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IN
BARBADOS AND THE EASTERN CARIBBEAN
OFFICE OF THE NATIONAL AUTHORISING OFFICER
IN
ST. VINCENT AND THE GRENADINES**

**COOPERATION
between
THE EUROPEAN UNION
and
ST. VINCENT AND THE GRENADINES**

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1. Executive Summary

St. Vincent and the Grenadines is a small open economy highly vulnerable to external shocks. Whilst recent economic performance has improved substantially, after experiencing an economic slowdown in 2001-02, several factors (bananas tariff-only system, agriculture modernisation, public debt) still loom which threaten the continued strong performance of the SVG economy. Prospects for the services sectors (tourism, telecommunication, offshore financial services) are more promising.

As a whole, St. Vincent and the Grenadines's social indicators are quite good, even though it is the poorest country in the Eastern Caribbean with a poverty rate of 33% according to the 2002 OECS Human Development Report. St. Vincent and the Grenadines is ranked 87 out of 177 countries on the basis of literacy, school enrolment, life expectancy at birth, and per capita GDP.

The largest part of EU support to St. Vincent and the Grenadines is being provided through the Stabex and SFA mechanisms which are being used to expedite the ongoing restructuring of the banana sector to help it to become more viable in an increasingly competitive international market. The overall objective of the EC intervention under the NIP is to support the sustainable development of human resources in St. Vincent and the Grenadines, through the provision of learning opportunities to all persons in order to equip them with the required values, skills, attitude and knowledge necessary for creating and maintaining a productive, innovative and harmonious society. Moreover 90% (€ 4.5 million) of the "A envelope" is earmarked towards the education sector and, in particular, to the improvement of secondary level education and support for sectoral reforms in an effort to assist the Government in achieving universal access to comprehensive five year secondary education.

The total active aid portfolio for St. Vincent and the Grenadines in 2004, including EDF, Stabex and SFA balances stands at €67.1 million. The total payments under these instruments amounted to € 8.3 million in 2004, compared to €5.4 mn in 2003. New global commitments in 2004 amounted to € 0.5 million. New individual commitments amounted to € 0.9 million.

In the framework of Art. 8 of the Cotonou Partnership Agreement, a Political Dialogue was conducted for the first time during the MTR in December 2004. Topics discussed included fiscal/public sector reform, regional integration, Haiti, the ICC and drugs/crime/security matters. In addition, it has been agreed with the Government of St. Vincent and the Grenadines that non-state actors should as far as possible be involved at all levels in the activities to be carried out under the 9th EDF.

There were no major points of disagreement with the NAO and cooperation in general was good.

2. Update on the political, economic and social situation

2.1 Update of the political situation

Prime Minister Ralph Gonsalves seemed solidly in control of the political scene in 2004, his United Labour Party (ULP) comfortably enjoying a 12-3 majority in Parliament. The ULP administration has received much acclaim internationally for its good governance, openness, and transparency and its on-going quest to further deepen democracy through constitutional reform and local government reform. However, the opposition New Democratic Party (NDP) does not quite see it that way and has been engaged in a series of protests on some of these very matters. The protests do not seem to resound widely in the electorate. Opposition allegations on various issues did not appear to overshadow public initiatives such as the impressive push for universal secondary education.

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

2.2 Update of the economic situation

- Overview

St Vincent and the Grenadines is a small open economy largely agriculture-based (bananas and other crops) with a growing services sector including tourism, telemarketing and a small offshore financial sector. After experiencing a high GDP growth average during 1995-2000, the economy contracted in 2001 by 0.1% due to the effects of September 11th attack and the global economic slowdown, and started to rebound in 2002 (1.6% GDP growth).

Economic performance is estimated to have improved in 2004 relative to the outcome in 2003. The improvement was underpinned by developments in tourism, agriculture and construction. The merchandise trade deficit widened, largely attributable to higher import payments. The fiscal accounts of the central government yielded a smaller current account surplus and a larger overall deficit, mainly reflecting higher current expenditure.

- Recent Economic Performance

Preliminary estimations indicate a 5.8% growth in 2004 compared to 3.6% growth in 2003, driven mainly by the increase of tourism arrivals (12.8% growth in 2004 compared to -5.8% in 2003), public construction, transport and agriculture, due to a recovery in banana production, the dominant activity in that sector. In addition, the Government has made progress in improving public sector governance, public sector investments, financial management and economic planning. The current account of the Balance of payments is however expected to deteriorate, mainly due to an increase in merchandise imports compared to a slow growth in visitor expenditure. The inflation rate is not expected to increase beyond the 3% level.

The annual average rate of inflation as measured by the Consumer Price Index (CPI) has generally been less than 1 percent. In 2004, the annual average rate of inflation was 2.9 percent compared to 0.3 percent in 2003, reflecting an increase in consumer prices due mainly to the rise in international oil prices.

In keeping with the government endeavours to maintain a relatively prudent fiscal stance, central government's current account balance recorded a surplus of EC\$34 million in 2004. Current revenue increased from EC\$316.73 million in 2003 to EC\$322.39 million in 2004, while recurrent expenditure decreased from EC\$310.68 million to EC\$288.36 million. Total public debt at the end of 2004 was estimated to be EC\$884.10 million. Total disbursed outstanding external debt amounted to EC\$596.53 million, and domestic/internal debt to EC\$287.57 million.

- *Structural Reform process and public finances*

The deterioration in fiscal performance during the year, triggered by a decline in border taxes resulting from trade liberalisation, brought the fragility of the overall tax system into sharp focus. The heavy reliance on border tax has always been at the forefront of macroeconomic issues for the Government of SVG, and increasingly more so within the recent past as globalisation and trade liberalisation have been proceeding at a rapid pace. The Government has already begun the process of expanding the revenue base. Advanced work has been completed on revaluing properties in the State, based on their market value rather than the annual rental value and a lot of the groundwork has been laid for the introduction of a value-added tax early in 2007. Until such time as these activities are completed and implemented, however, the country will remain highly vulnerable to external shocks such as declining commodity prices and border taxes.

Although total public debt increased by 5.7% during the year, a more fundamental issue relating to the growth of debt over the past five years is whether or not such growth can be sustained given the current investments and the likely growth path of the economy. The increasing rate of economic growth since 2001 has been an important factor in debt affordability, but shocks encountered within the last two years have given rise to concerns about the high debt level and its sustainability.

Development priorities for the Government over the medium-term include the construction of an international airport which will require a significant amount of financing. At the same time, government has enunciated a policy of restricting the public debt to no more the 75% of GDP from the 80% reached in 2004. The Government must therefore be able to reduce the public debt by at least the amount it intends to borrow to finance the airport for the project to be undertaken. This will almost preclude any other borrowing for other development projects.

- *Regional Integration*

SVG is a Member of the OECS, the CARICOM and the Association of Caribbean States. It is engaged in CARIFORUM-EU EPA negotiations which were launched in 2004, FTAA, and WTO in particular.

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

At the 40th Meeting of the OECS Authority in November 2004, it was agreed to establish a Task Force chaired by the Governor of the Eastern Caribbean Central Bank and to prepare a draft Bill on the Treaty to establish the OECS Economic Union for submission to the 41st Meeting of the Authority in May 2005. As regards the CARICOM Single Market and

Economy (CSME), the prospect is that OECS countries will join in by the end of 2005 (Barbados, Jamaica, and Trinidad and Tobago are expected to launch the CSME on a reciprocal basis in February 2005).

- Medium-Term economic prospects

Whilst recent economic performance has improved substantially, several factors still loom which threaten the continued strong performance of the SVG economy. Faced with declining profitability, the prospect of a tariff-only system for market access in the EU and a sharp rise in input costs during the year, the banana industry faces the daunting task of remaining competitive in a fully liberalised market. An additional challenge is the need to modernise and maintain agricultural health and safety systems for domestic and export trade. Whilst the use of irrigation and higher planting densities will partly assist in increasing production, the industry still persistently faces the longer-term structural challenges such as small holdings and mountainous terrain.

Prospects for the services sectors are more promising. The establishment of a major hotel chain on Canouan, coupled with the construction of the jet port, will likely see some increase in stay over arrivals. However, the prospects could be further enhanced by a combination of new investments in the sector and an upgrading of the existing room stock. Additionally, an expansion of the service offered by the hub in St. Lucia and the travel desk in Barbados could also relieve much of the congestion which now occurs at the arrival hall at the airport in St. Vincent, thus adding to the overall visitor experience. The recent interest in the offshore financial services sector also augurs well, also taking into account recent reductions in telecommunications charges, and upgrading of the legislative and regulatory framework.

- Macroeconomic indicators

See Annex XIII.

2.3 Update of the social situation

- Overview

St. Vincent and the Grenadines is ranked 87 out of 177 countries on the basis of literacy, school enrolment, life expectancy at birth, and per capita GDP. St. Vincent and the Grenadines is the poorest country in the Eastern Caribbean with a poverty rate of 33% according to the 2002 OECS Human Development Report. In general, in households estimated to be poor, more heads of household were female. It was also found that rural communities are less well provided with secondary education facilities than were urban communities. With marijuana cultivation being prevalent in St. Vincent and the Grenadines, illegal drug production and substance abuse are important issues.

- Education

In the past, much Government attention has focused on primary schools. The emphasis is shifting to the provision of places at secondary schools, as only 44% of primary schools students are being absorbed into the secondary school system. The problem is greater among boys than girls as female participation in the education system has been increasing,

while the drop-off rate between primary and secondary schools is lower among females than males. The Government has placed strong emphasis on education and has developed several programmes for studying abroad.

- Health

The health situation in SVG is relatively good, the life expectancy being 74 years. Communicable childhood diseases have been virtually eliminated by a comprehensive immunisation programme and improved access of the population to sanitation and the provision of safe water. The last few years however have seen an increase in the number of cases of lifestyle related diseases, including HIV/AIDS. Consequently, a key objective for SVG is the effective implementation of the Strategic Plan on HIV/AIDS launched in December 2001. Implementation of the Plan has commenced, and a multi-country Aids Programme is developed with assistance of the World Bank.

- Migration

Migration is the major force contributing to the variations in population change in SVG, which has reached the final stages of the demographic transition, demonstrating both low fertility and mortality rates. Although the emigration from SVG has decreased from -17.4/ 1000 population in 1990 to estimated -7,66/ 1000 population in 2003, SVG continues to be a major source of intra regional migrants. The main destinations for emigration have been Trinidad and Tobago, Virgin Islands (UK) and USA. The established OECS Economic Union is expected to have further influence on intra regional migration flows. Loss of the skilled labour force needed for economic growth is a challenge for the OECS countries experiencing heavy emigration.

- Environment

The biological resources in SVG, as in the other small OECS islands are under pressure caused by economic interests (tourism, agriculture and fisheries) and factors such as concentration of population and high frequency of disasters. Further degradation of the countries' natural resources greatly influences their prospects for social and economic development.

Indicator	1995	1998	2000	2001	2002	2003
1. Proportion of population below \$1 per day (/100)						
2. Prevalence of underweight children (under-five years of age) (/100)					7	
3. Under-five mortality rate (/1000)	25		21		25	
4. Net enrolment ratio in primary education			91.1	91.9	92	
5. Primary Completion Rate			105	102		
6. Ratio of girls to boys in: - primary education - secondary education - tertiary education			0.96 1.19 -	0.96 1.20 -		
7. Proportion of births attended by skilled health personnel (/100)					100	
8. Proportion of 1 year old children immunised against measles (100)	99	99	96	98	99	94
9. HIV prevalence (/100)					0.57	
10. Proportion of population with sustainable access to an improved water source				93	93	
Life Expectancy at birth			69.6	73.8	74	

Indicator	1995	1998	2000	2001	2002	2003
Adult Literacy Rate (/100)				88.9	83.1	
Combined primary, secondary and tertiary gross enrolment ratio (/100)				58	64	
Fixed line and mobile telephones (per 100 people)	16.66	19.46	24.04	29.19	31.88	
Internet users per 100 population (ITU estimates)	0.13	1.79	3.09	4.78	5.98	
Youth unemployment rate, aged 15-24, both sexes (ILO estimates)						

Source: UNDP 2004 HDR, UN Millennium Development goals data

3. Development agenda of the partner country

In late April 2001, the Government established, administratively, the National Economic and Social Development Council (NESDEC), and placed the oversight and guidance of its poverty reduction strategy in that newly-created institution. NESDEC was subsequently, in 2003, put on a legislative footing with the passage of the National Economic and Social Development Council Act in Parliament. NESDEC is a 30-member body comprised of representatives from the main civil society organisations, senior public servants from relevant ministries of government, and representatives from political parties. .

One of the first tasks of NESDEC was to elaborate a Poverty Reduction Strategy Paper (PRSP), more or less a blue point for developing policies and programmes to address the central elements of poverty reduction in the short, medium, and long terms. Never before in the history of St. Vincent and the Grenadines was an attempt made to fashion a PRSP. It is true that St. Vincent and the Grenadines has not been under any external obligation to develop a PRSP but the initiative arose from the ULP government's commitment to attack the scourge of poverty in St. Vincent and the Grenadines.

NESDEC accordingly established a Poverty Reduction Task Force comprised of government (mainly from the Central Planning Division Steering Team) and non-governmental partners to develop a PRSP. The upshot was that by June 2002, a draft Interim Poverty Reduction Strategy Paper (I-PRSP) was completed. This draft was finalized, after much public consultation, one year later by June 2003.

The I-PRSP recommended that actions be effected under four strategic headings:

- (i) Promotion of Public Participation in Social Policy, Development and Poverty Reduction;
- (ii) Constitutional Reform and Governance in the context of an Integrated Policy Environment;
- (iii) Institutional Reform; and
- (iv) Priority Interventions and Programmes.

These strategic umbrellas no doubt emerged from the I-PRSP's analysis that there are four central causes of poverty:

- (i) Economic and Social Policies;
- (ii) Limited Livelihood Security, Low Earnings and Lack of Jobs;
- (iii) Unrealised Social/Human Capital and Social Exclusion; and
- (iv) Inadequate Social Infrastructure and Limited Access to Social Services.

In an effort to address these causes of poverty and in the elaboration of specific actions under the four broad strategic headings, the I-PRSP identified and assessed existing poverty reduction efforts, and proposed new or additional strategic components for action.

The existing poverty reduction efforts at the time of the Draft I-PRSP in June 2002 were summarised under the following:

- (i) Macro-Economic, Trade and Investment Policies;
- (ii) Building Social/Human Capital;
- (iii) Social Services and Social Protection;
- (iv) Health Services;
- (v) Education;
- (vi) Social Infrastructure;
- (vii) Gender Equity;
- (viii) Special Intervention Projects and Programmes;
- (ix) Participatory Process Involving Civil Society; and
- (x) Institutional Mechanisms and Monitoring.

The I-PRSP proposed certain strategic components and accompanying details for implementation, in the war against poverty. These are:

(1) **Policies to Stimulate Growth, Trade and Investment**

- (i) Improving the Macro-Economic Environment;
- (ii) Expanding and Diversifying the sources of Economic Growth, including Agriculture, Fisheries, and Tourism Sectors;
- (iii) Investment Promotion and Poverty Reduction;
- (iv) Facilitating Credit and Support to Small Businesses and Micro-Enterprises;
- (v) Accessing Dead Capital; Rationalising the Squatter Situation;
- (vi) Improved Income Distribution;
- (vii) Strengthening Natural Resource Management;
- (viii) Strengthening Rural Development; and
- (ix) Strengthening capacity for Improved Data Generation and Analysis; and Policy/Programme Development and Execution.

