate the natural and anthropogenic factors that can result in land degradation. Approximately 14 per cent of the land in Dominica is vulnerable to degradation.

With the assistance of the UNDP and the GEF, the Government has launched a project to develop capacities for sustainable land management and to mainstream sustainable land management considerations into the national development planning framework. The National Action Plan (NAP) being prepared under the project has identified several priority areas for action, including the improvement of baseline information, ultimately resulting in the creation of a National Land Use Database. It emphasises the development of human and institutional capacities via information dissemination.

Dominica has recently completed its Second National Communication under its reporting obligations to the UN Framework Convention on Climate Change, which it ratified in 1993. Several consultancies were undertaken to assess the country's vulnerability to climatic change. These included, among others, the development of climate change, socio-economic and environmental resource scenarios and a Greenhouse Gas Inventory and Abatement Analysis.

As Party to the Convention on Biological Diversity, Dominica has developed a National Biodiversity Strategy and Action Plan (NBSAP), which was formally approved in 2002. The NBSAP is complementary to existing legislation and policies that seek to conserve and protect the natural marine and terrestrial ecosystems and species of flora and fauna.

An implementation plan for Persistent Organic Pollutants (POPS) and other hazardous chemicals and wastes has been drafted.

Dominica has made significant strides in the exploration of renewable energy. The Government concluded negotiations and signed in April, 2008 the Transnational Partnership Agreement with the Regional Councils of Guadeloupe and Martinique, the French Agency for Environment and Energy Management (ADEME) and the French Geological Survey (BRGM) for the development of Dominica's geothermal resource. The project, which is funded under the INTERREG IIIB Programme of the EU's Caribbean Space Initiative, will provide scientific, environmental, legal and commercial information that will support a wider EU-funded project that is designed to "prove" the quantity and quality of the geothermal resource in the Roseau Valley through resource characterization and test drilling on site over a period of two years. Three months following the signing of the Transnational Partnership Agreement, a licence was issued to a private entity to explore the geothermal energy potential in the south of the island. Dominica is believed to have excellent reserves of geothermal energy in sufficient quantities to supply both the domestic and the neighbouring export markets of Guadeloupe and Martinique for a long time.

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 112 Million Euro. Funds provided through the Stabex and SFA mechanisms constitute almost three times the disbursements 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. In 2008 a total of 19.5 M Euro was committed and approximately 13.5 M Euro paid in Dominica from EU resources.

2.1 Reporting on the financial performance of EDF resources

The 8th EDF focused on Tourism Development and the 9th EDF initially focused on Infrastructure Development (Road maintenance) but was widened in scope following the Mid-Term Review to include transfers from funds left over from previous EDF allocations. The original 9th EDF allocation was EUR 3.7 M under the 'A' envelope and EUR 12 M under the B-envelope. Following the transfers from the left over funds, the A envelope was EUR 10.9 M and the B envelope 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 received a FLEX allocation of EUR 4.58 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 Ministries, exacerbated by the freeze on new recruitment in the context of the government's 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 launched. With regard to SFAs, an adaptation of the new EU Financial Regulation has been completed and disbursements are improving.

There is good cooperation with the NAO Office. The departure of staff in 2005 and 2007 slowed down somewhat the cooperation but the office has regained momentum. Specific support for the NAO Office has been included in the SFA2008 allocation and will also be included under 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. For the 10th EDF A-allocation of EUR 5.7 M a total of EUR 4.56 M has been allocated to macroeconomic general budget support to assist the Government with implementation of policies and strategies aimed at achieving sustained growth to promote poverty reductions. In addition EUR 0.57 M has been allocated to a Technical Cooperation Facility, including some support for the Non-State Actors (NSAs) Panel and EUR 0.57 for Technical Assistance to the NAO Office.

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 (Tourism and Private Sector Development Programme, 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 6.4 M. In accordance with the addendum signed following the EDF 9, 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 2008, including EDF, Stabex and SFA balances stands at EUR 39 M Euro.

2.2 Reporting on General and Sectoral Budget Support

There are currently two ongoing sector budget support programmes in Dominica.

There is a rural budget support programme financed from uncommitted funds under Stabex which is focused on implementing some key land administration and land tenure reforms. The most recent sector budget support programme was signed in November 2007 and is aimed at supporting the government efforts to improve the investment climate to foster private sector-led growth. The main result expected from this SBS is the improvement of the investment climate, based on the corresponding policy measures outlined in the Growth and Social Protection Strategy (GSPS), notably through the development and implementation of a National Investment Strategy (NIS) 2006-2020. The concept of the National Investment Strategy 2006-2020 is based on the Government's policy, highlighted in the GSPS, to foster private sector-led growth by improving the investment climate. The development (and implementation) of this National Investment Strategy, supported by the World Bank through its Growth and Social Protection Technical Assistance Credit (GSPTAC), is one of the performance indicators of the two next tranches of this SBS programmes. The EC programme is closely aligned with that of the World Bank. It also focuses on public sector reforms and private sector development.

In March 2008, the Government elaborated a revised GSPS and solicited the inputs of the donor community. The authorities convened a multi-donor consultation in June, which the EC Delegation attended, and received confirmation of the support of the Eastern Caribbean Donor Group to this framework.

A Public Financial Management assessment using PEFA was carried out in April 2007 which was broadly positive. The strengths highlighted in the report included the creditability and comprehensiveness of the budget, accounting, recording and reporting as well as participation in the annual budget process. The weaknesses identified relate to the transparency of PFM systems specifically inter-governmental fiscal relations and oversight of fiscal risk from other public sector entities. In addition, the report highlighted the weakness of internal audit as well as the non-functioning of the Public Accounts Committee which was seen as undermining the overall accountability of Parliament for ensuring effective scrutiny of the budget.

The PFM action plan of the Government outlines the following PFM reform initiatives in response to the PEFA:

- Draft local Government policy aimed at improving the transparency of inter-governmental fiscal relations;
- Introduction of a framework for monitoring the financial status of public sector entities through making financial disbursement to them conditional upon timely receipt of reports;
- Increased availability of public documents through its website;
- Improvement of the tax collections by increasing the number of on-site audits and garnishing of payments to defaulters;
- Draft legislation in place relating to procurement and contract administration; and
- Strengthening internal audit function through technical assistance provided by CARTAC.

The Government remains committed to implementing public finance management and macro-economic reforms which is positive given that the bulk of the 10th EDF resources are committed to general budgetary support.

2.3 Projects and Programmes in the focal and non focal sectors

2.3.1. The contribution of projects and programmes in the focal sector(s) of the CSP to the country performance as measured against their targets

10th EDF Project – Focal Sector: Macroeconomic general budget support

Eighty (80%) of the allocation under the 10th EDF will be implemented as budget support operations for the implementation of policies and strategies aimed at achieving sustained growth and poverty reduction. The programming for these funds will start in the second part of 2009 to be committed in 2010.

10th EDF Project – Non Focal Sector: Support to the NAO office and Technical Cooperation Facility (TCF) and Non State Actors

Twenty (20%) of the 10th EDF allocation will be utilised to support the NAO and a technical cooperation facility (TCF). The programme for TCF and non-state actors were prepared and approved in 2008 and will be committed in early 2009. However, the programme for Support to the NAO Office will be programmed in 2010 as there are funds available under SFA2008 for procuring support services to the NAO. The NAO also wish to await the results from the planned institutional assessment of NAO support offices before programming these funds. The SFA2008 support is expected to start in beginning of 2010 and will be sufficient for 2.5 years. The 10th EDF resources will consequently only be required from mid 2012 onwards. It is foreseen that the programming for the NAO support will take place in 2011.

	Indicative allocation 10 th EDF (M €)	Commitment planned in 2008 * (M €) (add in brackets planned share of SBS)	Commitments realised in 2008 (M €) (add in brackets effective share of SBS)	Realised/planned (%) (add in brackets ratio/ realised/planned SBS)	Disbursements realised in 2008 (M €)
Focal Area: Macroeconomic General Budget Support	4.56	-	-	-	-
Non Focal Areas: Support to NAO office	0.57	-	-	-	-
TCF and Non State Actors	0.57	-	-	-	-
Total 10th EDF NIP	5.70	-	-	-	-

9th EDF Project – Focal Sector 1: Infrastructure Development

The focal sector under the 9th EDF for which the “A envelope” (EUR 3.7 M) was initially allocated for 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 serves 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 was 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. In Phase I, the consultant made good progress in 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 2.82 M, 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 were added to Phase II of the Road Improvement Programme. Technical assistance is also part of Phase II, which is to be procured in the last quarter of 2009

The contract for the airside works of Dominica airport was awarded to COLAS of Guadeloupe for approximately EUR 8.8 M Euro and was signed on 8 December 2006. The work is scheduled for completion by December 2009. Although the project was marred with several logistical and environmental delays we can report that the programme is more than 50% complete at the time of writing.

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 Dominica.

The Road Improvement Programme was 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. In Phase I, the consultant made good progress in 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 2.82 M, 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 2007, and these were added to Phase II of the Road Improvement Programme. Technical assistance was also part of Phase II and a procurement notice for these services has been published.

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-2007. 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 Sector Budget Support (SBS) programme to EUR 11.8. The agreement with the WB was signed in April 2008 and the first payment for €263,000 was paid in July 2008. The Government met the general conditions for the release of the first fixed tranche of €4.38 M which was disbursed in November 2008.

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

The 8th EDF Eco Tourism Development Programme (EUR 5.99 M), which was aimed at strengthening the eco tourism sector, was completed at the end of June 2007. In the final evaluation, it was concluded that the programme had been successful and resulted in a number of positive developments for the tourism sector, such as significantly improving the tourism profile of Dominica, the upgrading of many tourism sites and enhanced awareness and understanding of the economic importance of tourism across the island.

2.3.2. The development of results achieved by projects and programmes ion the non- focal area, measured against their identified project/programme/sector targets

No more funds are available under the B envelope after completion of 9 ACP DOM 2 - Support to the Office of the NAO and the Non-State Advisory Panel for which the implementation phase was completed on 31 October 2008.

2.3.3. The development of results achieved by support to the Non-State Actors

The resources allocated for NSAs under the 9th EDF, are currently being utilised under a Programme Estimate valid for the period 10th September 2008 to 31st December 2009 for institutional strengthening and capacity building. The NSAs are expected to be provided with capacity building grants to enhance their sustainability and prominence. A consultancy company has been contracted to provide technical assistance for the implementation of the programme.

The Panel has been very involved in forging the avenues that will provide for tripartite dialogue, information and consultation on development cooperation between the EU and Dominica. The Dominica NSA Panel was invited to meet with the Barbados and St Lucia Panel to assist them in the development of their own panels.

2.4 Other cooperation

STABEX transfers (EDF)

Article 186 of the Lomé IV Convention provides compensation for loss of income from the exports of certain agricultural products on which economies of ACP countries are dependent, resulting from fluctuations in price or quantity or in both these factors.

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). Stabex transfers to Dominica were only related to loss in banana exports.

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

Overview of STABEX funding, as of 31 December 2008 (in Euros)

Funding year	Total Funds¹	Committed	RAC	Paid	RAL
Stabex 1994	10.551.519	10.519.750	31,769	10.487.887	63,632
Stabex 1995	14.161.944	14.998.529	163,415	13.998.722	163,222
Stabex 1996/97	10.449.023	10.303.055	145,968	10.297.821	151,202
Stabex 98, 99, 195A BAL.	7.571.709	5.051.564	2,520,145	5.049.818	2,521,891
TOTAL	42.734.195	39.872.898	2,861,297	39.834.249	2,899,947

As of December 2008 all operational programmes under STABEX have been completed and the remaining funds are disbursed through a FMO budget support programme to support the rural sector was signed in June 2006 for EUR 7 235 419, committing all remaining Stabex funds plus interest. The first tranche of €3,367,709 was released in January 2007, and the second tranche of € 1,683,855 was released in December

¹ Including interest

2008. This FMO focuses on support for institutional and legislative reforms, in particular the Government's Land Tenure and Administration Reform Programme (LTARP).

Special Framework of Assistance (SFA, EC budget)

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

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).

Activities under SFA 1999 and 2001 restarted beginning of 2008 after arider for time extension SFA 2001 had been signed August 2008. Several activities are now on-going and should be completed by the deadline of the Financing Agreements, namely construction and equipment of two multipurpose packing houses, rehabilitation and equipment of three IRDCs, construction and equipping of the National Centre for Testing Excellence, and the rehabilitation of two rural roads.

Activities under SFA 2000 are expected to commence in 2009 after the signature in December 2008 of a contract with BIT for the completion of the IRDC and irrigation programmes initiated under SFA 1999 and 2001. However, the credit programme is still under discussion.

Programmes funded by SFA 2002 (with focal sector on the Social Investment Fund), 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 ICT) are at various stages of implementation.

SFA 2006 focuses on tourism and private sector development and on project feasibility studies and reviews (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 2006 is also funding 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 2007 will fund the implementation of the Water Supply Programme in the Portsmouth area. Works should start early 2009.

The Financing Proposal for SFA 2008 has been approved and the Financing Agreement will be signed early 2009 by the NAO. SFA 2008 will finance the construction of the sewage infrastructure in the Portsmouth area.

Overview of SFA funding as of 31 December 2008 (in Euros)

Funding year	Allocation	Commitment	RAC	Paid	RAL
SFA 1999	6,500,000	6,428,639	71,361	4,410,053	2,089,947
SFA 2000	6,500,000	3,964,427	2,535,573	384,427	6,115,573
SFA 2001	6,700,000	3,079,581	3,620,419	3,425,619	3,274,381
SFA 2002	6,400,000	5,629,101	770,899	2,111,203	4,288,797
SFA 2003	5,900,000	5,539,065	360,935	2,313,383	3,586,617
SFA 2004	5,300,000	4,911,003	388,997	2,853,383	2,446,617
SFA 2005	4,510,000	4,439,511	70,489	1,888,910	2,621,090
SFA 2006	3,830,000	2,036,697	1,793,303	663,115	3,166,885
SFA 2007	3,260,000	0	3,260,000	0	3,260,000
SFA 2008	3,603,000	0	3,603,000	0	3,603,000
TOTAL	52,503,000	36,028,024	16,474,976	18,050,093	34,452,907

For SFA as a whole, €6,773,264 was committed in 2008. Seventy-four (74%) of the allocated funds (SFA 1999 to 2007) are now committed. 2008 is the record breaking year for payment with €6,527,661 paid. The global RAL (1999 to 2007) is now at 70%.

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 M 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. Under the 10th EDF, a total of EUR 156 M has been made available for the period of 2007 to 2013 to cover economic integration, trade support, sectoral policies development and to support projects and programmes on the regional level in support of focal and non focal areas of community assistance

Transfers of unused funds from previous EDF CRIPs have allowed for a grant of EUR 12 M to be made available to Dominica to assist it in overcoming some of the weaknesses associated with its air access infrastructure.