(2) **Increasing/Generating Employment Opportunities**

- (i) In Tourism;
- (ii) In Agriculture; and
- (iii) In the micro-Enterprise and Informal Sector.

(3) **Greater and Better Investments in Human Capital**

- (i) Education;
- (ii) Health;
- (iii) Social Service Delivery – Capacity Building;
- (iv) Social Protection and Coping strategies;
- (v) Agriculture;
- (vi) Children;
- (vii) Youth — Greater and Better Investment in Human Capital;
- (viii) Other issues: Gender Issues; Sports; Cultural Development; Worker Values and Attitudes; and Drug Abuse.

(4) **Improving Social and Physical Infrastructure**

- (I) Refocussing Public Expenditure;
- (ii) Water, Sanitation, and Electricity;
- (iii) Transport;
- (iv) Strengthening Civil Society Participation; and
- (v) Good Governance and the Business Environment.

The I-PRSP specifically recommended a Child Programme and a Micro-Enterprise Programme. It also identified certain factors which may limit the full implementation of the PRS, and urged follow-up steps regarding the I-PRSP.

In every material particular, the Government has been actively addressing the recommendations and proposals of the I-PRSP with urgency and enthusiasm. It has been doing so cognizant of the I-PRSP's admonitions, namely, that: (i) the development and implementation of poverty reduction strategies need to be effected carefully and systematically; and (ii) that poverty reduction strategies are processes to be managed and monitored effectively, if they are to be sustainable

4. Overview of past and ongoing EC co-operation

The overall objective of the EC intervention under the NIP is to support the sustainable development of human resources in St. Vincent and the Grenadines, through the provision of learning opportunities to all persons in the State so as to equip them with the required values, skills, attitude and knowledge necessary for creating and maintaining a productive, innovative and harmonious society. Accordingly, 90% (€ 4.5 million) of the "A envelope" is earmarked towards the education sector and, in particular, to the improvement of secondary level education and support for sectoral reforms in an effort to assist the Government in achieving universal access to comprehensive five year secondary education.

The total active aid portfolio for St. Vincent and the Grenadines in 2004, including EDF, Stabex and SFA balances stands at €67.1 million. The total payments under these instruments amounted to € 8.3 million in 2004, compared to €5.4 mn in 2003. New global commitments in 2004 amounted to € 0.5 million. New commitments amounted to € 0.9 million.

Within the MTR exercise which took place end 2004, the main recommendations and agreements achieved by the European Commission's Country Team, iQSG, ISC and EDF Committee included:

- As the St. Vincent & the Grenadines' environment still requires the establishment of a proper management system with broader stakeholder support, involvement and accountability within an efficient framework able to ensure timely execution of recommendations, the Government of St. Vincent & the Grenadines Country will develop an Environmental Profile which is attached to the Joint Annual Report for 2004.
- Government of St. Vincent & the Grenadines will establish a non state actor (NSA) advisory panel, representing civil society involvement in EU/ St. Vincent & the Grenadines. The panel will provide a forum for tripartite dialogue, information and

consultation on development cooperation between the EU and St. Vincent & the Grenadines. Furthermore the Government of St. Vincent & the Grenadines will undertake a mapping study on NSAs and produce recommendations for an appropriate advisory panel.

- The choice of education as the focal sector was confirmed, since the adoption of the Education Sector Strategy Plan with the relevant action plan and budgetary commitments for the education sector was on track. A revision of the planned support to the education sector development was therefore not considered justified.
- The overall assessment of St. Vincent & the Grenadines in terms of financial performance, sectoral performance and ‘special considerations’ (such as progress in institutional reforms and towards poverty reduction) under the 8th and 9th EDFs was confirmed as being adequate.
- Given the understanding with the Government that it will take the necessary measures recommended by the recent monitoring report to increase the efficiency of the PMCU and improve performance and considering future perspectives for requests from FLEX, the Commission decided to increase the A envelope allocation by a transfer of €4 million from the “B-Envelope” allocation to the “A-Envelope. Future eligibility for FLEX funds should result in the absorption of most of the remaining available funds of the B-Envelope. This B to A envelope transfer, without revision of the focal area, will allow for additional support to the country’s pressing economic diversification in an effort to: a) lessen the dependence on agriculture and increase the level of exports; b) build the human capital by raising the educational attainment of the population. It was agreed that following a review of the sector plan, the additional funds should be earmarked towards the education sector
- It was agreed that any uncommitted STABEX funds need to be reprogrammed at the earliest.

The total amount of European Community aid given to St. Vincent and the Grenadines since 1975 is estimated to be more than €140 million, of which the biggest share is provided through the Stabex and SFA mechanisms and is being used to expedite the ongoing restructuring of the banana sector to help it become more viable in an increasingly competitive international market. The restructuring programme includes targeting efficient farms with EC-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.

While the economy of St. Vincent and the Grenadines remains heavily reliant on bananas with as many as 19,000 people directly or indirectly deriving a portion of their income from the industry, the Government is committed to pursuing economic diversification and, with assistance from Stabex and NIP resources, is undertaking significant interventions in tourism, small business development, education, informatics and skills training.

4.1 European Development Fund – Focal Sectors

4.1.1. 9th EDF € 5 million - Focal sector: Education Sector Development

The overall objective of the EC intervention is to support the sustainable development of human resources in St. Vincent and the Grenadines, through the provision of learning opportunities to all persons in the State so as to equip them with the required values, skills, attitude and knowledge necessary for creating and maintaining a productive, innovative and harmonious society. Towards this end, 90% (€ 4.5 million) of the “A envelope” is allocated to the education sector and, in particular, to the improvement of secondary level education and support for sectoral reforms in an effort to assist the Government in achieving universal access to comprehensive five year secondary education, with 75% enrolment by 2015. This will also be supplemented by funds coming from both the Stabex and SFA instruments.

As a first step in the preparation of the programme of support to the secondary education sector under the 9th EDF, the EC provided the Government with technical assistance for the finalisation of the country’s Education Sector Development Plan 2002-2007. In consultation with other interested donors such as the Caribbean Development Bank, DFID and the World Bank, the EC financed early 2003 a consultancy team to prepare more detailed plans for the intervention in the education section. The Financing Proposal for the programme was approved by the EDF Committee in November 2003 and the Financing Agreement was signed by the Government of the St. Vincent and the Grenadines in January 2004.

a) Results

Attempts have been made to address institutional capacity issues through the establishment of the Education Project Management Unit within the Ministry of Finance and Planning. The EC Education Support Programme will be implemented by a Technical Assistance Team (TAT), with requisite competency for implementation. The programme also has made allowance for technical support to the Ministry of Education, Youth and Sports during the 4-year implementation period.

The Government of St. Vincent and the Grenadines has committed to payment of Design/Supervision Consultancy Fees for the construction of the Union Island Secondary School, which is a component of the 9th EDF. To date the Consultant has been paid EC\$ 196,500 and a balance of EC\$ 196,500 will be paid in 2005 when the tender evaluation report for the Union Island Secondary School is completed. This EC\$ 393,000 portion of the contract reflects pre-contract services. The consultant will receive 2.89 percent of expenditure incurred during construction.

b) Progress in activities

The Executing Agency for the Project is the Ministry responsible for the portfolio of Education, namely the Ministry of Education, Youth and Sports (MEYS). For the purpose of implementing the Project, a Project Management Unit (PMU) has been established within the Ministry of Finance and Planning. The prime purpose of this arrangement is to enable the Central Planning Department of the MFPD to provide closer monitoring, supervisory and technical support in the implementation of the OECS Education Development Project as well as the other projects to be funded by the Caribbean Development Bank (BEP 2), the European Development Fund (9th EDF NIP and SFA 2003), and the Republic of China, Taiwan, et al.

An Education Project Steering Committee (EPSC) was established by Cabinet Decision on May 7th 2004 for the purpose of managing the European Commission Education Support

Programme as well as the Caribbean Development Bank Basic Education Project II and the World Bank/ UK Department for International Development OECS Education Development Project. This committee is responsible for ensuring the smooth execution of Project activities under the ESP and the other funded/donor-specific education support projects, and hence, successful accomplishment of project objectives, and close collaboration within and outside the Ministry of Education, Youth and Sports. The Committee will meet quarterly to review project implementation performance and be convened, when necessary, to attend to urgent matters which may arise in the course of implementation of the Project.

A local consultant was recruited in June 2004 to assist the Education Project Management Unit with the preparation of the 1st Programme Estimate for the 9th EDF as well as the first PE for the SFA 2003. Stabex resources were committed to the development of the first programme estimates for the 9th EDF and the SFA 2003

Programme Estimate: Draft Programme Estimates for the 9 ACP SVG 001 and the SFA 2003 were prepared during the period July – September 2004 and were sent officially to the Delegation Office in Barbados in early October 2004. The programme estimate was completed in 2004 and endorsed in December. EDF resources have now been committed and will be spent in 2005.

Recruitment of International EC Manager: Simplified tender launched on June 7th 2004. EC Manager assumed duties in January 2005.

Construction of Union Island Secondary School: Launch of tender for secondary school on Union Island. Final designs and cost estimates accepted by Ministry of Education, Youth and Sports

c) Degree of integration of cross-cutting themes

The Education Sector projects, which are being implemented by the Education Project Management Unit, Ministry of Finance and Planning, have been developed with significant involvement of stakeholders and key Ministry (Education) officials. The Programme Estimates for the 9 ACP SVG 001 and SFA 2003 have also been prepared in collaboration with these stakeholders as have the annual work plans for the other donor-financed Education projects. This involvement of stakeholders across projects ensures minimisation of duplication between projects and also enhances programme/project implementation with the sharing of ideas across projects/programmes, which essentially are all geared to the implementation of GoSVG's Education Sector Development Plan 2002-07.

Gender equality: Care has been taken to ensure that there is no gender-bias within the ESDP projects/programmes.

4.1.2. 8th EDF NIP € 6.5 million - Focal sector: Human Resources Development

The project under the focal sector is the further development of the Integrated Community College at the Calliaqua campus. This project is Phase II of an overall Community College Development project. Funds were allocated from the 7th EDF Regional OECS Tertiary Level Education Project (EUR 558,000) and EUR 1.5 million of the 8th EDF allocation for the construction of a Learning Resource Centre at the Community College. The Financing

Agreement was approved in 2002. The remainder of the 8th EDF funds (€3.6 million) is to be used to further upgrade the Community College.

A Learning Resource Center is currently under construction and is approximately 50% completed. Tender for the design, preparation and review of Tender documents of an expansion (Phase 3), which is to include laboratories, lecture rooms, cafeteria, teachers lounge and student union hall is projected to commence within the last quarter of 2005.

4.2 Projects and Programmes outside focal sectors

Multi-Annual Training Programme (EUR 700,000): The objective of the programme is to assist the Government to implement its overseas training programme through the provision of scholarships in areas of study prioritised by the Government. All 18 students who were awarded scholarships have now successfully completed their studies and the NAO has requested financial closure of the project.

8th EDF: Drug Demand Reduction Programme (EUR 185.000): The objective of the programme is to reduce the demand for illegal drugs in St Vincent and the Grenadines through a communications programme, health treatment & rehabilitation programme, community based action and institutional strengthening via training. A proposal amounting to €1,075.000 for four countries was approved with St. Vincent and the Grenadines having an allocation of €185,000 with the EC Delegation playing the role of coordinator and each country implementing its own individual Work Programme. The Financing Agreement for the programme was signed in 2003 and the first work programme in SVG which was due to expire on January 31, 2005, was recently extended by 8 weeks because of lack of progress in implementation. The first work programme now expires on March 31, 2005. The second work programme will be developed for approval before this date (Has been updated)

4.3 Utilisation of resources for non-State actors (NSA)

Since the early 1990s until the present, substantial resources mainly from STABEX have been utilised to provide assistance to farmers dependent upon the Windward Islands banana industry. More recently and increasingly, however, these STABEX funds have been used for complementary interventions such as diversification of the rural sector and broader (private sector led) economic diversification to provide potential alternative employment opportunities. These interventions have been underpinned with the establishment of social safety nets, including Social Investment Funds, and NGO activities which complement initiatives taken by governments and their agencies. An EU instrument introduced in 1999, the Special Framework for Assistance (SFA), also related to the banana sector, provides complementary resources for this development agenda. The programmes and projects from their design stage and throughout their implementation have involved the active participation of farmers' organisations, chambers of commerce, representatives of particular sectors, NGOs and the local communities in general.

During the MTR "in-country-meeting" of December 2004 and with the aim of strengthening civil society involvement in EU/ St. Vincent & the Grenadines development partnership, it was agreed that a non state actor (NSA) advisory panel, representative of St. Vincent & the Grenadines' civil society, will be established by the Government of St. Vincent & the Grenadines after close consultation between the EC Delegation in Barbados and the National Authorising Officer. The panel will provide a forum for tripartite dialogue,

information and consultation on development cooperation between the EU and St. Vincent & the Grenadines.

The Government of St. Vincent & the Grenadines will undertake a mapping study on NSAs and produce recommendations for an appropriate advisory panel, by also taking into consideration existing NSA structures.

4.4 Utilisation of B envelope

Following St. Vincent & the Grenadines':

- future perspectives for requests from FLEX, to be financed by the B-Envelope allocation (destined to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings)
- the Mid-Term Review exercise

it was agreed to revise the original 9th EDF Country Strategy Paper and the National Indicative Programme €16 million allocation of the B-Envelope.

Given the understanding with the Government that it will take the necessary measures recommended by the recent monitoring report to increase the efficiency of the PMCU, improve performance and considering future perspectives for requests from FLEX, the Commission increased the A-Envelope allocation by a transfer of €4 million from the “B-Envelope” allocation. Future eligibility for FLEX funds should result in the absorption of most of the remaining available funds of the B-Envelope. This B to A envelope transfer, without revision of the focal area, will allow for additional support to the country’s pressing economic diversification in an effort to: a) lessen the dependence on agriculture and increase the level of exports; b) build the human capital by raising the educational attainment of the population.

4.5 Other Instruments

4.5.1. STABEX Transfers

Article 186 of the Lomé IV Convention provides compensation for loss of export earnings on certain agricultural products on which countries’ economies are dependent and which are affected by fluctuations in price or quantity or both these factors. The use of such Stabex allocations is governed by a Framework of Mutual Obligations (FMO), which stipulates the objectives, obligations, actions and results which are expected to be achieved through the utilisation of the Stabex transfers. Presently St. Vincent and the Grenadines is implementing projects and programmes funded by Stabex allocations for 1993 – 1997. St. Vincent and the Grenadines did not receive allocations for 1998 and 1999, but did receive funds in connection with repayment of available balances upon expiry of the Lomé Convention in 2000 (Article 195). However, an FMO for this allocation has not been concluded yet.

The broad approach which has been followed in the FMOs is to support different sectors of the economy in order to achieve economic growth, secure foreign exchange earnings and support poverty reduction. Four broad areas have been targeted; banana commercialisation, agricultural diversification, economic diversification and social sector and social protection measures. Following large allocations to St. Vincent in 1995 – 1997, it was decided to

disburse substantial parts of these allocations as direct budget support, in support of the national Public Sector Investment Programme (PSIP).