Support from all ACP funds (EDF)

The EC approved EUR 50 M for 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. Funding has also been made available 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. 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.

European Commission Humanitarian Aid Office (ECHO)

A financing decision was adopted on September 2007 for "Emergency humanitarian aid for people affected by Hurricane Dean in the Caribbean region" (EUR 3 M). This decision, which valid from August 2007 to February 2008, provided 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; and Livelihoods.

The Sixth DIPECHO Action Plan in the Caribbean (EUR 4 M) was adopted on 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 the effects of 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 has been implemented in Haiti, the Dominican Republic, Dominica, Suriname, Trinidad and Tobago, The Bahamas, Belize, Guyana, St. Vincent, Grenada, Montserrat, Anguilla and Barbados. In Dominica, DG ECHO has been 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's "Strengthening communities through safer health facilities in the Caribbean".

European Investment Bank (EIB)

Under the various Lomé conventions the EIB has lent to Dominica a total of EUR 20.3 million with EUR 10 million and EUR 10 under respectively own and risk capital resources. Financing has been granted to two main borrowers, the Dominica Agricultural and Industrial Bank (AID Bank), for on lending to SMEs, and DOMLEC. Outstanding portfolio stands at EUR 2.41 million.

The EIB is reviewing the possibility of support to the Government's Geothermal at Watten Waven. 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 M 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.

Caribbean Regional Technical Assistance Centre (CARTAC)

CARTAC is a regional resource, based in Barbados, which provides technical assistance and training in core areas of economic and financial management at the request of its Caribbean participating countries. The CARICOM Council of Ministers of Finance and Planning (COFAP) took the decision to establish the Centre in September 1999. The Centre became operational in November 2001. CARTAC is a multi donor initiative implemented as an UNDP project. The Canadian International Development Agency (CIDA) is providing the largest share of the Centre's funding. In addition to the EU (2.3 M Euro), other contributors over the life of CARTAC include the Inter-American Development Bank (IDB), Ireland, the International Monetary Fund (IMF), the United Kingdom (DFID), the United Nations Development Programme (UNDP), the United States (USAID), the European Union (EU), the World Bank (WB) and the Caribbean Development Bank (CDB). The Government of Barbados finances the costs of office facilities while the other 19 beneficiary countries make annual contributions to the Centre's operating expenses.

Dominica benefits from a number of regional initiatives launched by CARTAC. In addition, CARTAC presently provides bilateral support to Dominica in tax administration and reform, including assistance in the implementation of the VAT following its introduction in 2006; the strengthening of capacity in macroeconomic analysis, forecasting and performance monitoring at the level of the Ministry of Finance; review of Treasury operations; and Customs modernization. The flow of assistance is not always in one direction, however. Dominica has assisted CARTAC via the secondment of personnel to support its work on VAT design and implementation and Customs tariff schedule upgrade across the region.

2.5 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 medium term. 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.

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 budget 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 international community— particularly donor agencies, IFI's, and regional organisations— has also been consulted on the strategy and participate in yearly reviews of the strategy.

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 that Dominica is not internationally competitive, and 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, predicated on expenditure restraint, administrative modernising and reform, and managing borrowing in a manner that is consistent with sustainable fiscal parameters and targets. Administrative reforms are aimed 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 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 natural resource based industries in which Dominica enjoys some comparative advantages. These include eco-tourism, agro-industries, niche-focused agriculture and fisheries, water and geothermal energy. 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.

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

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 the Social Investment Fund, 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 the Non- State Actor (NSA) Advisory Panel, representing the main institutional elements 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 (see also 2.3.3. above).

The Delegation and the NAO reinstated the Country Portfolio Review meetings for the purpose of reviewing the development cooperation portfolio, addressing crucial operational and strategic aspects, improve policy dialogue and increase EU visibility in Dominica.

2.7 Aid Effectiveness

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

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

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

A European Community Contribution Agreement with FAO was prepared under SFA 2006. This Agreement allows the implementation of several projects financed by the 2006 Banana Budget Line by the FAO. This project concerns 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 started in the beginning of 2008.

Dominica's Growth and Social Protection Strategy (GSPS) provides the policy framework for the country's economic and social development in the medium term. It sets out the macroeconomic framework; the growth strategy, including the enabling environment for private enterprise; sectoral strategies; and poverty reduction and social protection programmes. Country ownership is assured by the political authorities' commitment to the reform programme and the conduct of economic management within defined prudent fiscal limits, and island-wide consultations held on the formulation of the strategy.

The GSPS serves as a mechanism for coordinating donor support. An annual meeting is held with donors to review the implementation of the strategy and to mobilize and harmonize donors' support in a consistent and accountable framework, thereby reducing fragmentation and contributing to aid effectiveness.

According to the IMF, grant inflows to Dominica have more than doubled from the economic crisis of 2001-2003. Most of the Public Sector Investment Programme is funded by foreign grants which had a standard deviation of 2.2 percent of GDP over the period 1990-2006, which is due in part to one-off disbursements. Such volatility poses challenges for the country's fiscal and liquidity management. In its 2008 Article IV Consultation report, the Fund recommends the development of a Medium Term Expenditure Framework (MTEF) to help assure greater predictability of government expenditure and contribute to internalizing the recurrent cost implications of grant-financed capital investment. The authorities have already taken initial action towards the development of MTEF with the introduction of a three-year rolling budget which is reviewed and revised every year in light of present circumstances.

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

ANNEX 1A) Key macro-economic indicators

	2002	2003	2004	2005	Prog. 1/ 2006	Prel. 2006	Est. 2007	Proj. 2008	2009
(Annual percentage change, unless otherwise specified)									
Output and prices									
Real GDP (factor cost)	-5.1	0.1	3.0	3.3	4.1	4.0	1.5	2.6	2.8
GDP deflator (factor cost)	-0.2	0.9	2.1	1.5	1.2	0.6	2.9	6.3	2.8
Consumer prices (end of period)	0.4	2.9	0.8	2.7	2.0	1.6	5.7	6.7	3.5
Money and credit 2/									
Net foreign assets of the banking system	19.3	17.3	8.1	-8.0	5.1	17.6	7.2	-3.7	-1.8
Net domestic assets of the banking system	-10.8	-16.4	-2.1	14.7	2.9	-8.0	1.9	8.4	6.8
<i>Of which</i>									
Net credit to the nonfinancial public sector	-5.4	-4.3	-5.1	-1.2	-2.0	-10.8	-7.0	-0.3	-0.3
Credit to the private sector	-1.3	-2.3	5.4	4.6	6.1	8.5	4.0	5.7	5.7
Liabilities to the private sector (M2)	8.5	1.0	5.9	6.7	8.0	9.6	9.0	4.7	5.1
Balance of payments									
Merchandise exports, f.o.b.	-1.8	-6.0	4.5	0.4	-1.0	-1.1	-4.5	-12.1	13.1
Merchandise imports, f.o.b.	-11.5	9.3	14.2	14.2	0.5	0.6	11.6	13.4	3.1
Real effective exchange rate (end of period, depreciation -)	-3.3	-1.8	-6.0	2.0	...	-3.4	-1.6	...	
(In millions of U.S. dollars)									
Merchandise exports, f.o.b.	43.6	41.0	42.8	43.0	42.6	42.5	40.6	35.7	40.4
Merchandise imports, f.o.b.	102.4	111.8	127.8	145.9	146.6	146.8	163.9	185.9	191.7
Current account balance	-34.7	-33.6	-46.9	-83.8	-63.9	-58.0	-79.2	-103.4	-97.9
Capital and financial account balance 3/	46.9	35.0	21.2	75.5	62.7	64.6	80.5	104.4	96.6
Overall balance	12.1	1.4	-25.7	-8.3	-1.2	6.6	1.3	1.0	-1.3
(In percent of GDP, unless otherwise specified)									
Central government 4/									
Savings (including grants)	-0.5	8.4	7.6	10.0	11.5	13.5	14.0	11.1	10.9
<i>Of which</i>									
Primary savings (before grants)	0.6	5.6	7.8	8.1	5.5	8.3	5.5	4.4	4.7
Grants 5/	4.4	8.5	5.9	7.2	8.5	7.6	10.5	8.5	8.3
Capital expenditure and net lending	5.0	9.7	8.8	9.0	10.1	10.0	13.0	10.5	10.0
Primary balance 5/	-1.6	5.3	3.5	6.9	4.0	6.3	3.0	2.4	3.0
Overall balance 5/	-5.3	-1.3	-0.9	1.2	1.6	3.7	1.1	0.6	1.0
Nonfinancial public sector debt (gross) 6/									
Total	125.8	128.3	110.5	103.6	101.4	102.0	94.3	86.3	81.2
External	79.1	82.9	76.8	71.1	70.8	70.0	65.0	59.3	55.3
Domestic	46.8	45.4	33.7	32.5	30.6	32.0	29.4	27.0	25.9
External sector									
Current account balance	-13.6	-12.8	-16.5	-28.0	-21.3	-18.3	-23.6	-28.4	-25.5
External public debt service 7/	11.8	19.5	20.7	17.5	13.1	13.0	7.2	11.5	11.3
Amortization	4.6	12.8	14.0	9.1	8.4	8.3	3.9	7.7	7.7
Interest	7.1	6.8	6.7	8.4	4.7	4.7	3.3	3.7	3.6
Memorandum items:									
Nominal GDP at market prices (EC\$ millions)									
Calendar year	688.1	709.7	770.1	808.0	809.5	856.5	906.4	982.6	1,038.9
Net international reserves (US\$ millions; end-of-period) 8/	43.6	44.0	33.6	37.6	44.2	51.0	50.4	52.5	53.6

Sources: Dominica authorities; ECCB; and Fund staff estimates and projections.

1/ IMF Country Report No. 07/1, Seventh PRGF Review (November 2006).

2/ Percentage changes relative to the stock of M2 at the beginning of the period.

3/ Including errors and omissions.

4/ Figures shown for a given calendar year relate to the fiscal year (July–June) beginning on July 1 of that year.

5/ Does not include grants that were received but not spent, in line with IMF Country Report No. 05/384.

6/ For 2005, it includes the reallocation of part of an external bond (around 4 percent of GDP) from external to domestic.

7/ In percent of exports of goods and nonfactor services. Data are on prerestructuring terms up to 2005, and on postrestructuring terms for creditors participating in the debt restructuring and on prerestructuring terms for nonparticipating creditors.

8/ Transactions with the IMF are included as transactions of the monetary authorities.

Source: Article IV report for Dominica, September 2008; Table 1: Selected Economic and Social Indicators

	2002/03	2003/04	2004/05	2005/06	Prog. 2/ 2006/07	Prel. 2006/07	Projections		
							2007/08	2008/09	2009/10
(In millions of Eastern Caribbean dollars)									
Total revenue and grants	224.1	285.9	292.0	325.0	320.1	357.5	397.2	387.2	402.4
Current revenue	191.9	221.8	245.7	263.2	248.1	289.8	297.5	300.0	313.3
Tax revenue	167.9	193.6	213.3	239.5	227.9	262.4	273.8	274.7	286.6
Nontax revenue	23.9	28.1	32.4	23.7	20.2	27.4	23.7	25.4	26.7
Capital revenue	1.3	1.3	1.3	1.3	1.3	1.0	0.9	1.0	1.0
Grants 3/	30.9	63.2	44.3	60.3	70.5	66.7	98.8	86.2	88.1
Total expenditure	261.3	295.2	298.7	315.3	306.8	325.3	386.6	380.6	391.5
Current expenditure	226.6	223.1	232.9	240.2	223.7	237.6	264.1	274.3	285.4
Wages and salaries 4/	116.1	104.2	102.0	105.3	107.1	107.8	111.7	118.4	124.5
Interest	37.6	41.7	43.9	43.0	19.8	19.9	18.0	18.0	20.8
Domestic	17.8	18.8	20.4	20.2	7.7	7.1	8.7	8.3	10.0
External	19.8	22.9	23.5	22.8	12.1	12.7	9.3	9.7	10.8
Others	72.8	77.2	87.0	91.9	96.8	110.0	134.4	137.8	140.2
Goods and services	33.7	38.1	39.0	45.7	49.3	52.3	75.3	76.9	77.3
Transfers and subsidies	39.1	39.1	48.0	46.2	47.5	57.6	59.2	60.9	62.8
Capital expenditure and net lending	34.7	72.1	65.8	75.2	83.1	87.7	122.6	106.4	106.1
Fixed investment	35.0	75.0	69.4	78.2	85.1	90.4	123.9	107.8	107.5
Net equity, net lending, and transfers	-0.3	-2.8	-3.6	-3.0	-2.0	-2.7	-1.3	-1.4	-1.4
Overall balance	-37.2	-9.3	-6.6	9.6	13.3	32.2	10.5	6.6	10.8
Statistical discrepancy 5/	-11.5	6.6	-10.6	4.9	0.0	3.7	0.0	0.0	0.0
Financing	48.7	2.7	17.2	-14.6	-13.3	-35.9	-10.5	-6.6	-10.8
Net foreign financing	44.9	47.3	25.8	9.1	0.0	-10.8	-11.3	-9.4	-11.2
Disbursements	47.7	78.4	26.8	7.5	12.5	2.9	4.7	21.8	18.2
Amortization	6.5	37.2	43.2	20.4	12.5	13.1	15.9	31.2	29.3
Other including rescheduling	3.8	6.1	42.3	22.0	0.0	-0.6	0.0	0.0	0.0
Net domestic financing	3.8	-44.5	-8.6	-23.7	-13.2	-25.0	-7.9	2.8	0.3
Bank	-6.9	-41.4	-12.2	-16.4	-13.2	-16.9	-7.9	2.8	0.3
Nonbank	10.7	-7.7	-6.6	-6.6	0.0	-5.7	0.0	0.0	0.0
Other including rescheduling	0.0	4.6	10.2	-0.7	0.0	-2.4	0.0	0.0	0.0
Emergency support							8.6		
(In percent of GDP)									
Total revenue and grants	32.1	38.6	38.8	39.0	38.7	40.6	42.0	38.3	37.9
Current revenue	27.5	30.0	32.7	31.6	30.0	32.9	31.5	29.7	29.5
Tax revenue	24.0	26.2	28.4	28.8	27.6	29.8	29.0	27.2	27.0
Nontax revenue	3.4	3.8	4.3	2.8	2.4	3.1	2.5	2.5	2.5
Capital revenue	0.2	0.1	0.3	0.2	0.2	0.1	0.1	0.1	0.1
Grants 3/	4.4	8.5	5.9	7.2	8.5	7.6	10.5	8.5	8.3
Total expenditure	37.4	39.9	39.7	37.9	37.1	36.9	40.9	37.7	36.9
Current expenditure	32.4	30.2	31.0	28.9	27.0	27.0	28.0	27.1	26.9
Wages and salaries 4/	16.6	14.1	13.6	12.7	12.9	12.2	11.8	11.7	11.7
Interest	5.4	5.6	5.8	5.2	2.4	2.3	1.9	1.8	2.0
Domestic	2.5	2.5	2.7	2.4	0.9	0.8	0.9	0.8	0.9
External	2.8	3.1	3.1	2.7	1.5	1.4	1.0	1.0	1.0
Others	10.4	10.4	11.6	11.0	11.7	12.5	14.2	13.6	13.2
Goods and services	4.8	5.1	5.2	5.5	6.0	5.9	8.0	7.6	7.3
Transfers and subsidies	5.6	5.3	6.4	5.6	5.7	6.5	6.3	6.0	5.9
Capital expenditure and net lending	5.0	9.7	8.8	9.0	10.1	10.0	13.0	10.5	10.0
Overall balance	-5.3	-1.3	-0.9	1.2	1.6	3.7	1.1	0.6	1.0
Statistical discrepancy 5/	-1.6	0.9	-1.4	0.6	0.0	0.4	0.0	0.0	0.0
Financing	7.0	0.4	2.3	-1.8	-1.6	-4.1	-1.1	-0.6	-1.0
Net foreign financing	6.4	6.4	3.4	1.1	0.0	-1.2	-1.2	-0.9	-1.1
Disbursements	6.8	10.6	3.6	0.9	1.5	0.3	0.5	2.2	1.7
Amortization	0.9	5.0	5.8	2.4	1.5	1.5	1.7	3.1	2.8
Other including rescheduling	0.5	0.8	5.6	2.6	0.0	-0.1	0.0	0.0	0.0
Net domestic financing	0.5	-6.0	-1.1	-2.8	-1.6	-2.8	-0.8	0.3	0.0
Bank	-1.0	-5.6	-1.6	-2.0	-1.6	-1.9	-0.8	0.3	0.0
Nonbank	1.5	-1.0	-0.9	-0.8	0.0	-0.6	0.0	0.0	0.0
Other including rescheduling	0.0	0.6	1.4	-0.1	0.0	-0.3	0.0	0.0	0.0
Emergency support							0.9		
Memorandum items:									
Capital expenditure less total grants	0.6	1.6	3.3	2.2	1.8	2.7	2.7	2.1	1.8
Primary balance	-1.6	5.3	3.5	6.9	4.0	6.3	3.0	2.4	3.0
Overall balance (excluding grants)	-9.7	-9.8	-6.8	-6.1	-6.9	-3.9	-9.3	-7.9	-7.3
Nominal GDP at market prices (EC\$ million)	698.9	739.9	789.0	832.2	827.2	881.5	944.5	1,010.8	1,062.5