A major water resource management project and a comprehensive Agricultural Diversification Programme were finalised. A solid waste management project was finally agreed upon. Discussions on proposals committing most of the last STABEX resources are ongoing. A brief status of Stabex finances, as of 31 December 2004, is provided in the following table, a detailed breakdown is provided in Annex XIV.

Funding year	Total Funds¹	Payments in 2004	Payments in total	Balance
Stabex 1993	6,449,044	461,060	6,223,607	225,437
Stabex 1994	31,723,540	1,146,770	21,134,184	10589,356
Stabex 1995	15,793,337	72,664	12,166,228	3,627,109
Stabex 1996/97	17,143,627	3,493,723	8,472,399	8,671,228
TOTAL	71,109,548	5,174,217	47,996,418	23,113,130

In addition to these funds, St. Vincent and the Grenadines has received a transfer allocation (Art. 195) of € 3,503,270 from which no commitments (FMO) have been made yet.

4.5.2. Special Framework of Assistance (SFA)

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

In the case of St. Vincent and the Grenadines the initial strategy focused heavily on infrastructural elements, most notably a three-phased approach to rehabilitation of the Windward Highway (app. € 16 million allocated from SFA 1999 - 2001) and additionally the construction of two additional Reception and Palletisation Centres (RAPCENs) at La Croix and Belle Vue. The strategy was revised in 2002 to reflect a greater emphasis on social protection/social development (including human resource development), agricultural and economic diversification in the remaining period.

The works for the Windward Highway (funded from SFA 1999) took off in early 2004. The contract for works was awarded and work is ongoing. Similarly, for the RAPCEN at La Croix an award of contract took place in early 2004, and works commenced. Furthermore, detailed design of rehabilitation of Phases II and III of the Windward Highway, and preparation and design of the Social Investment Fund commenced during 2004. SFA 2004 with a focal area on private sector development was approved in November 2004, and the Financing Agreement for SFA 2003 was signed in December.

A brief status of SFA finances, as of 31 December 2004, is provided in the following table, a detailed breakdown is provided in Annex XV.

¹ Including interest

Funding year	Allocation	Payments in 2004	Payments in total	Balance
SFA 1999	6,179,801	2,330,235	2,759,983	3,419,818
SFA 2000	6,450,000	121,872	360,009	6,089,991
SFA 2001	6,400,000			6,400,000
SFA 2002	6,100,000			6,100,000
SFA 2003	5,600,000			5,600,000
SFA 2004	5,330,000			5,330,000
TOTAL	36,059,801	2,452,107	3,119,992	32,939,809

The implementation of the Stabex and SFA projects and programmes depend on the timely and successful implementation of the commitments entered into by the Heads of Government of the Windward Islands and the Banana Donor Group in the “Windward Island Action Plan (WIAP) to achieve a competitive banana marketing structure” on 04 July 1999, and the subsequent agreement between these parties in June 2001 in St. Lucia.

To assist in the programming, implementation and follow-up of the SFA and Stabex activities, and to achieve economies of scale due to significant similarities between SFA and Stabex programmes in the four beneficiary Windward Islands, a Regional Technical Assistance (RTA) team, based in Barbados, has been recruited and is operational since July 2002. The cost of the RTA is shared among the four beneficiary states, through allocations from available SFA funds.

Expenditure of SFA resources in 2004 was hampered by the introduction of new Financial regulations which applied to SFA 2003 and subsequent Financing Agreements, and to contracts not yet entered into on earlier SFAs. In particular the degree of decentralisation was an important issue. Article 164 of the Financial Regulations 2002 (Guidelines May 2003) stipulates that, within the framework of decentralised management, the Commission can decide to entrust to the authorities of the beneficiary third countries the management of certain actions after having assessed that the country in question is in a position to apply to the management of the Community funds five specific criteria. This assessment was not undertaken until October/November 2004, prior to the signature of the 2003 SFA Financing Agreement. At the end of 2004 there remained some uncertainties on the new procedural details and formats to be employed to take forward implementation of the SFA instrument, but it is anticipated that in the first quarter of 2005 this will be rectified.

4.5.3 EU financed support and programmes of assistance using STABEX and SFA

4.5.3.1 Background

The decline in the banana industry has had a profound effect on the level of employment, with the rural communities being especially affected. In light of the employment fallout from the decline in the banana industry, and the increasingly meagre prospects in commercialisation of the industry in the long term, the issue of diversification of the rural and wider economy becomes vitally important.

Diversification will have to be partly within bananas (Fair Trade, Organic, special packs etc), within agriculture and outside of bananas and agriculture, such as tourism and services in general.

The critical policy issue has been how to absorb the released labour from the banana fallout in order to minimise the potential wider economic and social damage. The role of the private sector is of critical importance in this aspect: increased investment and expansion will pave the way for increased job creation. An added dose of competition could be a tremendous catalyst for a more aggressive approach to doing business within the private sector.

The underlying basis for a smooth adjustment process will be the level and capacities of human resources. Intensified efforts to train and upgrade the existing and potential labour force must be given priority. On a more general note the entire education system may need rethinking and some key aspects like the quality of education may need to be given added attention.

There are segments of the released labour force that cannot be accommodated by the economic diversification and the Human Resource Development agendas. Hence the need for some form of social safety net – mostly for the rural communities with accurate targeting of the most vulnerable groups effectively and efficiently delivered.

Support for this broad agenda will rest on the use of local resources supplemented by donor assistance. The latter will most probably tend to decline. Hence improved revenue from non-tax resources will have to be secured over the medium term. In parallel, efficiency in the public sector will have to be enhanced with a reduction in its costs and improvements in delivery of services and management of aid. This calls for a public sector reform as is already under way in Dominica.

4.5.3.2 Specific support and some headline developments

The programmes of support have been based on an agenda of what is social support and what is support for economic activity. Increasingly mechanisms for the various components on the agenda have been introduced incorporating a large measure of response to client demand, offering menus of assistance and capacity building. There are three major areas of support:

- Banana sub-sector [viewed as development of the rural sector more generally]
- Social Sector
- Private Sector Development

Banana sub-sector [increasingly viewed as development of the rural sector as a whole]

Headline investments include:

- i) Irrigation: off-farm investments in infrastructure such as water capture and reticulation, access upgrading, and on-farm investments including irrigation equipment and tissue culture material, mainly on the Windward side of St Vincent; some 1700 acres and 570 farmers have benefited at a cost of some €8.6m.
- ii) Marketing infrastructure: Product [banana] consolidation and packing centres and upgrading of handling facilities: 3 in total[RAPCEN 1]; €1.9m.

- iii) Post Tropical Storm Lily: the establishment of an office to manage the post storm assistance, including help with EUREP-GAP compliance and to elaborate a long-term agricultural diversification/ commercialisation programme; approximately €1.5m

Social Sector/Social Development

- i) Social Sector support through STABEX resources has largely revolved around the provision of short-term employment for displaced farmers and workers through road and building maintenance programmes and support to NGOs in the areas of rural adult education, AIDS awareness etc and child care.
- ii) In a more comprehensive approach to dealing with the social consequences of the fall-out from the banana industry SFA resources are directed towards:
- Under SFA 2002
- Social Investment Fund: €4.5m
 - Country Poverty Assessment: € 300,000
- Under SFA 2003
- € 5.5m of the SFA 2003 allocation of € 6.1m will support the implementation of the Education Sector Development Plan (ESDP)

Economic and agricultural diversification

Economic diversification has been pursued under a number of projects, including:

- i) National Development Foundation: small/micro-business technical assistance and credit.
- ii) Small Enterprise Development Unit: created to provide existing small businesses and start-ups with business plans and advice and to assist access to credit
- iii) Tourism development: Sector plan prepared containing project concepts. Strengthening of the Ministry of Tourism now ceased
- iv) Support to Private Sector/Chamber of Industry and Commerce
- v) Agricultural diversification: Some €4m allocated for diversification in the rural sector. About €0.3m supported an agricultural census. Project proposals being elaborated in support of commercialisation of the rural sector
- vi) Private Sector Development Programme is proposed under SFA 2004 for some €5.3m

The Mechanisms currently employed

Projects and programmes have received support, but in order to assist the efficient utilisation of STABEX and SFA resources the GoSV&G and the Delegation have created or are supporting a number of management mechanisms to deliver STABEX and SFA assistance.

Present mechanisms employed

<i>Mechanism Purpose</i>	<i>Title of mechanism</i> [participating agency and status]
Construction and management of banana industry related infrastructure such as irrigation, drainage, IRDCs	<i>Banana Industry Trust</i> [autonomous body to oversee rural – principally banana sector – related investments] <i>Irrigation management Unit</i>
Agricultural Diversification	<i>Ministry of Agriculture Project</i>

	<i>Implementation Unit</i>
Technical support to those accessing small and medium business loans [Technical Assistance Grant]	<i>Rural Development Facility</i> [FIs: banks, credit unionsetc]
An efficient demand driven mechanism providing access to basic social services, income generating opportunities and assistance to poor and targeted vulnerable groups is operating within an improved social policy environment	<i>Social Investment Fund</i>
To provide for studies in preparation of feasibility plans and development of policy and reforms	<i>Public Sector Assistance Fund</i>

4.5.4 Caribbean Regional Indicative Programmes (CRIP)

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

St. Vincent and the Grenadines has benefited from the construction of the airport on the island of Bequia through the 6th EDF regional programme. The airport has provided new airlinks in the sub-region between the Grenadines, the Eastern Caribbean, Barbados, Martinique and Guadeloupe. The Regional OECS Tertiary Education programme support has provided support for the development of the Integrated Community College through the development of the A level college and the Learning Resource Centre, as referred to in point 4.1.2 above. The CRIP projects under the 7th, 8th and 9th EDF are presented in Annex V.

4.5.5 Thematic Budget-lines

The EC approved in May 2003 a Caribbean regional programme from a budget line B7-701 (Human Rights Development) to further restrict the implementation of the death penalty in the Commonwealth Caribbean, with a view to its eventual abolition. No projects benefiting St. Vincent and the Grenadines were approved under the thematic budget lines in 2004.

4.5.6 Support from All ACP funds

The EC approved €50 million all ACP Trade.Com programme in August 2003, which is aimed at reinforcing the analytical and research capacities for trade policy formulation in; providing immediate assistance for ongoing negotiation and promoting activities for institutional support in the area of trade support services ACP counties. A specific project has been designed for the Caribbean region, which has been initiated in 2004. Under this project the OECS Secretariat will benefit from the services of a Trade Adviser.

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

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

4.5.7 European Commission Humanitarian Aid Office (ECHO)

The ECHO launched its first Disaster Preparedness (DIPECHO) Programme for the Caribbean in 1998, making available some € 6 million for the activities to prepare for and mitigate against disaster and also, to a lesser degree, for disaster prevention. The 4th DIPECHO plan for the Caribbean was approved by the EC in 2003. The amount of the new plan is € 2.5 million and it covers activities in Haiti, Cuba, Dominican Republic, Jamaica, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

4.5.8 European Investment Bank (EIB)

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

During the course of the year the Bank signed a 15-year loan to the St. Vincent Electricity Services Ltd. (VINLEC), under the Cotonou Agreement, for USD 10 million. The project concerns the development and construction of a new diesel power plant located on St. Vincent (Lowman's Bay) to gradually replace the existing main generating site at Cane Hall, and the adjustment of the island's transmission & distribution network to the new alternative site for power generation. It is expected that the project will: (i) allow VINLEC to meet demand growth with electricity generated at reasonable costs; (ii) bring environmental benefits from reduced pollution in residential areas and improved management of power generation; (iii) enhance the reliability of power generation at the main island of St. Vincent. The project's economic interest is therefore closely linked to an improvement in the quality of life for the population in the vicinity of the existing plant and the possibility for VINLEC to continue to meet the growing electricity demand, thus improving the country's competitiveness and sustaining economic growth and development.

The EIB projects are presented in Annex VII.

4.5.9 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 EU and of the ACP States. In the OECS region the CDE supports Private Sector development through sector programmes in Construction and Mining, Agro-processing, Wood, Herbal Medicines and Tourism. Over the period 1999-2004, CDE has assisted in the OECS region a total of 60 projects carrying out 94 interventions at a total cost of €770,108 of which €447,305 was contributed by the CDE. PROINVEST programme, managed by the CDE aims at increasing investments between the Caribbean and Europe. PROINVEST has a fund of €110 million over 5 years to support private sector development in the Caribbean, African and Pacific Countries. Summary of the CDE activities, including PROINVEST is presented in Annex VIII.

4.5.10 Centre for the Development of Agriculture (CTA)

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

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

5. Programming perspectives for the following years

Following the MTR, the choice of education as the focal sector was confirmed. As a result, the transfer of € 4 million from B to A- Envelopes will be used to support the education sector, following review of the sector plan, and in order to explore the most appropriate implementation modality.

Approximately 90% (€4.5 million) of the original 9th EDF NIP, is allocated to the focal sector support. The remaining 10% (€0.5 million) is reserved for Technical Assistance under the Technical Cooperation Facility (TCF).

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

6.1 Dialogue in country with the NAO and NSAs

See 4.3.

6.2 Donor coordination

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

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

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

-Climate Change Donor Group

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

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

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

EC: The Trade Policy and Private Sector Development Coordinating Group was formed in order to take account of Free Trade implications on the macro-economic environment of Barbados and the OECS States, but also the wider region and to examine the role and impact of Private Sector Development on the key sectors of these economies, tourism and agriculture. This group also addresses Microfinance, Economic and Agriculture Diversification issues. This rationalizes the mandate of three previous groups, which included the Banana Donor Group, the EU-led policy and programming forum for the Banana Sector.

7. Concluding Comments

a) Key Political, economic and social developments in 2004

• Political developments

Prime Minister Ralph Gonsalves seemed solidly in control of the political scene in 2004, his United Labour Party (ULP) comfortably enjoying a 12-3 majority in Parliament. The ULP administration has received much acclaim internationally for its good governance, openness, and transparency and its on-going quest to further deepen democracy through constitutional reform and local government reform.

St. Vincent & the Grenadines has a good record on human rights, respect for democratic institutions and the rule of law. Efforts to improve government accountability, transparency and fight against corruption are consistent with the Government's declarations.

• Economic development

St Vincent and the Grenadines is a small open economy largely agriculture-based (bananas and other crops) with a growing services sector including tourism, telemarketing and a small offshore financial sector. After experiencing a high GDP growth average during 1995-2000, the economy contracted in 2001 by 0.1% due to the effects of September 11th attack and the global economic slowdown, and started to rebound in 2002 (1.6% GDP growth).

Economic performance is estimated to have improved in 2004 (5.8% estimated growth) relative to the outcome in 2003 (3.6% growth). The improvement was underpinned by developments in tourism, agriculture and construction. The merchandise trade deficit widened, largely attributable to higher import payments. The fiscal accounts of the central government yielded a smaller current account surplus and a larger overall deficit, mainly reflecting higher current expenditure. Although total public debt increased by 5.7% during 2004, a more fundamental issue relating to the growth of debt over the past five years is whether or not such growth can be sustained given the current investments and the likely growth path of the economy.