Sources: Ministry of Finance; and Fund staff estimates and projections.

1/ Fiscal years beginning July 1.

2/ IM F Country Report No. 07/1, Seventh Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility and Financing Assurances Review (November 2006).

3/ Does not include grants that were received but not spent, in line with IMF Country Report No. 05/384.

4/ 2005/06 includes a reclassification of EC\$2.3 million (0.3 percent of GDP) to other expenditure, reflecting a transfer of teachers from the government payroll to that of the State College.

5/ Difference between identified financing and overall above-the-line balance.

Source: Article IV report for Dominica, September 2008; Table 2: Summary Accounts for the Central Government

Table 1A ii. Dominica's performance on the Doing Business indicators

	<i>Doing Business</i> in 2008	<i>Doing Business</i> in 2009	Global Best Practice (2009)
Starting a Business			
<i>Rank</i>	20	21	<i>New Zealand</i>
Procedures (number)	5	5	
Time (days)	14	14	
Cost (% of income per capita)	27.1%	25.5%	
Min. capital (% of income per capita)	0.0%	0.0%	
Dealing with Construction Permit			
<i>Rank</i>	24	24	<i>St. Vincent and the Grenadines</i>
Procedures (number)	13	13	
Time (days)	182	182	
Cost (% of income per capita)	13.6%	12.8%	
Registering Property			
<i>Rank</i>	97	103	<i>Saudi Arabia</i>
Procedures (number)	5	5	
Time (days)	42	42	
Cost (% of property value)	13.7%	13.7%	
Protecting Investors			
<i>Rank</i>	19	24	<i>New Zealand</i>
Disclosure Index	4	4	
Director Liability Index	8	8	
Shareholder Suits Index	7	7	
Investor Protection Index	6.3	6.3	
Trading Across Borders			
<i>Rank</i>	88	82	<i>Singapore</i>
Documents for export (number)	7	7	
Time for export (days)	16	13	
Cost to export (US\$ per container)	1,197	1,297	
Documents for import (number)	8	8	
Time for import (days)	18	15	
Cost to import (US\$ per container)	1,107	1,310	
Employing Workers			
<i>Rank</i>	59	61	<i>Singapore United States Marshall Islands</i>
Difficulty of Hiring Index	11	11	
Rigidity of Hours Index	20	20	
Difficulty of Firing Index	20	20	
Rigidity of Employment Index	17	17	
Firing costs (weeks of wages)	58	58	
Getting Credit			
<i>Rank</i>	61	68	<i>Malaysia</i>
Legal Rights Index	9	9	
Credit Information Index	0	0	
Public registry coverage (% adults)	0	0	
Private bureau coverage (% adults)	0	0	
Paying Taxes			
<i>Rank</i>	72	63	<i>Maldives</i>
Payments (number)	38	38	
Time (hours)	147	120	
Profit tax (%)	37.1%	25.9%	
Enforcing Contracts			
<i>Rank</i>	165	164	<i>Hong Kong, China</i>
Procedures (number)	47	47	
Time (days)	681	681	
Cost (% of debt)	36%	36%	
Closing a Business			
<i>Rank</i>	181	181	<i>Japan</i>
Time (years)	No practice	No practice	
Cost (% of estate)	No practice	No practice	
Recovery rate (cents on the dollar)	0	0	
Overall ease of doing business	70	74	<i>Singapore</i>

Source: Doing Business 2008. For more information on rankings, please see the Doing Business website (<http://www.doingbusiness.org>). The rankings for *Doing Business* 2008 have been recalculated to reflect the methodology updates introduced in *Doing Business* 2009.

ANNEX 1B) Table of indicators for the MDGs

Millennium Development Goals				
	1990	1995	2000	2007
Goal 1: Eradicate extreme poverty and hunger				
Employment to population ratio, 15+, total (%)*	51 (1991)	..	51 (2001)	..
Employment to population ratio, ages 15-24, total (%)*	42 (1991)	..	32 (2001)	..
Income share held by lowest 20%	..	..	..	..
Malnutrition prevalence, weight for age (% of children under 5)	0.00	0.00	0.00	0.1
Poverty headcount ratio at national poverty line (% of population)	..	27.6	39 (2002)	..
Prevalence of undernourishment (% of population)	4	7	..	..
Vulnerable employment, total (% of total employment)	..	N/A		..
Goal 2: Achieve universal primary education				
Literacy rate, youth female (% of females ages 15-24)	..	..	..	..
Literacy rate, youth male (% of males ages 15-24)	..	..	..	..
Persistence to last grade of primary, total (% of cohort)	80	80	83	88
Primary completion rate, total (% of relevant age group)	89	90	94	96
Total enrolment, primary (% net)	..	95	91	80
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)**	14	5	10	5
Ratio of female to male enrolments in tertiary education	..	..	..	..
Ratio of female to male primary enrolment	91	96	89	94
Ratio of female to male secondary enrolment	138	134	129	97
Ratio of young literate females to males (% ages 15-24)	..	..	..	..
Share of women employed in the non-agricultural sector (% of total non-agricultural employment)	..	43.3	39.5	..
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	88	99	99	99
Mortality rate, infant (per 1,000 live births)	15	16	17	17
Mortality rate, under-5 (per 1,000)	3.5	3.7	3.0	3.2
Goal 5: Improve maternal health				
Adolescent fertility rate (births per 1,000 women ages 15-19)	108	57	45.9	37.5..
Births attended by skilled health staff (% of total)	100	100	100	100..
Contraceptive prevalence (% of women ages 15-49)	..	..	50	..
Maternal mortality ratio (modeled estimate, per 100,000 live births)	0	67	0	110..
Pregnant women receiving prenatal care (%)	90	100	100	100..
Unmet need for contraception (% of married women ages 15-49)	..	..	..	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases				
Children with fever receiving anti malarial drugs (% of children under age 5 with fever)	0	0	0	0..
Condom use, population ages 15-24, female (% of females ages 15-24)	..	..	..	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	18	18	17	16
Prevalence of HIV, female (% ages 15-24)	..	0.01	0.01	..
Prevalence of HIV, total (% of population ages 15-49)	..	0.03	0.05	..
Tuberculosis cases detected under DOTS (%)	..			100
Goal 7: Ensure environmental sustainability				
Annual freshwater withdrawals, total (% of internal resources)	..	..	..	..
CO2 emissions (kg per PPP \$ of GDP)	0.2	0.3	0.3	..
CO2 emissions (metric tons per capita)	0.8	1.1	1.4	..
Forest area (% of land area)	67	..	63	61
Improved sanitation facilities (% of population with access)	..	83	83	..

Millennium Development Goals				
	1990	1995	2000	2007
Improved water source (% of population with access)	..	97	97	..
Marine protected areas, (% of surface area)	..	..	..	..
Nationally protected areas (% of total land area)	..	..	..	..
Goal 8: Develop a global partnership for development				
Aid per capita (current US\$)	272	342	213	267
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	6.0	5.8	6.7	13.0
Internet subscribers (per 100 people)	0.0	0.36	3.14	7.2.6
Mobile phone subscribers (per 100 people)	0.0	0.0	5.98	102.6..
Telephone mainlines (per 100 people)	16.1	26	30.56	25.3..
Other				
Fertility rate, total (births per woman)	2.7	2.1	1.9	..
GNI per capita, Atlas method (current US\$)	2,260	2,910	3,200	4,250
GNI, Atlas method (current US\$) (billions)	0.2	0.2	0.2	0.3
Gross capital formation (% of GDP)	34.3	32.4	28.1	31.1
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	111.4	120.8	109.4

* The total population is the population that falls within the given age range

**There are 21 elected seats. The percentage held by women are rounded to the nearest whole number

() indicates the year the statistic is available

2) PROGRESS REPORT OF THE 10TH EDF GOVERNANCE ACTION PLAN

(ANNEX 2)

	Governance area	Established and Prospective commitments
1.	Political democratic governance	
	- Human rights	Dominica is a signatory to the United Nations Declaration of Human Rights, CEDWA, CRC, ILO Convention 169 (<i>ongoing</i>)
	- Fundamental freedoms	The Constitution of Dominica (<i>ongoing</i>)
	- Electoral process	Electoral practices and provisions are continuously updated by the Electoral Commission. Recommendations of the Commission on electoral reform are before Cabinet for consideration (<i>prospective</i>)
	- Principles of constitutional democracy	In keeping with the Constitution of Dominica, general elections are held every five years to elect a government
2.	Political governance - rule of law	
	- Judicial and law enforcement system	Participation and implementation of judicial management reforms in the OECS regional court of which Dominica is a member (<i>ongoing</i>)
3.	Control of corruption	The Integrity in Public Office Commission was appointed in September 2008 to give effect to the Integrity in Public Office Act which was enacted in 2003. Specifically, the Commission is mandated to receive declarations on the financial affairs of persons holding specific positions in public life for the purpose of establishing probity, integrity and accountability in public life and for related matters.
4.	Government effectiveness	
	- Institutional capacity	Streamlining government departments to allow for improved efficiencies and increased worker productivity. Work in this direction is ongoing under the Public Sector Reform Programme.
	- Public finance management	-An enhanced framework for strategic planning, management and accountability through the enactment of a modern Public Finance and Accountability Act. Legislation has been drafted in that regard and awaits final vetting before submission to the Parliament. -Dominica confirms willingness to conclude tax exchange of information agreements with EU member states, which are ready to do so. The country commits to complete transparency of the tax system to the extent necessary to perform obligations under a tax information agreement concluded with EU Member States, insofar as this would be asked by EU Member States. Dominica is a participating partner in the OECD Global Forum on Taxation.

	Governance area	Established and Prospective commitments
5.	Economic governance	
	- Private sector/market friendly policies	Undertaking reform measures, including the pursuit of prudent fiscal policy and improved delivery of public services, to enhance the climate for private investment and overall private sector development (<i>ongoing</i>)
	- Management of natural resources	Implementation of relevant aspects of the FAO Code of Conduct for Responsible Fisheries (<i>ongoing</i>)
6.	Internal and external security	
	- Internal stability / conflict	Maintenance of law and order
	- External threats and global security	Adherence to the Non-Nuclear Proliferation Treaty, UN Security Council Resolution 1373 (2001) and UN Convention on Terrorism, agreements relating to landmines and illicit arms trafficking and the Regional Security System (<i>ongoing</i>)
7.	Social governance	Devolution of social services to local government authorities; reforming of local government; (<i>ongoing</i>) A Non-State Actor Panel has been set up and is receiving the support of the European Commission in building its institutional capacity Implementation of National Policy on Gender Equality and Equity (<i>ongoing</i>)
8.	International and regional context	
	- Regional integration	Participation in the CARICOM Single Market and Economy and the OECS Economic Union (<i>ongoing</i>)
	- Involvement in regional peer review mechanisms (e.g. APRM)	-
	- Migration	
9.	Quality of partnership	
	-Political dialogue	Continuation of EU-Dominica Political Dialogue, EU-CARIFORUM, EU-LAC partnership (<i>prospective</i>)
	-Programming dialogue	Regular consultations with the EC Delegation (<i>ongoing</i>)
	-Non state actors	Operationalisation of the NSA Panel (<i>ongoing</i>)

3) USE OF BUDGET SUPPORT (ANNEX 3)

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)
					Nov 08	Jun 09	Dec 09	Jun 2010	Dec 2010
Private Sector & Growth Development Programme	Sector Budget Support	10.8	17.10. 2007	6.89	4.38	1.6.93	1.693	1.693	1.693
					Tranche 1 (Fixed)	Tranche 2 (Fixed & Variable)	Tranche 3 (Fixed & Variable)		
					Jan 2007	Dec 08	Jun 09		
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		