- **Social development**

St. Vincent and the Grenadines is ranked 87 out of 177 countries on the basis of literacy, school enrolment, life expectancy at birth, and per capita GDP. St. Vincent and the Grenadines is the poorest country in the Eastern Caribbean with a poverty rate of 33% according to the 2002 OECS Human Development Report. In general, in households estimated to be poor, more heads of household were female. It was also found that rural communities are less well provided with secondary education facilities than were urban communities. With marijuana cultivation being prevalent in St. Vincent and the Grenadines, illegal drug production and substance abuse are important issues.

- b) Results achieved in the focal sectors and relevant programmes**

- **Focal Sector**

St. Vincent and the Grenadines continues its efforts to strengthen human resources within the framework of the Education Sector Development Plan 2002-07, by increasing the number of students completing the formal secondary education. Education statistics have shown considerable improvement, reflecting the very strong Government's commitment towards this sector. In particular, the access to secondary education and the persons completing secondary school have increased from respectively 65% and 23% in 2002 to 78% and 30% in 2004.

- **Education Support Programme – 9 ACP SVG 001**

The Financing Proposal for the programme was approved by the EDF Committee in November 2003 and the Financing Agreement was signed by the Government of St. Vincent and the Grenadines in January 2004.

An Education Project Steering Committee (EPSC) was established by Cabinet Decision on May 7th 2004 for the purpose of managing the European Commission Education Support Programme as well as the Caribbean Development Bank Basic Education Project II and the World Bank/ UK Department for International Development OECS Education Development Project. The First Programme Estimate was prepared in the second half of 2004 and endorsed in December 2004. A PE was also prepared for the SFA 2003. Stabex resources

were committed to the development of the first programme estimates for the 9th EDF and the SFA 2003. The Programme Manager should assume duty in January 2005.

- **Learning Resource Center – 8 ACP SVG 7**

The Financing Agreement (€1.5 mn) was approved in 2002. The remainder of the 8th EDF funds (€3.6 million) is to be used to further upgrade the Community College. The Learning Resource Center is currently under construction and is approximately 50% completed.

- **SFA**

The works for the Windward Highway (funded from SFA 1999) took off in early 2004. The contract for works was awarded and work is ongoing. Similarly, an award of contract took place in early 2004, and works commenced for one of the the Reception and Palletisation Centres. Furthermore, detailed design of rehabilitation of Phases II and III of the Windward Highway, and preparation and design of the Social Investment Fund commenced during 2004. SFA 2004 with a focal area on private sector development was approved in November 2004, and the Financing Agreement for SFA 2003 was signed in December.

- **STABEX**

A major water resource management project and a comprehensive Agricultural Diversification Programme were finalised. A solid waste management project was finally agreed upon. Discussions on proposals committing most of the last STABEX resources are ongoing.

c) The effectiveness in the implementation of current operations

There were no major points of disagreement with the NAO and cooperation in general was good. The Delegation agreed towards the end of 2004 to extend the EDF Support Services Unit under a no-cost rider till end March 2005 at which point a new SSU will be funded separately with all positions re-advertised and a revamped structure of the SSU.

The total active aid portfolio for St. Vincent and the Grenadines in 2004, including EDF, Stabex and SFA balances stands at €67.1 million. The total payments under these instruments amounted €8.3 million in 2004, compared to €5.4 mn in 2003. New global commitments in 2004 amounted €0.5 million. New commitments amounted €0.9 million. A decision on SFA 2004 allocation of € 5.33 million was made in 2004.

The performance on global commitments was satisfactory in 2004. The performance on individual commitments was rather low; the same applies to payments, due to the slow construction of schools under the Education Support Programme.

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

With the aim of strengthening civil society involvement in EU/ St. Vincent & the Grenadines development partnership, a non state actor (NSA) advisory panel, representative of St. Vincent & the Grenadines' civil society, will be established by the Government of St. Vincent & the Grenadines after close consultation between the EC Delegation in Barbados

and the National Authorising Officer. The panel will provide a forum for tripartite dialogue, information and consultation on development cooperation between the EU and St. Vincent & the Grenadines. The Government of St. Vincent & the Grenadines will undertake a mapping study on NSAs and produce recommendations for an appropriate advisory panel, by also taking into consideration existing NSA structures.

Many initiatives to support the activities of non-state actors have been, and continue to be, funded through Stabex funds, including the Marion House Construction and Support Programme, early childhood education training and institutional strengthening of the Chamber of Industry and Commerce.

e) The programming perspective for the following years

As a result of the mid-term review of the EDF 9 NIP, St Vincent received an increase of the A-envelope by a transfer of € 4 m from the B-envelope. These additional funds will be used in the focal sector education. An agreement is still needed on the use of Stabex funds not yet covered by an FMO (€ 3.8 m), and on the use of funds covered by an FMO, but not by an individual commitment. The Delegation is now exploring the possibility to use part of these funds in the form of targeted or untargeted budget support.

ANNEX I - Intervention Framework

Sector: Education	Performance indicators	Status 2002	Status 2003	Status 2004	Target 2005	Target 2006	Sources of information	Assumptions
National sector Target: To improve the human resource capacity of the labour force. Increasing the pool of qualified persons for the labour market following completion of formal secondary education	Persons completing secondary school	23%	26%	30%	35%	40%	MoE Reports Statistical Office Reports Exam Results NIS Reports National Census	Project resources are mobilised for the implementation of the project
	1. Adoption of the Education Sector Strategy and the relevant action plan 2. Respect of the budgetary commitments for the education sector 3. Drop out ratio from primary schools on the basis of the reports by the Ministry of Education decreased by 90. 4. Access to secondary education increased.	1. Yes 2. Annual commitment to the education sector in the budget 17% 3. 10% 4. 65%	1. Yes 2. Annual commitment to the education sector in the budget 17% 3. 9% 4. 79%	1. Yes 2. Annual commitment to the education sector in the budget 17% 3. 3% 4. 78%	1. Yes 2. Annual commitment to the education sector in the budget 17% 3. 3% 4.95%	1. Yes 2. Annual commitment to the education sector in the budget 17% 3. 2.5% 4.100%	MoE Reports Ministry of Finance Statistical Office Reports Reports by the Ministry of Education on the drop-outs ratio from primary schools. Reports by the Ministry of Education on the progress made in access to secondary Education	Target for Educational development remains at Secondary level . Funding to Education sector remains stable as a proportion of budget
Intervention Objective: To improve quantitatively and qualitatively access to Secondary Education.	Universal access to 5 years of comprehensive secondary education.	65%	79%	78%	95%	100%	MoE Statistical Reports MTWH Reports MoE Statistical Reports Statistical Office.	Sound logistical planning allows for programme implementation. Sufficient financial and human resources are made available for the development of education. A cadre of trained teachers is available to train persons at the secondary school level.
Results: 1. Raised Achievement levels of all students. 2. Reduction in the performance gaps between the Urban and Rural Schools. 3. Expansion and physical improvement of the Secondary schools environment in the Country. 4. Increase the number of trained teachers in the Rural Secondary Schools.	1. 90% passes in GCE and CXC Exams. 2. Increase GCE and CXC passes in rural Secondary Schools. 3. Secondary School plants to be built, improved or expanded on an annual basis. 4. Average life expectancy of secondary school extended. 5. 100 % trained Professional Secondary Teaching force	(1) 60% (2) 57% (3) 4 (4) 20 (5) 47%	(1)78% (2) 66% (3) 8 (4) 30 (5) 55% (1) the decline in the trend for the year 2003 is due to a significant migration of trained teachers to North America.	(1) 73% (2) 67% (3) 12 (4) 40 (5) 55%	(1) 75% (2) 69% (3) 15 (4) 50 (5) 57%	(1) 78% (2) 70% (3) 17 (4) 50 (5) 59%	MoE Reports Statistical Office Reports NIS Reports Statistical Office Reports MTWH Reports Service Commission Record	1. Government commitments in the education sector and the secondary education sector in particular are met 2. the capacity of schools are increased to accommodate the additional secondary school entrants 3. Sufficient resources are allocated for the expansion and proper maintenance of all Secondary Schools

ANNEX II - EDF Forecast Tables



ST VINCENT & GRENADINES

EDF FORECASTS 2005 - 2006

== SUMMARY SHEET. ==

(amounts in €)

PAYMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
PAYMENTS on ONGOING INDIVIDUAL commitments.	565,136	124,000	689,136	286,800	402,336	0	487,968	248,400	0	248,400
PAYMENTS on NEW INDIVIDUAL commitments	0	107,500	107,500	0	107,500	0	53,750	783,250	1,089,250	1,872,500
PAYMENTS on NEW GLOBAL commitments	0	0	0	0	0	0	0	0	0	0
TOTAL PAYMENTS	565,136	231,500	796,636	286,800	509,836	0	541,718	1,031,650	1,089,250	2,120,900
%	71%	29%		36%	64%	0%		49%	51%	

INDIVIDUAL COMMITMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
NEW INDIV. commit. on ONGOING GOBAL commitments.	70,000	795,000	865,000	comparable to risk profile of payments (%)				3,450,000	0	3,450,000
NEW INDIV. commit. on NEW GLOBAL commitments	0	0	0					0	0	0
TOTAL INDIVIDUAL COMMITMENTS	70,000	795,000	865,000	311,412	553,588	0	588,206	3,450,000	0	3,450,000
%	8%	92%		36%	64%	0%		100%	0%	

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

REDUCTION OF OLD RAL (projects decided before 2000)	FORECASTS 2005				
	TOTAL 2005	ESTIMATION of RISK FACTOR			TARGET 2005
		Low L	Medium M	High H	
DECOMMITMENTS on ONGOING GLOBAL Commitments.	327,760	0	282,366	45,394	141,183
DECOMMITMENTS on ONGOING INDIV. Commitments.	253,926	10,988	160,540	82,398	91,258
PAYMENTS	0	0	0	0	0
TOTAL REDUCTIONS	581,686	10,988	442,906	127,791	232,441
%		2%	76%	22%	

Number of EXTENSION REQUESTS on GLOBAL Commitments - 2005	0
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RAL	SITUATION on 01/01/2005		SITUATION on 31/12/2005	
	ALL PROJECTS	PROJETS decided before YEAR 2000	ALL PROJECTS	PROJETS decided before YEAR 2000
Σ Ongoing GLOBAL COMMITMENTS	16,458,570	3,536,051	16,130,810	3,208,291
R A C	7,267,592	243,928	6,261,409	102,745
R A P	5,283,794	170,958	5,500,445	79,700
R A L	12,551,386	414,886	11,761,854	182,444.96
% RAL / Σ GLOBAL COMMIT.	76%	12%	73%	6%
Nbr of years to absorb RAL	23		22	



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ST VINCENT & GRENADINES

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

(amounts in €)

YEAR of GLOB. Commit.	ACCOUNTING NUMBER of GLOBAL commit.	0 N° INDIV COMMIT.	TITLE GLOBAL COMMITMENT	END date of implementat*	N° CAT. OLD RAP	EXTENS* REQUEST on GLOB. Y/N	SITUATION END 2004			FORECAST DECOMMITMENTS 2005			FORECASTS on PAYMENTS 2005			FORECAST PAYMENTS 2006						
							GLOBAL COMMIT.	INDIV. COMMIT.	RAC	DECOMMIT. on GLOBAL	ESTIMATION of RISK FACTOR			ESTIMATION of RISK FACTOR			1 st SEMESTER C	2 nd SEMESTER D	TOTAL C + D			
							AMOUNT ONGOING INDIV. COMMIT.	PAYMENTS ON GOING INDIV. COMMIT.	RAP	DECOMMITTED on INDIV.	Low X	Medium Y X+Y+Z = E	High Z	1 st SEMESTER A	2 nd SEMESTER B	TOTAL A + B	Low L	Medium M L+M+H = A+B	High H			
TOTAL ON ONGOING GLOBAL COMMITMENTS							16,458,570	9,190,977	7,267,592	327,760	0	282,366	45,394									
TOTAL ON ONGOING INDIVIDUAL COMMITMENTS							6,400,357	1,116,563	5,283,794	284,671	10,988	191,285	82,398	565,136	124,000	689,136	286,800	402,336	0	248,400	0	248,400
1992	6ACP SVG9	0	ORANGE HILL DEVELOPMENT				2,800,000	2,633,436	166,564	282,366		282,366								0		
1992	6ACP SVG9	3	WORK PROGRAMME / COST ESTIMATE NO. 3		8		67,825	-25,132	92,957	92,957		92,957								0		
	6ACP SVG9	Total	Individual Commitment				67,825	-25,132	92,957											0		
1993	7ACP SVG5	0	(EX 05 P012) ORANGE HILL DEVELOPMENT				36,051	4,080	31,970											0		
1993	7ACP SVG5	2	(EX 05 P012 C002) WORK PROGRAMME		8		4,080	-18,765	22,845	22,845		22,845					0			0		
	7ACP SVG5	Total	Individual Commitment				4,080	-18,765	22,845											0		
1998	8ACP SVG4	0	8TH EDF MULTI-ANNUAL TRAINING PROGRAMME	20030731			700,000	654,606	45,394	45,394		45,394								0		
1998	8ACP SVG4	3	B.A. in Tourism Management	20020927	2		82,398	82,967	-570	82,398		82,398								0		
1998	8ACP SVG4	4	B.Sc (ECO) in Social Policy	20010922	2		73,963	73,963	0											0		
1998	8ACP SVG4	5	B.A in Sociology & Social Anthropology with Development	20010927	2		72,195	70,695	1,500	1,500	1,500									0		
1998	8ACP SVG4	10	Civil Engineering	20010809	2		25,320	20,873	4,447	4,447	4,447									0		
1998	8ACP SVG4	11	BSc IN ECONOMICS	20020914	2		40,674	36,952	3,722	3,722	3,722									0		
1998	8ACP SVG4	15	BSc in Engineering	20021202	2		25,152	25,152	0											0		
1998	8ACP SVG4	16	BSc in Accounting	20021202	2		23,910	22,591	1,319	1,319	1,319									0		
1998	8ACP SVG4	17	BSc SOCIAL SCIENCES (ECONOMICS)	20040827	2		43,890	20,033	23,857	23,857		23,857								0		
1998	8ACP SVG4	18	BSc COMPUTER SCIENCES	20040827	2		42,095	21,214	20,881	20,881		20,881								0		
	8ACP SVG4	Total	Individual Commitment				429,597	374,440	55,156											0		
2001	8ACP SVG6	0	FRANCHISE ART 195 A - BANANES	20011231			3,859,755	3,859,755	0											0		
2001	8ACP SVG6	1	STABEX/24/REP LIV 2ND PR/SVG - REPAYMENT AGREEMENT ART195(A)	20011231			3,859,755	0	3,859,755											0		
	8ACP SVG6	Total	Individual Commitment				3,859,755	0	3,859,755											0		
2002	8ACP SVG7	0	LEARNING RESOURCE CENTER	20041231			1,500,000	1,156,000	344,000											0		
2002	8ACP SVG7	1	SIBLI (SEE ALSO 7 RPR 580/21)	20041130			1,156,000	753,664	402,336				402,336		402,336					0		
	8ACP SVG7	Total	Individual Commitment				1,156,000	753,664	402,336											0		
2003	8ACP SVG8	0	MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT	20061231			185,000	63,100	121,900											0		
2003	8ACP SVG8	1	2004-2005 WORK PROGRAMME 1	20050131			63,100	32,355	30,745	30,745		30,745								0		
	8ACP SVG8	Total	Individual Commitment				63,100	32,355	30,745											0		
2003	9ACP SVG1	0	EDUCATION SUPPORT PROGRAMME	20101231			6,682,764	820,000	5,862,764											0		
2003	9ACP SVG1	1	DR.LEO SCHELLEKENS - T/A PROGRAMME MANAGER - EURO 198,000	20061201			198,000	0	198,000				38,400		38,400		38,400			0		
2003	9ACP SVG1	2	PROGRAMME ESTIMATE NO.1/EDUCATION SUPPORT PROG.-XCD1.981.776	20051231			622,000	0	622,000				124,400	124,000	248,400		248,400		248,400	0		
	9ACP SVG1	Total	Individual Commitment				820,000	0	820,000											0		
2003	9ACP SVG2	0	PREP OF CONSTRUCTION DOCUMENTS ST. VINCENT COLLEGE EXTENSION	20081231			195,000	0	195,000											0		
2004	9ACP SVG3	0	TECHNICAL COOPERATION FACILITY	20101031			500,000	0	500,000											0		

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

(amounts in €)

YEAR GLOB. COMMIT.	ACCOUNTING NUMBER (GLOBAL COMMIT.)	TITLE INDIVIDUAL COMMITMENT	FORECASTS 2005									FORECASTS 2006					
			1st SEMESTER		2nd SEMESTER		TOTAL 2005		ESTIMATION OF RISK FACTOR FOR PAYMENTS			1st SEMESTER		2nd SEMESTER		TOTAL 2006	
			INDIVID. COMMIT. A	PAYMENTS B	INDIVID. COMMIT. A'	PAYMENTS B'	TOTAL INDIV. COMMIT. A+A'	TOTAL PAYMENTS B+B'	Low L	Medium M	High H	INDIVID. COMMIT. C	PAYMENTS D	INDIVID. COMMIT. C'	PAYMENTS D'	TOTAL INDIV. COMMIT. C+C'	TOTAL PAYMENTS D+D'
TOTALS on NEW INDIVIDUAL Commitments			70,000	0	795,000	107,500	865,000	107,500	0	107,500	0	3,450,000	783,250	0	1,089,250	3,450,000	1,872,500
2003	8ACP SVG8	MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT 2005 - 2006	70,000			49,000	70,000	49,000							21,000	0	21,000
2003	8ACP SVG8	MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT 2006					0	0				50,000	35,000		50,000	35,000	
2003	9ACP SVG2	PREP OF CONSTRUCTION DOCUMENTS ST. VINCENT COLLEGE EXTENSION			195,000	58,500	195,000	58,500			58,500		68,250		68,250	0	136,500
2003	9ACP SVG1	EDUCATION SUPPORT PROGRAMME - Union Island School					0	0				2,800,000	560,000		700,000	2,800,000	1,260,000
2003	9ACP SVG1	PROGRAMME ESTIMATE NO.2 EDUCATION SUPPORT PROG			600,000		600,000	0					120,000		180,000	0	300,000
2003	9ACP SVG1	PROGRAMME ESTIMATE NO.3 EDUCATION SUPPORT PROG					0	0				600,000			120,000	600,000	120,000

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

(amounts in €)

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

ANNEX III - Donor Matrix

DONOR MATRIX - EASTERN CARIBBEAN COUNTRIES + CARIBBEAN REGION (in millions of EUR)
(Data for projects/programmes committed after 2000, in most cases)

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

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

St Vincent and the Grenadines

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

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
6 ACP SVG 1	0.00	0.00	0	EMER AID TROPIC STORM DANIELLE	0.00	0.00	0.00	06/11/1986			Emergency/distress relief	(HQ)
6 ACP SVG 2	45,000.00	45,000.00	45000	Emer aid to repair water elect	0.00	0.00	0.00	06/11/1986			Emergency/distress relief	(HQ)
6 ACP SVG 3	173,431.52	173,431.52	173431.52	TA TOURISM DEV PROMOT TRAI	0.00	0.00	0.00	07/01/1987			Tourism policy and admin. mana	(Deleg)
6 ACP SVG 4	23,000.00	23,000.00	23000	ST ORANGE MILL PROJ PREP CONSUL STUDY - SVG/6001	0.00	0.00	0.00	22/07/1987			Agricultural development	(Deleg)
6 ACP SVG 5	1,773,517.62	1,773,517.62	1773517.62	KINGSTOWN HOSP REDEVEL PHASE2	0.00	0.00	0.00	18/09/1986			Basic health infrastructure	(Deleg)
6 ACP SVG 6	40,000.00	40,000.00	40000	AID TROPIC STORM EMILY	0.00	0.00	0.00	17/11/1987	30/09/1988		Emergency/distress relief	(HQ)
6 ACP SVG 7	1,385,000.00	1,385,000.00	1385000	GLOBAL LOAN DEVCO (BEI:70741)	0.00	0.00	0.00	09/12/1987	08/07/1993		Multisector aid /comp. not availa	(HQ)
6 ACP SVG 8	200,000.00	200,000.00	200000	PROJET DEVCO (BEI:70742)	0.00	0.00	0.00	09/12/1987	04/10/1994		Industrial development	(HQ)
6 ACP SVG 9	2,800,000.00	2,633,435.82	2540479.23	ORANGE HILL DEVELOPMENT	166,564.18	92,956.59	259,520.77	28/03/1988			Road transport	(Deleg)
6 ACP SVG 10	0.00	0.00	0	TRADE FAIRS PLURIAN PROG	0.00	0.00	0.00	11/10/1988			Export promotion	(Deleg)
6 ACP SVG 11	554,280.73	554,280.73	554280.73	INT RAT PROJ VINLEC 2B	0.00	0.00	0.00	06/01/1989	10/02/1995		Power generat./non-renewable s	(HQ)
6 ACP SVG 12	1,000,000.00	1,000,000.00	1000000	VINLEC2 (BEI:70768)	0.00	0.00	0.00	14/12/1988	08/12/1994		Oil-fired power plants	(HQ)
6 ACP SVG 13	30,004.32	30,004.32	30004.32	ST BEQUIA AIPORT ADDIT ENV	0.00	0.00	0.00	26/07/1989			Air transport	(Deleg)
6 ACP SVG 14	2,000,000.00	2,000,000.00	2000000	BEQUIA AIRPORT CONSTRUCTION	0.00	0.00	0.00	15/06/1989			Air transport	(Deleg)
6 ACP SVG 15	0.00	0.00	0	OWS STVINCENT HOSPITAL PHASE2	0.00	0.00	0.00	15/11/1989			Medical services	(Deleg)
6 ACP SVG 16	102,795.93	102,795.93	102795.93	DESIGN & PRODUCTION OF TOURISM PROMOTIONAL MATERIAL	0.00	0.00	0.00	22/07/1997	01/09/1998		Tourism policy and admin. mana	(Deleg)
6 ACP SVG 17	3,002.74	3,002.74	3002.74	DESIGN & PRODUCTION OF TOURISM PROMOTIONAL MATERIAL.	0.00	0.00	0.00	22/07/1997	01/09/1998		Tourism policy and admin. mana	(Deleg)
TOTAL:	10,130,032.86	9,963,468.68	9,870,512.09		166,564.18	92,956.59	259,520.77					

St Vincent and the Grenadines

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

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
7 ACP SVG 1	8,457.38	8,457.38	8457.38	PARTICIPATION TOP RESA 1992	0.00	0.00	0.00	24/07/1992			Tourism policy and admin. mana	(Deleg)
7 ACP SVG 2	1,262,111.86	1,262,111.86	1262111.86	MOUNT WYNNE/PETER'S HOPE LAND RESETTLEMENT PROJECT	0.00	0.00	0.00	30/07/1992			Road transport	(Deleg)
7 ACP SVG 3	0.00	0.00	0	KINGSTON HOSPITAL PHASE III: FEASIBILITY STUDY	0.00	0.00	0.00	21/06/1993	06/03/1996		Road transport	(Deleg)
7 ACP SVG 4	16,520.97	16,520.97	16520.97	(EX 05 P008) ST KINGSTOWN HOSP DEVELOPMNET	0.00	0.00	0.00	28/06/1985			Basic health infrastructure	(Deleg)
7 ACP SVG 5	36,050.74	4,080.40	-7121.73	(EX 05 P012) ORANGE HILL DEVELOPMENT	31,970.34	11,202.13	43,172.47	28/03/1988			Road transport	(Deleg)
7 ACP SVG 6	0.00	0.00	0	(EX 05 P013) ET CAP RISQ -ETUDE O E C S GUYANA SAND SUPPL	0.00	0.00	0.00	22/04/1991			Mineral prospection and explorat	(Deleg)
7 ACP SVG 7	0.00	0.00	0	(EX 05 P006) LIVESTOCK DEVELOP PROJECT	0.00	0.00	0.00	19/03/1981			Livestock	(Deleg)
7 ACP SVG 8	0.00	0.00	0	SCHOLARSHIP MS. BARBARA SOSA	0.00	0.00	0.00	30/06/1994				(Deleg)
7 ACP SVG 9	5,674,819.00	5,674,819.00	5674819	STABEX TRANSFER 1993 (FRESH BANANAS)	0.00	0.00	0.00	19/07/1994			Balance-of-payments support	(HQ)
7 ACP SVG 10	0.00	0.00	0	CENTRAL LEEWARD HIGHWAY REHABILITATION	0.00	0.00	0.00	01/01/1994				(Deleg)
7 ACP SVG 11	149,962.64	149,962.64	149962.64	KINGSTOWN HOSPITAL PHASE III	0.00	0.00	0.00	16/12/1994			Basic health infrastructure	(Deleg)
7 ACP SVG 12	1,796,704.37	1,796,704.37	1796704.37	KINGSTOWN HOSPITAL REDEVELOPMENT PHASE III.	0.00	0.00	0.00	02/02/1995			Basic health infrastructure	(Deleg)
7 ACP SVG 13	5,000,000.00	5,000,000.00	5000000	KINGSTON PORT DEVELOPMENT PROJECT.	0.00	0.00	0.00	06/12/1994			Transport policy & admin. mana	(HQ)
7 ACP SVG 14	25,724,865.00	25,724,865.00	25724865	1994 STABEX TRANSFER (FRESH BANANAS)	0.00	0.00	0.00	24/07/1995	11/12/1995		Balance-of-payments support	(HQ)
7 ACP SVG 15	173,908.00	173,908.00	173908	REVERSEMENT EXCEDENT PREMIER PROTOCOLE FINANCIER LOME IV	0.00	0.00	0.00	20/03/1996			Balance-of-payments support	(HQ)
7 ACP SVG 16	0.00	0.00	0	1995 TRANSFER (BANANAS)	0.00	0.00	0.00	08/07/1996	01/01/1997		Balance-of-payments support	(HQ)
7 ACP SVG 17	96,627.30	96,627.30	96627.3	DESIGN & PRODUCTION OF TOURISM PROMOTIONAL MATERIAL.	0.00	0.00	0.00	22/07/1997	01/09/1998		Tourism policy and admin. mana	(Deleg)
TOTAL:	39,940,027.26	39,908,056.92	39,896,854.79		31,970.34	11,202.13	43,172.47					

St Vincent and the Grenadines

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

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
8 ACP SVG 1	13,481,457.00	13,481,457.00	13481457	Stabex 1995 bananes fraiches	0.00	0.00	0.00	26/07/1996		31/12/1996	Balance-of-payments support	(HQ)
8 ACP SVG 2	8,397,816.00	8,397,816.00	8397816	Stabex 1996 bananes fraiches	0.00	0.00	0.00	18/07/1997		31/12/1997	Balance-of-payments support	(HQ)
8 ACP SVG 3	6,419,882.00	6,419,882.00	6419882	Transfert stabex 1997 : bananas	0.00	0.00	0.00	01/01/1998		31/12/1998	Balance-of-payments support	(HQ)
8 ACP SVG 4	700,000.00	654,606.41	599450.15	8TH EDF MULTI-ANNUAL TRAINING PROGRAMME	45,393.59	55,156.26	100,549.85	27/07/1998		31/07/2003	Education facilities and training	(Deleg)
8 ACP SVG 5	284,590.43	284,590.43	284590.43	POWER SUPPLY PROJECT (17896)	0.00	0.00	0.00	29/12/1998		31/12/2000	Power generat./non-renewable s	(HQ)
8 ACP SVG 6	3,866,540.43	3,859,754.76	0	Franchise art 195 a - bananes	6,785.67	3,859,754.76	3,866,540.43	08/12/2000		31/12/2001	Balance-of-payments support	(HQ)
8 ACP SVG 7	1,500,000.00	1,156,000.00	744414.19	LEARNING RESOURCE CENTER	344,000.00	411,585.81	755,585.81	17/04/2002		31/12/2004	Education facilities and training	(Deleg)
8 ACP SVG 8	185,000.00	63,100.00	32354.86	MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT	121,900.00	30,745.14	152,645.14	26/03/2002		31/12/2006	Medical services	(Deleg)
TOTAL:	34,835,285.86	34,317,206.60	29,959,964.63		518,079.26	4,357,241.97	4,875,321.23					

St Vincent and the Grenadines

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

Project Number	Global Commitment	Individual Commitments	Payments at 31/12/2004	Project Title	RAC	RAP	RAL	Date Decision	Date N+3	End Date	Sector	Deleg ou siège
9 ACP SVG 1	6,682,764.00	820,000.00	0	EDUCATION SUPPORT PROGRAMME	5,862,764.00	820,000.00	6,682,764.00	15/12/2003	22/12/2006	31/12/2010	Road transport	(Deleg)
9 ACP SVG 2	195,000.00	0.00	0	PREP OF CONSTRUCTION DOCUMENTS ST. VINCENT COLLEGE EXTENSION	195,000.00	0.00	195,000.00	20/12/2003	20/12/2006	31/12/2008	Higher education	(Deleg)
9 ACP SVG 3	500,000.00	0.00	0	TECHNICAL COOPERATION FACILITY	500,000.00	0.00	500,000.00	30/06/2004		31/10/2010	Economic and development plan	(Deleg)
TOTAL:	7,377,764.00	820,000.00	0.00		6,557,764.00	820,000.00	7,377,764.00					

ANNEX V - Regional Projects

9TH EDF PROGRAMMING

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

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

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

6&7TH EDF (MANAGED BY BARBADOS DELEGATION)

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

ANNEX VI - All ACP Projects

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

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

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

(Last Update: January 2005)

ANNEX VII - EIB Projects

Project Name	Status	Convention	Contract Number	Amount Signed Own Resources	Risk Capital	Date of signature	Amount Outstanding Own Resources	Risk Capital	Beginning Repayment
VINLEC	Disbursed	Lome - 2	70466		2,900,000	07/09/1984			06/15/1990
BEQUIA AIRSTRIP FEASIBILITY STUDY	Disbursed	Lome - 2	70585		100,000	12/12/1985			11/30/1989
DEVCO	Disbursed	Lome - 3	70742		400,000	08/05/1988		200,000	07/31/2009
DEVCO GLOBAL LOAN	Disbursed	Lome - 3	70741		1,400,000	08/05/1988			07/31/1993
VINLEC II	Disbursed	Lome - 3	13750	3,000,000		12/20/1988	588,966		05/31/1992
	Disbursed	Lome - 3	70768		1,000,000	12/20/1988		1,000,000	11/30/2009
OECS/GUYANA SAND SUPPLY	Disbursed	Lome - 2	70832		200,000	04/22/1991			01/25/1997
KINGSTOWN PORT DEVELOPMENT	Disbursed	Lome - 4	70982		5,000,000	12/14/1994		2,976,271	12/05/1998
VINLEC III	Disbursed	Lome - 4 - Bis	17896	4,000,000		12/29/1998	2,002,421		02/28/2002
		Accord De							
VINLEC IV	Signed	Cotonou	22837	8,300,000		12/08/2004			
Total				15,300,000	11,000,000		2,591,387	4,176,271	

ANNEX VIII - CDE Projects

2004 CDE activities in the Caribbean/OECS countries

Agro-processing

The Agro-processing sector is characterized by the relatively large number of small companies producing similar products such as processed fruits, pepper sauces, jams and jellies and alcoholic beverages.