4) AID EFFECTIVENESS

ANNEX 4A) Donor Matrix on current and future donor roles

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

Development Partner	Thematic Areas																
	Private Sector	Financial Sector	Energy	Infrastructure/Transport	Trade	Agricultural & Rural Dev.	Health	Education	Environment	Tourism	Water & Sanitation	Social Protection	Public Sector	Juridical & Legal Reform	Capacity Building	Disaster Management	Security & Stability
USAID	X	X					X							X		X	X
Venezuela			X	X		X		X	X	X		X			X		X
Worldbank		X	X	X	X		X	X	X		X	X	X		X	X	X

Source: Worldbank OECS Country Assistance Strategy 2007 - 2011 (updated by GoD 2009);

ANNEX 4B) EAMR Aid Effectiveness Questionnaire

5) FINANCIAL ANNEXES

ANNEX 5A i) 10th EDFs and any previous EDF national programmes as per closure of financial year of 2008

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					27,582,317	23,270,336	4,311,981
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS					21,595,705	15,157,486	6,438,220
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	4,528,682	4,446,482	82,199
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 ETDP	20070630	5,990,000	5,837,386	152,614
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
2003	8ACP DOM12	0	MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT	20061231	260,000	237,240	22,760

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
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	325,079	34,921
2004	9ACP DOM2	7	COMMITMENT OF PE 2 FOR SUPPORT TO NAO OFFICE AND NON-STATE	20081031	162,600	161,358	1,242
2005	9ACP DOM4	0	ROAD IMPROVEMENT PROGRAMME	20121231	925,000	450,220	474,780
2005	9ACP DOM4	1	T/A-WSP INTERNATIONAL MANAGEMENT CONSULTINGFOR DOMINICA	20090527	450,220	319,930	130,290
2006	9ACP DOM5	0	INSTITUTIONAL STRENGTHENING OF NSA SECTOR AND CAPACITY BUILD	20111231	300,000	164,000	136,000
2006	9ACP DOM5	2	PROGRAMME ESTIMATE NO.1/SUPPORT TO NSA PLATFORM FOR	20091231	164,000	44,320	119,680
2007	9ACP DOM6	0	PRIVATE SECTOR AND GROWTH DEVELOPMENT PROGRAMME	20121231	6,400,000	6,400,000	0
2007	9ACP DOM6	1	TRUST AGREEMENT WITH WORLD BANK FOR EUR 526,000	20100630	526,000	263,000	263,000
2007	9ACP DOM6	2	BUDGET SUPPORT FOR GOVT OF DOMINICA FOR EUR 11,154,000	20101231	5,874,000	4,380,000	1,494,000
2007	9ACP DOM7	0	PRIVATE SECTOR AND GROWTH DEVELOPMENT PROGRAMME	20121231	4,380,000	4,380,000	0
2007	9ACP DOM7	1	BUDGET SUPPORT FOR GOVT OF DOMINICA FOR EUR 11,154,000	20101231	4,380,000	0	4,380,000
2007	9ACP DOM8	0	ROAD IMPROVEMENT PROGRAMME PHASE 2	20121231	2,820,000	0	2,820,000
2008	10ACP DOM1	0	TECHNICAL COPPERATION FACILITY		570,000	0	570,000

ANNEX 5A ii) EDFs regional programmes (Dominica) as per closure of financial year of 2008

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of	0		TITLE GLOBAL COMMITMENT	END date of imple-	GLOBAL COMMIT.	INDIV. COMMIT	RAC
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	GLOBAL commit.	N° INDIV COMMIT.	DEL RESP.	TITLE INDIVIDUAL COMMITMENT	mentat°	AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON ONGOING INDIV. COMMIT.	RAP
TOTAL ON ONGOING GLOBAL COMMITMENTS						3,450,000	1,392,816	2,057,184
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS						900,000	0	900,000
2002	8ACP RCA39	0		DESIGN FOR THE DOMINICA AIRPORTS	20040929	550,000	492,816	57,184
2007	9ACP RPR148	0		AVENANT 1 AUGMENTATION DE PLAFOND (FLEX 2006) LETTRE GQ XX/X	20121231	1,020,000	900,000	120,000
2007	9ACP RPR148	1		BUDGET SUPPORT FOR EUR 11,154,000 . CROSS REF.9 DOM 6(2)/	20101231	900,000	0	900,000
2007	9ACP RPR162	0		GOV.OF DOMINICA : FA AWARDED 1ST ENERGY CFP: PREPARATION OF	20131231	1,500,000	0	1,500,000
2007	9ACP RPR182	0		AVENANT 1 AUGMENTAION D EPLAFOND LETTRE GQ XX/XX/XXXX	20121231	380,000	0	380,000

ANNEX 5A iii) STABEX

Dominica STABEX Programmes

Situation Summary as at 31 December 2008

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.483

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* STABEX 1994 PROGRAMME								
Banana Productivity Improvements	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	785,365	108,520	785,365	753,502	
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 Liv 1st Pr./DOM	221,588		--	--	--	--	--	
Interest	--	756,478	(76,750)	--	(76,750)	--	--	
Total for STABEX 1994 PROGRAMME (8 detail records)	€ 9,380,973	756,478	10,551,519	10,519,750	31,769	10,519,750	10,487,887	
Percent			(414,068)	99.7%	0.3%	99.7%	99.4%	
* 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	759,230	12,094	759,230	759,230	
Promotion of Economic Diversification	170,000		170,000	70,385	99,615	70,385	70,385	
Budgetary Support	8,009,624		7,881,654	7,881,695	(42)	7,881,695	7,881,695	
Monitoring -EDF/PMCU & Support	--		624,221	599,269	24,952	599,269	599,269	
Transfer to Stabex 1994 MFPP	--		414,068	414,068	--	414,068	414,068	
Interest	--	1,382,320	235,019	208,223	26,795	208,223	208,227	
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	1,382,320	14,161,944	13,998,529	163,415	13,998,529	13,998,722	
Percent				98.8%	1.2%	98.8%	98.8%	

Dominica STABEX Programmes

Situation Summary as at 31 December 2008

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

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/	Funds Available	Individual	Payments	Pipeline
	Original	Interest	Revised					

	Original	Interest	Revised	Approved Projects before Pipeline Proposals	Commitments /Contracts	Proposals	
* STABEX 1996/97 PROGRAMME							
Social & Community Development	750,000		--	--	--		
Private Sector Development	250,000		250,000	250,000	--	250,230	
Monitoring, Auditing & Evaluation	374,346		931,083	912,830	18,253	926,596	
Budgetary Support	8,000,000		8,750,000	8,750,000	--	8,746,640	
Interest	--	1,074,677	143,774	16,044	127,730	16,044	
Financing Gap in 2003/2004 Budget	--		374,166	374,166	--	374,356	
Total for STABEX 1996/97 PROGRAMME (6 detail records)	€ 9,374,346	1,074,677	10,449,023	10,303,040	145,984	10,303,055	10,297,821
Percent				98.6%	1.4%	98.6%	98.6%
* STABEX 1998, 1999+ART. 195A BAL.							
Budgetary Support	6,281,815		6,281,815	5,051,564	1,230,251	5,051,564	5,049,818
Interest	--	1,289,894	1,289,894	--	1,289,894		
Total for STABEX 1998, 1999+ART. 195A BAL. (2 detail records)	€ 6,281,815	1,289,894	7,571,709	5,051,564	2,520,145	5,051,564	5,049,818
Percent				66.7%	33.3%	66.7%	66.7%
Grand Total	€ 37,816,758	4,503,369	42,734,195	39,872,882	2,861,313	39,872,898	39,834,249