The Centre's approach is to group these companies together, usually at workshops, to deal with technical and marketing problems and also to stimulate cooperation between the companies.

The programme in the Agro Industry has focused mainly on assisting enterprises to achieve Quality Management systems for food handling (HACCP). Selected food processing enterprises in Belize, Dominican Republic and in Trinidad have benefited from this programme including development of manuals on operating guidelines.

Wood

For many years the Centre has provided technical and marketing assistance for the wood processors in the Region. Initial emphasis on furniture manufacturing has broadened to include kiln drying of timber, particularly for export and on the milling to improve the production efficiencies and quality of the timber available to downstream processors. In the near future, Sustainable Forestry Management (SFM) and certification will be a requirement for export. The CDE strategy is therefore to lay emphasis on :

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

Herbal Products

The development of the Herbal sector has been identified as a possible area for diversification of the agriculture sector in the region. Further to a Regional Partnership Meeting held in Jamaica in December 2002, CDE has embarked on a programme aimed at developing and strengthening the sector with the support of other agencies viz. the Inter-American Institute for Cooperation on Agriculture (IICA) and CTA. 2003 saw the creation of the Caribbean Herbs Business Association which groups main enterprises in the region. The association is based at IICA in Trinidad & Tobago (T&T), and has received support from CDE to develop a business plan.

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

In 2004, CDE sponsored activities included :

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

Environment

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

management systems and standards and by the clustering of enterprises and the process of coaching with local consultants.

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

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

Engineering Industries

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

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

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

Tourism

Blue Flag

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

PROINVEST

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

ANNEX IX - CTA Projects

Activities implemented in 2004 by department

- **Information Products and Services Department**

A. Selective Dissemination of Information

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

B. Database subscription service

6 Caribbean institutions received 13 database subscriptions in 2004

C. Question and Answer Service

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

- **Communication Channels and Services Department**

A. CTA Regional Branch Office in the Caribbean, CARDI

B. Regional projects

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

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

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

- Vth Latin American Meeting on Agricultural Biotechnology (REDBIO), Boca Chica, Dominican Republic, 21-25 June 2004 (9 participants)
- XV International AIDS Conference, Bangkok, Thailand, 11-16 July 2004

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

A. Long term partnership arrangements with national NGOs

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

B. Training

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

C. Science and Technology

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

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

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

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

- **Planning and Corporate Services**

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

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

ANNEX X - Project Sheets

Project title:	Community College
Accounting number:	8 ACP SVG
Implementing agency:	Ministry of Education, Culture and Women's Affairs
Date of financing agreement:	6/15/02
Value of financing agreement:	€ 1,500,000

Project overview:

The overall objective of this project is to improve the human resources base of SVG by improving their secondary and tertiary educational facilities. The government of SVG is currently committed to the creation of an integrated community college, expanding the facilities at an existing 'A-level' Community College at Calliaqua to provide for teacher training, nursing, together with technical and vocational training.

The project consists of the following activities:

- Construction of a Library Resource Centre on the main campus to serve the entire institution.
- Relocating the Teacher Training Division faculty to the main campus to Calliaqua.
- Upgrading and expanding existing programme offerings.
- Provision of equipment, furniture and materials in order to make the facilities operational.
- Provision of technical assistance in the development of appropriate administrative programmes, the planning and development of programmes, operations, the training and development of staff and general design matters.

Progress:

The government has planned the project in modular form so that the first phase (funded from the ongoing regional 7th EDF OECS HRD Tertiary Level Programme) has now almost been completed. The second phase was approved in June 2002 and works were finalised in 2004.

The Centre is expected to be operational by second quarter of 2005. The third phase is presently under preparation and design tender is expected issued in second quarter of 2005.

Project title:	European Development Fund/Programme Management & Co-ordination Unit (EDF/PMCU)
Accounting number:	Stabex 1994/05
Implementing Agency:	Ministry of Finance & Planning
Date of financing agreement:	12/1/99
Value of financing agreement:	€ 1,500,000

Project overview:

The aim of this project is to assist the NAO/EDF in achieving the efficient programming and disbursement of financial and technical resources provided by the European Union to GOSVG.

The overall objective of the project is to assist the NAO/EDF in achieving the efficient programming and disbursement of financial and technical resources provided by the European Union to GOSVG.

The project consists of the following activities:

- Identification, preparation and monitoring of Stabex projects and programmes.
- To act as secretariat to the Stabex Committee.
- Preparation and launch of tender dossiers
- Provide technical assistance to line ministries in project cycle management, development and monitoring of NIP, RIP, SFA and other EU-funded programmes.· Provision of assistance with other sector studies, country papers, and with the negotiation of FMO's and other agreements.

Progress:

The third work plan was extended by the end of 2004. Preparation for a new programme funded under STABEX commenced and is expected to start in second quarter of 2005 with a time gap between the two programmes.

Project title: Small Enterprise Development Unit (SEDU)
Accounting number: Stabex '95
Implementing agency: Ministry of Trade and Industry
Date of financing agreement: 11/1/99
Project duration: 3 years
Value of financing agreement: € 750,000

Project overview:

The overall aim of the project is to increase economic growth and employment. This is to be achieved by the recruitment of staff and the establishment of a small enterprise development unit. The overall aim of the project is to increase economic growth and employment.

Recruit staff and establish SEDU; carry out SME survey and develop database; review policy/regulation framework and recommend improvements; set up Small Business Advisory Service & Library; design training modules; develop and co-ordinate long term training and TA programme; carry out marketing study; develop programme for dissemination of market intelligence.

Progress:

The programme is to be integrated with the Agricultural Diversification Project. SEDU was extended until April 2005. The Governments intension is to transfer reasonability of SEDU into a limited liability company servicing private sector and the broader business communities.

Project title: Stabex 1995 - Budget Support (PSIP)
Accounting number: SVG/95/05/1
Date of financing agreement: 1/1/97
Project duration: 3 years

Project overview:

According to the Frameworks of Mutual Obligations (FMOs), that governs the Stabex 1995 programme, these funds are targeted to specific capital investments within the overall national Public Sector Investment Programme (PSIP).

The FMOs of both programmes aim at promotion of economic growth and reduction of poverty. More specific the objectives are formulated in terms of government savings, external and internal macroeconomic balances, diversification of the economy in general and of Agriculture in particular. Poverty is combated through targeted programmes in the social sectors, such as Health and Education and through delivery of services to vulnerable groups. In addition they aim at raising capacities of communities with a view to give them a key role in their own development. Institutional strengthening is aimed at support to public and private sector institutions, among others through technical assistance. In this context the FMO Stabex-95 allocates funds to a project 'Institutional Strengthening Public Institutions', whereas the FMO for Stabex-96/97 allocates a substantial share of the total funds available to a Technical Assistance programme.

The FMOs define a number of programmes and actions. They are aimed at macroeconomic stability largely to be achieved through increasing government savings. Both FMOs are very specific in terms of savings targets for the Central Government and for the public sector as a whole. They further aim at commercialisation of the economy and privatisation of government activities. Diversification of the economy in general and of Agriculture in particular plays an important role. This is mainly to be realised through private sector development, and through improving physical and economic infrastructures. The latter also includes skills improvement of the labour force to be achieved through Technical and Vocational Training programmes. In addition, the FMOs specify programmes and actions to alleviate the impact of the declining activities in the Banana sector. Education, Health and Community development are the main sectors distinguished. Both FMOs point further at the development of Tourism action plans.

The PSIP support is earmarked for programmes identified in the FMOs and these should be part and parcel of the Public Sector Investment Programmes of the recipient Government. As such they should be included in the annual

budget to be approved in Parliament. In addition, the FMO Stabex-96/97 requires programme plans that are consistent with the overall sector strategies. These programme plans should be formulated in consultation with the EDF/PMCU and the Delegation in Barbados and approved by the government and endorsed by the European Commission.

Tranche releases: Funds are transferred from the Euro account in Brussels to a double signature EC\$ account in the recipient country and from this account to the Treasury. The releases are triggered as soon as certain conditions have been met. These conditions are related to government savings performance and to performance of project implementation. The government savings performance is translated into clear savings targets for a period of three years in each FMO.

Progress:

Under the Stabex-95 programme over EC\$ 21 million has been transferred in two tranches to the account of the Government of St. Vincent. About EC\$ 11 million, or 53% of the total of the first two tranches, have been actually spent on projects and programmes. Through the 2001 budget another EC\$ 14.6 million has been indicated to be funded from the Stabex-95 PSIP programme (see Table 2.4). Together, spent and committed, they add up to EC\$ 25.9 million or far above (121%) the funds transferred so far, or to 91% of the total Stabex-95 PSIP allocation. In other words the funds available The Government has committed itself through these FMOs to formulate and implement the programmes defined. This should be evidenced by presenting to the European Commission (the Delegation in Barbados) the programmes and reports on the progress made under these programmes.

Project title:	Stabex 1996/97 - Budget Support (PSIP)
Accounting number:	SVG/97/05/2
Date of financing agreement:	1/1/97

Project overview:

According to the Frameworks of Mutual Obligations (FMOs), that govern the Stabex 1996/97 programmes, these funds are targeted to specific capital investments within the overall national Public Sector Investment Programme (PSIP).

The FMOs of both programmes aim at promotion of economic growth and reduction of poverty. More specific the objectives are formulated in terms of government savings, external and internal macroeconomic balances, diversification of the economy in general and of Agriculture in particular. Poverty is combated through targeted programmes in the social sectors, such as Health and Education and through delivery of services to vulnerable groups. In addition they aim at raising capacities of communities with a view to give them a key role in their own development. Institutional strengthening is aimed at support to public and private sector institutions, among others through technical assistance. In this context the FMO Stabex-95 allocates funds to a project 'Institutional Strengthening Public Institutions', whereas the FMO for Stabex-96/97 allocates a substantial share of the total funds available to a Technical Assistance programme.

The FMOs define a number of programmes and actions. They are aimed at macroeconomic stability largely to be achieved through increasing government savings. Both FMOs are very specific in terms of savings targets for the Central Government and for the public sector as a whole. They further aim at commercialisation of the economy and privatisation of government activities. Diversification of the economy in general and of Agriculture in particular plays an important role. This is mainly to be realised through private sector development, and through improving physical and economic infrastructures. The latter also includes skills improvement of the labour force to be achieved through Technical and Vocational Training programmes. In addition, the FMOs specify programmes and actions to alleviate the impact of the declining activities in the Banana sector. Education, Health and Community development are the main sectors distinguished. Both FMOs point further at the development of Tourism action plans.

The Government has committed itself through these FMOs to formulate and implement the programmes defined. This should be evidenced by presenting to the European Commission (the Delegation in Barbados) the programmes and reports on the progress made under these programmes.

The PSIP support is earmarked for programmes identified in the FMOs and these should be part and parcel of the Public Sector Investment Programmes of the recipient Government. As such they should be included in the annual budget to be approved in Parliament. In addition, the FMO Stabex-96/97 requires programme plans that are consistent with the overall sector strategies. These programme plans should be formulated in consultation with the EDF/PMCU and the Delegation in Barbados and approved by the government and endorsed by the European

Commission.

Tranche releases: Funds are transferred from the Euro account in Brussels to a double signature EC\$ account in the recipient country and from this account to the Treasury. The releases are triggered as soon as certain conditions have been met. These conditions are related to government savings performance and to performance of project implementation. The government savings performance is translated into clear savings targets for a period of three years in each FMO.

Project Title:	SFA 1999 - Reception and Palletisation Centre 2 (RAPCEN 2)
Accounting Number:	SVG/SFA/1999/2
Implementing Agency:	Banana Industry Trust of St. Vincent
Date of Financing Agreement:	13/09/00
Project Duration:	3 years
Date Financing Agreement Expires:	13/03/06
Value of Financing Agreement:	€ 810,000

Project overview:

The overall objective of the project is to promote increases in banana production by installing a Reception and Palletisation Centre at La Croix in the Marriaqua Valley.

This will allow for the efficient packing, grading and palletisation of fruit in the Mesopotamia Valley, where a majority of small, rain fed banana farmers in St. Vincent are.

RAPCEN-2 will be designed to handle a total of 400 tons per week from the banana producing districts of Marriaqua, Greggs and Lauders, where a large percentage of certified growers are based. It will involve the construction of a steel framed, prefabricated structure, built to Caribbean earthquake standards. A small amount of equipment for inspecting, grading and palletisation of bananas will be procured for installation within the Centre. The project will improve the quality of bananas for export, as it will promote better post harvest handling.

Part of the allocation for the RAPCEN will be used to strengthen the administrative arm of the Banana Industry Trust, to enable it implement this project effectively.

The Government contribution of XCD 265,275 (EUR 100,000) will finance the necessary land acquisition.

Progress:

The detailed design of the facility has been completed, and the tender was launched in third quarter of 2003. All bids received were above the available budget. Consequently in January 2004 the Delegation gave consent to annul then tender and enter direct negotiations with the two lowest bidders. Subsequent to award of contract the contractor commenced works in October 2004 with estimated completion date of May 2005

Project Title:	SFA 1999 - Windward Highway Rehabilitation
Accounting Number:	SVG/SFA/1999/1
Implementing Agency:	Ministry of Transport, Works and Housing (MTWH),
Date of Financing Agreement:	13/09/00
Project Duration:	3 years
Date Financing Agreement Expires:	30/06/06
Value of Financing Agreement:	€ 4,830,000

Project overview:

The overall objective of the project is the establishment of physical and economic infrastructure to encourage and facilitate diversification of the economy of St. Vincent, especially with regard to rural income generation and the tourism sector. The project purpose is to support rehabilitation of the Windward Highway - Phase I (Georgetown to Diamond).

The project will result in a rehabilitated section of the first phase of the Windward Highway. The EC contribution will finance a section of about 7 km. The Government of St. Vincent and the Grenadines has secured a loan from the CDB for the remaining part of the rehabilitation works

Progress:

The detailed design of works and preparation of the Tender Dossier was completed by the consultant (Mouchel, UK) and tendered second quarter of 2003. The contract was awarded in October 2003 to Dipcon (Trinidad) and works commenced in November 2003. Considerable delays were experience in the course of the contract and at the end of 2004 it was estimated that the contractor would only finalise the works by second quarter of 2005.

Project Title: SFA 2000 and SFA 2001 - Windward Highway Rehabilitation
Implementing Agency: Ministry of Transport, Works and Housing (MTWH),
Date of Financing Agreement:
Project Duration:
Date Financing Agreement Expires:
Value of Financing Agreement: € 6,050,000 and € 5,900,000

Project overview:

The overall objective of the projects funded under SFA 2000 and 2001 is the establishment of physical and economic infrastructure to encourage and facilitate diversification of the economy of St. Vincent, especially with regard to rural income generation and the tourism sector. The project purpose is to support rehabilitation of the Windward Highway - Phase II and III

The projects will result in a rehabilitation of phase II and III of the Windward Highway.

Progress:

The final draft of detailed design of works and preparation of the Tender Dossier was submitted by the design consultant to the Contracting Authority by December 2004. The works funded under the two FA's for SFA 2000 and 2001 are planned tendered in one tender with separate lots. The tender is expected launched during the second quarter of 2005.

Project Title: SFA 2002 Social Investment Fund
Accounting number:
Implementing Agency: Social Investment Fund
Date of Financing Agreement
Date Financing Agreement expires:
Project Duration
Value of financing agreement: €4,500,000.00

Project Overview:

Progress:

A second stage of technical Assistance in the Stabex start-up phase commences in February 2005 to support the SIF Board and the new CEO, and work closely with EDF/PMCU in developing the preparatory documents for operationalizing the SIF. The consultant will also liaise with the Jamaica. SIF technical assistance team which is currently working on the Targeting Strategy and Operations Manual. Refocusing of priorities for project. First draft Operations Manual needs significant revision before finalised, especially integrating EC procedures and contracting modalities.

Project Title: National Development Foundation
Accounting number:
Implementing Agency:
Date of Financing Agreement
Date Financing Agreement expires:
Project Duration
Value of financing agreement: €1,900,000.00
Project Overview:

Progress:

In final WP (Nov 04 – Aug 05); it is proposed that through TA the NDF will be supported in operationalising its strategic plan in keeping with the objectives of the new private sector development programme in this final year.

Project Title: Multi-Annual Training Programme
Accounting number: 8 ACP SVG 001
Implementing Agency: Ministry of Finance, Planning and Development
Date of Financing Agreement Saturday, August 01, 1998
Date Financing Agreement expires:
Project Duration 3 years
Value of financing agreement: €700,000.00

Project Overview:

The overall objective is to ensure that the labour force develops the competencies required for increased productivity growth. The primary aim of the project is to produce highly skilled cadres in specialised areas. Scholarships will be provided to candidates being selected on the basis of aptitude and a commitment to serve the SVG government. Training will take place, at regional universities (University of West Indies) as well as overseas universities (primarily situated in the UK).

Progress:

Information received from the British Council, but NAO alerted to the fact that 3 students were still unaccounted for and this confirmation remains outstanding. NAO to request closure of individual commitments.

Project Title: SVG Learning Resource Centre
Accounting number: 8 ACP SVG 007
Implementing Agency: Ministry of Education, Culture and Women's Affairs
Date of Financing Agreement
Date Financing Agreement expires:
Project Duration
Value of financing agreement: €3,183,985.00

Project Overview:

The overall objective of this project is to improve the international competitiveness and productivity in the labour market.

The purpose of the project is to increase the standard and number of qualified human resources by improving and expanding tertiary level education capacity.

Funds are being drawn from EDF8 (€1,500,000); EDF 7 (€645,823); Government (€747,737) and Private (€290,425) - Total Cost - €3,183,985.

Progress:

Construction of the Learning resource Center funded from the 7th EDF Regional Funds supplemented by part of the 8th EDF NIP allocation, is on stream. (3.2 million EURO from the 7th and 8th EDF earmarked for phase 3 of Community College expansion). ToRs for the design of the remaining facilities of the Centre have been developed and were commented on by the Delegation in June 2004. The Contract will include also the drafting of the Financing Proposal.

Project Title: Drug Demand Reduction Programme
Accounting number: 8 ACP SVG 008
Implementing Agency: NDACA, Ministry of Health
Date of Financing Agreement Tuesday, May 27, 2003
Date Financing Agreement expires: Sunday, December 31, 2006
Project Duration 3 years
Value of financing agreement: €185,000.00

Project Overview:

The DDR Programme covers Training, Awareness/Education, Community Activities, Workshops, Treatment & Rehabilitation, Evaluation & Audit.

Progress:

First year work program in progress. Slow to start and slow moving. Close monitoring is necessary for early identification of any problems that may arise. No significant progress in implementation made during first WP. Eight-week extension granted by Delegation on 31 January 2005. First work programme now expires on March 31, 2005. Second work programme to be submitted for approval by Delegation by March 04, 2005. Communication, cooperation and collaboration difficulties among the NAO, the PMCU and the Program Manager in St Vincent make smooth implementation difficult. Close monitoring is necessary.

Project Title: Education Support Programme
Accounting number: 9 ACP SVG 001
Implementing Agency: Ministry of Education
Date of Financing Agreement Friday, January 30, 2004
Date Financing Agreement expires: Friday, December 31, 2010
Project Duration 5 years
Value of financing agreement: €7,292,764.00

Project Overview:

The Government of St. Vincent and the Grenadines (GOSVG) has established an Education Support Programme under the 9th European Development Fund National Indicative Programme and the Special Framework for Assistance for Traditional ACP Banana Suppliers instrument. This is part of a comprehensive programme funded by the European Union to enhance the development of education in St. Vincent and the Grenadines.

The 9th EDF programme is primarily aimed at improving quality in primary and secondary education and access to secondary education.. These aims will support the overall development of productive human resources in SVG.

The SFA programme is aimed at the development of productive human capital to aid economic recovery and diversification. Nationwide, the programme supports the development of adult education programmes and capacity to train educators for adult education; the strengthening of existing ECD training facilities and programmes; the development of capacity and programmes to train special needs educators and the strengthening of education management, including decentralisation, in ECD and adult education.

Both programmes are complementary to other development support to the sector, from the World Bank, the UK Department for International Development (DFID), the Caribbean Development Bank (CDB) and from the EC itself. Development support to the sector is coordinated through the 2003 Education Sector Development Plan (ESDP) and its accompanying Annual Operation Plan (AOP), which is also supported by on-going stable funding to the sector in the national budget. The activities proposed for the 9th EDF and SFA Financing Agreements are therefore contained in the ESDP. The GOSVG will provide co-funding from the capital budget and will support necessary recurrent activities throughout the duration of the programme. It is foreseen that the funds will be implemented over the medium term in response to the need to address structural and institutional weaknesses at all levels of the education system.

Progress:

Service Contract for Programme Manager endorsed in December 2004. Problems have since arisen with the performance of the PM and NAO is considering action to be taken.

Programme Estimate endorsed by delegation in December 2004.

Tender dossiers for additional experts and staffing of Project Office in preparation for approval by February 2005.

Project Title: Education Sector Support
Accounting number: SFA 2003
Implementing Agency: Ministry of Education
Date of Financing Agreement Friday, December 31, 2004
Date Financing Agreement expires: Friday, December 31, 2010
Project Duration 4 years
Value of financing agreement: €5,600,000.00

Project Overview:

Broad support to the education sector in co-ordination with NIP, WB OECS financing, CDB and DfID. Main areas of focus: access and quality of early childhood education, special needs, adult education and TVET. Also institutional support to the reform of the sector.

Progress:

SFA 2003 signed.

Programme Estimate to be finalised and submitted to delegation for approval.

Tender dossiers for additional experts being prepared.

Project Title: Stabex Adult Education Project (SAEP)
Accounting number: STBX/SVG/94/11
Implementing Agency: New Horizons Ltd (NGO)
Date of Financing Agreement Friday, April 23, 1999
Date Financing Agreement expires: Thursday, May 01, 2003
Project Duration 3 years
Value of financing agreement: €300,000.00

Project Overview:

The overall aim of the project is to improve the skills of the human resources base in SVG. In particular, it aims to test the effectiveness of computer-aided adult literacy training methods through undertaking a computer-training programme in conjunction with a training programme utilising traditional literacy methodology. If the computer-aided programme proves more successful, then the project contains provision for replication and expansion of the programme on a larger scale in a potential phase II. 120 adults in 3 communities were planned to have finished the programme in April 2001, with the pilot programme evaluated and phase II designed by the 30th of April 2001.

Progress:

Evaluation Report for selection of consultant to conduct evaluation submitted and awaiting delegation approval. Due to inconsistency with contract which have now been resolved.

Project Title: Marion House Support Programme (MHSP)
Accounting number: STBX/SVG/94/2
Implementing Agency:
Date of Financing Agreement
Date Financing Agreement expires:
Project Duration
Value of financing agreement: €830,000.00

Project Overview:

NGO that has been supported through STABEX both in terms of its operations (mainly a range of training options for vulnerable groups) and its infrastructure (brand spanking new building most of which is now rented out to Govt.)

Progress:

Evaluation Report for selection of consultant to conduct evaluation submitted and awaiting delegation approval. Due to inconsistency with contract which have now been resolved.

Project Title: Stabex 95 Rolling Scholarship and Training Programme (STARSAT)
Accounting number: STBX/SVG/95/3
Implementing Agency:
Date of Financing Agreement
Date Financing Agreement expires: Sunday, December 31, 2000
Project Duration
Value of financing agreement: €1,100,000.00

Project Overview:

Student scholarship programme. The Public Service Commission selects candidate trainees and presents a list to the Director of Planning for approval. Identification of training facilities and monitoring is conducted through a contract with the British Council.

Progress:

More or less complete in terms of identifying and sending people. Fluctuating exchange rates and rising costs of the scholarships has been an issue for the project. Delegation has indicated that it will not be interested in a third STARSAT.

FA for STARSAT I was originally extended from 2000 – 2004, however scholarships were awarded in 2001 for a duration of 5 years, hence request made in Oct 2004 for non-cost extension of FA to 2006.

Project Title: STATVET - Technical and Vocational Education Programme
Accounting number: STBX/SVG/95/4
Implementing Agency:
Date of Financing Agreement
Date Financing Agreement expires:
Project Duration
Value of financing agreement: €4,000,000.00

Project Overview:

Project aims to increase access to TVET, to improve the quality of TVET, to improve the public and cultural image of TVET and to strengthen the institutional capacity of the Ministry of Education.

Activities include the renovation and construction of facilities, teacher training programmes and study tours, strengthening of the institutional management capacity, including technical assistance, the provision of scholarships, improvement of TVET programmes through curriculum development, amendment of training programmes and the introduction of new ones, technical assistance for training, communication and co-operation mechanisms with private sector, development of a data base on market demand and improvement of public and cultural image of TVET.

Progress:

A MTR/evaluation was commissioned during the 3rd quarter of 2003. The report was not acceptable to the GoSVG and the EC Delegation has still not seen a copy. It is understood that the consultants have agreed to redo their report. A possible Phase II is anticipated using STABEX – mainly because the original programme did not foresee the need to equip the centres. Evaluation report resubmitted.

ANNEX XI - Country Environmental Profile

1.0 INTRODUCTION

The most serious threat to sustainable development in St Vincent and the Grenadines is the increasing degradation of the natural eco-systems. St. Vincent and the Grenadines has a limited resource base that is highly vulnerable to natural and man-made hazards. Development pressures have resulted in significant deterioration of the quality of the natural resources. The major economic sectors, Tourism and Agriculture, cannot exist without the rational use and management of the natural environment. Also, failure to maintain high levels of environmental quality in this fragile island eco-systems setting will affect the health and general quality of life of the population.

Government recognizes the importance and the interdependence of the economy and the ecology. It is cognisant of the fact that the country's prospects for social and economic growth and development depend on the ability to ensure environmental integrity. Hence, the policy with respect to the Environment is one that seeks to protect, conserve, enhance or restore the natural resources of the country through effective utilization and management, thereby ensuring sustainable development.

The central challenge for the Government with respect to the environment is one that ensures there exists levels of environmental quality that would maximise opportunity for economic and social development for present and future generations, without compromising the integrity and sustainability of biological diversity, historical and cultural assets.

Improving the present undesirable trend requires indepth knowledge and sound understanding of the state's sustainable developments and environmental issues in order to develop and implement appropriate policies. This environmental profile is therefore intended to present current and concise environmental information on various aspects of environmental management and sustainable development issues in St Vincent and the Grenadines. It should be of particular value to those involved in development planning, environmental management and academic research related activities.

This profile begins with an overview of the prevailing physical and environmental conditions, a review of socio-economic context of the St. Vincent and the Grenadines and an analysis of economic policies and the environment. It then outlines the existing legal instruments and institutions as well as identify the major environmental issues and establish the national environmental priorities. The final section of the document provides strategies and actions that the Government intends to pursue in the medium term to ensure environmental integrity and sustainable development of this small nation state. An appendix is provided which contains a series of maps on various aspects of the environment which are discussed in the text.

2.0 PREVAILING PHYSICAL AND ENVIRONMENTAL CONDITIONS

2.1 Location and Size

St. Vincent and the Grenadines is an archipelagic state in the southern Lesser Antilles comprising of more than thirty islands, islets and cays situated approximately 13 degrees north latitude, and 61 degrees west longitude. It is approximately 97 miles west of Barbados, 24 miles southwest of St. Lucia, 68 miles north-northeast of Grenada, and 170 miles north of Trinidad and Tobago

The state covers a total land area of approximately 150.3 square miles (approximately 95,800 acres) and a larger marine area including a shallow coastal shelf encompassing an area of approximately 690 square miles.

The main island, St. Vincent, the largest and most populated, is located to the extreme north of the archipelago. The island is roughly elliptical in shape with its greatest length 18 miles north to south and its greatest width 11 miles west to east. The land area is approximately 133.8 square miles, or around 85,350 acres.

The Grenadines cover a land area of approximately 16.5 square miles altogether - approximately 10,450 acres - and stretch a distance of 45 miles to the southwest of St. Vincent towards Grenada.

The seven inhabited islands are Bequia and Mustique in the Northern Grenadines; and Union, Canouan, Mayreau, Palm Island, and Petit St. Vincent in the Southern Grenadines. The land area of the Northern Grenadines totals nine square miles (9 sq mls), and the Southern Grenadines seven and one half square miles (7.5. sq mls). In addition there are a number of uninhabited islets and rocks including the Tobago Cays, which are of environmental, historic and economic significance.

2.2 Topography

The main topographical feature of St. Vincent is the backbone of volcanic mountains that stretch much of its length and rise northwards to an elevation of approximately 4,084 feet above mean sea level at La Soufriere, the highest point on the island where the volcano is located. Further south are Richmond Peak (3,523 feet), Mt. Brisbane (3,058 feet), Grand Bonhomme (3,181 feet), Petit Bonhomme (2,481 feet), and Mt. St. Andrew (2,413). These are all part of the axial range which divides the island longitudinally into two nearly equal parts which are further subdivided by lateral spurs radiating outwards to the windward and leeward coasts.

Highly dissected ridges and valleys extending down to the edge of the water characterise the topography on the leeward side. The spurs are steep and the valleys deep and narrow. This side of the island is indented with numerous deep embayments, which provide safe harbours and offer potential for port development.

On the windward side the relief is more gently rolling, with an almost straight coastline with less high cliffs and shaped by the continuous erosional forces of waves energised by the Northeast Trade winds. The more gently undulating foothills on this windward side enclose shallow valleys which occasionally merge into extensive coastal plains.

The Grenadines are lower-lying, with no point being higher than the 1,000-foot high Mt. Taboi on Union Island. The second highest point is on the island of Canouan at Mt. Royal which is 877 feet high.