ANNEX 5B) Synthetic list of still ongoing regional and intra ACP projects (Situation on December 31st, 2008)

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 envelope	7.5
9 ACP RCA 24	Standby Facility for debt relief emergency and humanitarian assistance	14.75
All ACP Projects		
Project Number	Project Title	Total (€ mn)
9 ACP RPR 6	Support to the competitiveness of the rice sector in the 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 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 5C) Budget Line Projects

Dominica SFA Programmes

Situation Summary as at 31 December 2008

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.483

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 1999								
Banana Commercialisation	5,177,000		5,072,000	5,072,000	--	5,072,000	3,215,091	
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	394,655	5,345	394,655	319,551	
Contingencies	165,000		165,000	77,965	87,035	77,965	67,426	
Interest	--	82,276	82,276	--	82,276			
Total for SFA 1999 (6 detail records)	€	6,500,000	82,276	6,582,276	6,401,620	180,656	6,428,639	4,410,053
Percent				97.3%	2.7%	97.7%	67.0%	
* SFA 2000								
Banana Commercialisation	5,000,000		5,000,000	3,590,000	1,410,000	3,590,000	10,000	
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	374,427	25,573	374,427	374,427	
Interest	--	--	--	--	--			
Total for SFA 2000 (5 detail records)	€	6,500,000	--	6,500,000	3,964,427	2,535,573	3,964,427	384,427
Percent				61.0%	39.0%	61.0%	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	--	103,627	103,627	--	103,627			
Total for SFA 2001 (7 detail records)	€	6,700,000	103,627	6,803,627	5,360,000	1,443,627	3,079,581	3,425,619

Dominica SFA Programmes

Situation Summary as at 31 December 2008

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 2002								
Social Investment Fund	4,400,000		4,400,000	4,400,000	--	4,400,000	999,095	
Feasibility & Design Fund	800,000		800,000	237,133	562,867	237,133	228,987	
TA for Management and Monitoring	600,000		600,000	508,455	91,545	508,455	502,809	
Regional Technical Assistance	400,000		400,000	364,242	35,758	364,242	361,042	
Evaluation and Audits	100,000		100,000	19,271	80,729	19,271	19,271	
Contingencies	100,000		100,000	100,000	--	100,000		
Interest	--	--	--	--	--	--		
Total for SFA 2002 (7 detail records)	€ 6,400,000	--	6,400,000	5,629,101	770,899	5,629,101	2,111,203	
Percent				88.0%	12.0%	88.0%	33.0%	
* 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	709,821	
Evaluation & Audits	300,000		300,000	--	300,000			
Contingencies	200,000		200,000	143,065	56,935	143,065	87,346	
Interest	--	--	--	--	--	--		
Total for SFA 2003 (5 detail records)	€ 5,900,000	--	5,900,000	5,539,065	360,935	5,539,065	2,313,383	
Percent				93.9%	6.1%	93.9%	39.2%	
* SFA 2004								
Air Access Improvement	4,000,000		4,000,000	3,872,721	127,279	3,872,721	2,323,632	
Private Sector Development	1,000,000		1,000,000	1,000,000	--	1,000,000	492,024	
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	2,853,383	
Percent				92.7%	7.3%	92.7%	53.8%	

Dominica SFA Programmes

Situation Summary as at 31 December 2008

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Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
* SFA 2005								
Comp.1- ICT & e-Business Strategy Development	486,000		486,000	486,000	--	486,000	316,151	
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	1,234,170	830	1,234,170	520,159	
Comp.4- Legislative & Regulatory Framework	150,000		150,000	150,000	--	150,000	92,721	
Comp.5- Business-Oriented e-Government Initiatives	375,000		375,000	357,964	17,036	357,964	93,969	
Comp.6- Regional Co-ordination	108,000		108,000	97,200	10,800	97,200	26,429	
Regional Programme Mgt. & Short & Long-term TA	501,000		501,000	493,947	7,053	493,947	233,831	
Audit & Evaluation	30,000		30,000	--	30,000			
Interest	--	--	--	--	--			
Total for SFA 2005 (9 detail records)	€ 4,510,000	--	4,510,000	4,439,511	70,489	4,439,511	1,888,910	
Percent				98.4%	1.6%	98.4%	41.9%	
* SFA 2006								
OECS Transport Sector Study	70,000		70,000	21,947	48,053	21,947	14,234	
Tourism Advisory Services	450,000		450,000	246,380	203,620	246,380	132,280	
Publicity/Destination Marketing	1,250,000		1,250,000	554,000	696,000	554,000	174,987	
Rural Tourism Development Programme	1,000,000		1,000,000	526,370	473,630	526,370	166,259	
Annual Regional Agricultural Review	30,000		30,000	30,000	--	30,000	15,355	
Feasibility Study & Design - West Coast Water	760,000		760,000	658,000	102,000	658,000	160,000	
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	2,036,697	1,793,303	2,036,697	663,115	
Percent				53.2%	46.8%	53.2%	17.3%	

Dominica SFA Programmes

Situation Summary as at 31 December 2008

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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%			
* SFA 2008								
Component 1 - North West Coast	2,780,000		2,780,000	--	2,780,000			
Component 11- Agriculture	30,000		30,000	--	30,000			
Component 111- Cross Sectorial Interventions	793,000		793,000	--	793,000			
Total for SFA 2008 (3 detail records)	€ 3,603,000	--	3,603,000	--	3,603,000			
Percent				0.0%	100.0%			
Grand Total	€ 52,503,000	185,903	52,688,903	38,281,424	14,407,479	36,028,024	18,050,093	

ANNEX 5D) EIB projects in Dominica as at December 31, 2008

Country	Project Name	Status	Convention	Contract Number	Amount Signed (M)		Date Of 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		444,166.43	08/15/1993
	Aidbank Global Loan	Disbursed	Lome - 4	70896		500,000	12/16/1992		400,000	11/30/2008
	Aidbank GI II	Disbursed	Lome - 4 - Bis	71115		3,000,000	09/03/1998		1,568,500	08/05/2004
	Total					7,300,000			2,412,666.43	

Updated January 23, 2009

ANNEX 5E) Updated CSP chronogram with expected commitment, contracting and disbursement of 10th EDF

5E:1) Indicative timetable of global commitments and contracting for 10th EDF

FOCAL AREA (EUR)	Allocation	2008				2009				2010 →			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
General Budget Support Programme	EUR 4,560,000									FP	FD		CT
NON FOCAL AREA (EUR)	Allocation	2008				2009				2010 →			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Technical Cooperation Facility	EUR 570,000		FP	FP	FD			CT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TA to the NAO Office*	EUR 570,000												
FS: Feasibility Study FP: Financing proposal FD: Financing decision <input type="checkbox"/> : Project implementation CT: Contracting													

**) programming for NAO office support will be done in 2011 as the fund only are needed from mid 2012*

5E:2) Indicative timetable for disbursements of 10th EDF

FOCAL AREA (EUR)	Allocation	2009				2010				2011				2012				2013				2014→				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
General Budget Support Programme	EUR 4,560,000								€2.56 M			€2.0 M														
NON FOCAL AREA (EUR)	Allocation	2009				2010				2011				2012				2013				2014→				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Technical Cooperation Facility (TCF)	EUR 570,000			€0.1 M		€0.1 M		€0.1 M		€0.1 M		€0.1 M		€0.07 M												
TA to the NAO Office	EUR 570,000																€0.2 M					€0.2 M				€0.17 M