2.3 Drainage

Mainland St. Vincent is traversed by numerous rivers. These tend to be short and straight with their upper courses being steep and gorge-like, and their lower reaches broadening out into small delta-shaped alluvial flats. The largest rivers are the Colonarie and Wallibou rivers. In the north of the island there are a large number of seasonal streams, which flow only after heavy rainfall. Most are located in small catchment areas, sloping fairly steeply to the sea. Two perennial rivers (Wallibou and Rabacca) have substantial base flows, even at the peak of the dry season. The Rabacca River flows heavily inland but is generally dry at its mouth because of the very high permeability of the riverbed material. Most of the rivers and the larger streams of the central and southern portion of the island are perennial. In the Grenadines there are a small number of seasonal rivers and streams which flow mainly during the rainy season.

2.4 Climate

The country enjoys a tropical climate with pleasant conditions during most of the year. The temperature ranges between 69 and 92 degrees Fahrenheit, with an annual average of around 80 degrees.

There are two distinct seasons - a dry season from January to May, and a wet season from June to December, with the wettest period between June and September. The average total wet season rainfall for the country is approximately 67 inches, while dry season rainfall averages 32 inches.

Precipitation totals vary spatially on mainland St. Vincent from an annual average of 60 inches on the southern coast to over 150 inches in the mountainous interior. Intensity decreases from North to South and from the windward side of the island to the leeward. Evapo-transpiration is 50 inches a year on average along the coast, decreasing progressively with altitude.

Rainfall is significantly lower in the Grenadines. The average annual rainfall for those islands which have meteorological stations - Bequia, Union and Canouan - is about 49 inches. The wettest months are June to November when the monthly average is 6 inches. The driest period is from February to April during which the average monthly rainfall is slightly more than one inch.

2.5 Geology

The geologic structure of mainland St. Vincent comprises of a chain of mainly extinct volcanoes, whose craters coincide with the central ridge of mountains. The most common rock type is Agglomerate which is principally andesitic and basaltic in composition. There are also several lava flows comprised of Andesites or Andestic Basalts. Pyroclastics are the most abundant volcanic products on the island and include particles varying in size from clay to small boulders. Marine Sediment and beach sand are found mainly in the Buccament River Valley, Arnos Vale, Argyle, and Georgetown.

The Grenadines have more varied rock types of both volcanic and sedimentary origin. The geological composition of the larger islands is as follows:

- Bequia comprises of Andesite, Mixed Pyroclastics and Ash, River Alluvium and white coral sand.
- Union Island is predominantly of Andesite, Mixed Pyroclastics and Ash, and beach sand.
- Canouan is made up partially of volcanic material - Andesite and Mixed Pyroclastics and partially of consolidated marine sediments.

2.6 Soils

The soils on mainland St. Vincent are predominantly of volcanic origin with good internal drainage. The major soil groups are Yellow Earths, Recent volcanic ash soils, Alluvial soils, Shoal soils and Central mountain soils.

2.7 Agricultural Land Capability

A soil and land use survey of St. Vincent carried out in 1957-1958 classified the soils of the surveyed area into seven agricultural capability categories, based principally upon the degree of slope of the land. The most cultivable land on the island falls in the first three classes and totals approximately 21,426 acres as described hereunder:

- Class 1 - slope limits 0 to 5 degrees: this land is flat or relatively flat with deep fertile soil which is suitable for cultivation with almost no limitations - 6,904 acres;
- Class 2 - slope limits mainly 5 to 20 degrees: land which is suitable for cultivation with moderate limitations - 4,882 acres;
- Class 3 - slope limits 20 to 25 degrees: land which is suitable for cultivation with severe limitations for intensive practice - 9,640 acres.

Land falling outside of these areas is not recommended for intensive agriculture because of unfavourable gradient, potential for erosion, and other restrictions. In some locations such lands might be utilised for tree crop cultivation and pasturage.

While most of the land measured in Classes 1 and 2 have been protected from development, large areas of Class 3 land in the Calliaqua Census Division continue to be built upon at a rapid rate, and are irretrievably lost to agriculture.

2.8 Water Resources

The surface waters in the many rivers and streams on mainland St. Vincent are abundant. Water volumes in streams have decreased over the years and there is therefore need for a national assessment of water resources to determine

the adequacy of this resource to supply domestic and other water requirements at reasonable cost into the foreseeable future.

The occurrence of groundwater in St. Vincent is evidenced by the large number of springs and perennial streams which are found throughout the island. Potable groundwater occurs at three locations - the Rabacca area, which has a very good supply; Dumbarton; and the Buccament area. These resources can supplement surface supply and meet future demand for water. They need to be kept free from housing settlements, intensive agriculture, and any other land use activity which might impact adversely upon them. Rainfall is the only source of groundwater recharge. Conditions for recharge are expected to be good because of the degree of permeability of most of the soils. Because of the abundance of surface water sources, it has not been necessary to tap groundwater supplies on St. Vincent.

The situation is markedly different in the Grenadines where neither reliable surface water nor substantial potable groundwater sources are available. This is due to the low annual rainfall, the limited aerial extent of possible groundwater aquifers, and proximity of the sea. The limited amount of groundwater which occurs in Bequia and Union Island is too brackish to offer any real potential for potable purposes or agriculture.

2.9 Natural Vegetation

Almost all of the natural forest in the state is found in the central mountain areas of St. Vincent. According to the National Forest Inventory completed in 1993 and cited in the National Forest Resource Conservation Plan, the total forestland area in 1992/1993 was approximately 31,340 acres distributed as follows:

- primary rainforest occupying a total of 10,641 acres in small areas between 900 and 1,500 feet in elevation mainly in the headwaters of the Colonarie, Cumberland and Buccament valleys;
- secondary rainforest totaling approximately 8,524 acres, occupying areas between permanent cultivation and primary rainforest;
- Dry Scrub Woodlands covering approximately 5,382 acres of land on precipitous rocky slopes;
- Palm Brake forest on 1,279 acres of exposed areas above the 1,500 foot contour on both windward and leeward sides of the central mountains;
- Elfin Woodland on 1,129 acres on the summits above 1,500 feet on both sides of the central mountains;
- Regenerated areas - 4,387 acres of new forest originating on areas devastated by the 1979 eruption of the Soufriere volcano.

The King's Hill Forest Reserve, (The oldest forest reserve in the western hemisphere) an area of around 54 acres, is the only other significant area of natural forest in the country. It has remained intact and free from intrusion since its establishment in 1791.

In the Grenadines there are few areas of natural forest vegetation as unrestricted grazing has resulted in widespread loss of vegetative cover. Littoral Woodland covers small areas of the islands. There is a significant forested area in Bequia, while Canouan has a small stand of dry woodland on the leeward side of Mount Royal. Union Island has extensive areas of dry shrub forest.

2.10 Bio-diversity

A large number of species of flowering plants, ferns, amphibians, reptiles, birds, and mammals has been identified in the country.

There is evidence to suggest that populations are on the decline as a result of the destruction of rainforest and mangrove habitats to make way for crop cultivation and built development. Illegal hunting has also taken a toll on the fauna of St. Vincent and the Grenadines.

The national bird, the St. Vincent Parrot (*Amazona guildingii*) is protected through the designation of an area of close to 11,000 acres in the upper watersheds of the Buccament, Colonarie and Cumberland Rivers in the central mountains as a parrot reserve. The location of this area within protected forest reserves facilitates the efforts of the Forestry Division to deal effectively with the exploitation of this endangered species. Populations of agouti, iguana, and armadillo provide a base for recreational hunting during the open season.

Twenty-three (23) wildlife reserves have been declared throughout the country under the 1987 Wildlife Protection Act. These include portions of the King's Hill Forest Reserve, Government House Grounds, the Tobago Cays, Isle de Quatre, and several of the other islets and rocks of the Grenadines. The legislation affords protection to wildlife on a year-round basis.

2.11 Natural Recreational Resources

St. Vincent possesses several natural assets which could form the basis of a nature-oriented tourism industry. These include its steep mountain ridges, scenic valleys, and waterfalls.

Recreation potential exists in the many designated trails including the Vermont Nature Centre and trails, Trinity Falls, Owia Salt Pond, the Falls of Baleine, and the crater of the La Soufriere volcano. These natural features provide opportunities for both active and passive recreation including hiking, nature study and visual enjoyment, as well as areas for overnight camping.

The King's Hill Forest Reserve is also an important natural recreational resource, as is the Botanic Gardens which was founded in 1765 and is the oldest in the western hemisphere. The site of the Gardens covers an area of approximately twenty acres and contains tree and shrub species unique to St. Vincent.

2.12 Coastal and Marine Resources

2.12.1 Beaches

Beaches are important recreational areas for the local population as well as for their potential to attract tourists. Most of the beaches in St. Vincent are comprised of dark grey to black mineral sand, stone or boulders derived from the volcanic rocks of the central mountains. The only exception is the pale brown sand found in the area stretching from Indian Bay to Almond Tree Bay on the south coast, and including Young Island. These beaches owe their existence to the reef systems in these bays. They offer the greatest potential for recreational use in the island.

The beaches in the Grenadines range from gleaming white to light brown sand in colour, and are of exceptionally good quality. The white sand is a product of fragmented skeletal material of the organisms, which form the extensive coral reefs in these waters. Good quality beaches are located in numerous protected bays particularly those on Mustique, Canouan, Mayreau, Palm Island, and Petit St. Vincent. The Tobago Cays have some of the finest beaches in the country.

In St. Vincent and the Grenadines, the public use of beaches is protected by law. However, public access to a number of beaches is limited by their location in relation to privately owned lands and the failure of the state to provide for public access through such lands. Sand mining on the beaches, poses the most serious problem for state control, as it contributes to the rapid destruction of beaches. This problem needs to be addressed urgently if these beaches are to fulfill their overall role (economic, recreational, etc.) in the holistic development of the state.

2.12.2 Wetlands

Mangroves are the major type of wetlands found in St. Vincent and the Grenadines. They provide nursery for many species of commercially important fish including lobster and conch in their juvenile stages. They also protect coral reefs by filtering out sediment from land run-off.

Only a very few small stands of mangroves exist in the country. Mangrove forests occupy about 104 acres of coastal land, mainly on the islands of Union and Mustique. This species is also under threat, and already stands on Palm Island, Bequia and Union have been destroyed to make way for tourism resort development or most recently airport development. Mangroves are also exploited for building material, firewood, and material for the manufacture of fish traps and baskets.

The only other type of wetlands found in the country is the salt pond. Ponds are located at Owia in St. Vincent, and on all of the islands of the Grenadines. The future of the pond in Canouan requires particular attention in view of its

role in relation to the settlement. There is a debate as to whether or not this pond should be filled for development purposes.

The continued destruction of mangroves and salt ponds would have the effect of, removing the protection which they provide against storm surge and wave action and might lead to the inundation of coastal areas.

2.12.3 Fisheries

The waters of St. Vincent and the Grenadines abound in demersal fishes (shallow reef and deepwater bottom-living fishes), off-shore pelagic species. Small inshore pelagic species are found on the west coast of St. Vincent, particularly at Barrouallie. Lobsters and conch are found mainly in the Grenadines.

Many of the fish and shellfish stocks appear to be severely over fished. Inshore fishing grounds in the Grenadines have been severely depleted as evidenced by decreased landings of fish, lobster and conch in recent years. These, along with other marine life, also appear to be affected by pollution of coastal waters by raw sewerage discharged into the sea from rivers and streams, and through the Kingstown sewerage system.

2.12.4 Coral Reef and Sea Grass Beds

The most extensive and well-developed coral reef complexes in the country are located on the shallow shelves, around the windward sides of Mayreau and Union Island and the Tobago Cays. The reefs of the Cays are renowned for their underwater scenery and bountiful supplies of fish, conch, and lobsters. Parts of this reef system have been seriously degraded in recent years by human-induced factors such as reef walking, localised sewage, and solid waste pollution. Natural factors such as storm damage and disease have also taken a toll on the reef ecosystem.

The rate of degradation of the reefs in the Tobago Cays area suggests a need to set limits on the number of yachts visiting the Cays at a time when economic development policy is seeking to encourage expansion of the tourism industry in the country. The Tobago Cays Management Park has been designated with a view of protecting the coastal and marine resources in this area.

The reef along the eastern side of Canouan, though relatively undeveloped, is important to the protection of the beaches along this portion of the island. There are approximately seven miles (7 mls) of relatively unexplored fringing reefs off Bequia along the boundary of the Caribbean Sea with the Atlantic Ocean.

Sea-grass beds are very important ecologically as they provide energy to the reef system by serving as feeding ground for adult reef fish. Large stands of sea grass beds are located in the Grenadines. Like mangroves, they also function as filters to reduce the sediment loading of reefs. Map – shows the coastal resources in the Grenadines.

2.12.5 Sea Turtles

Sea turtles provide one of the most important potential bases of any eco-tourism activity to be undertaken in the country. Their numbers have, however, been depleted because of deliberate over harvesting, accidental capture, and habitat destruction.

The leather back turtle nests at Sandy Bay on the windward side of St. Vincent, and at Richmond beach and others further south on the leeward coast including Dark View and Barrouallie. The species is threatened with extinction because of its high market value and inadequacy of fishing control measures. The Hawksbill also nests at beaches along the leeward coast from Richmond to Barrouallie as well as at Orange Hill, Colonarie and Stubbs on the Windward coast. Turtle nesting beaches in the Grenadines are found in Bequia, Mustique, Balliceaux, Canouan, Union, Mayreau, Palm Island, and the Tobago Cays.

The continued decline of turtle numbers would have implications for employment in the fisheries sub-sector and for the potential role of the species in the eco-tourism industry. It is imperative therefore that populations are afforded a measure of protection sufficient to allow them to recover.

2.13 Vulnerability and Natural Hazards

St. Vincent the Grenadines, as a result of its geography and topography, is exposed to a number of hazards which has the potential to cause loss of life, environmental degradation and disruption of the economy.

2.13.1 Volcanic Activity

The La Soufriere is an active volcano which has erupted five times in recorded history - 1718, 1812, 1902, 1974, and 1979. On several of these occasions the toll in terms of human lives, property, and disruption of agricultural activity has been significant.

The volcano constitutes a risk both directly in terms of its eruptive activity and indirectly from the secondary effects of such activity. Expert opinion is that the risk to the northern-most third of the island is at least ten times as great as the risk to areas further south.

Future eruptions are expected to result mainly in pyroclastic flows and surges, mudflows, air-fall tephra and projectiles, with some potentially less damaging lava flows, earthquakes, and phreatic explosions. Secondary effects such as landslides can also cause damage as can directed blasts and structural collapse.

Settlements within the areas of extreme risk are located to the north of the Rabacca and Wallibou Rivers, and include Sandy Bay, Point, Owia, and Fancy. The North Eastern area, which is one of the major pillars of the agricultural land reform programme, is also located in the high-risk area. A significant amount of other good quality agricultural land and land identified as having potential for future built development is situated within the area considered to be most at risk.

During the 1979 volcanic eruption the settlements considered to be under immediate threat were those to the north of a line extending from Spring Village in the west to Colonarie in the east. Approximately 20,000 persons - more than 20.0 percent of the population of mainland St. Vincent - were evacuated from this area.

2.14.2 Earthquakes

There are no major faults or folds anywhere in the country. St. Vincent and the Grenadines occasional experience earthquakes associated with activity of the La Soufriere volcano and suffer minor effects from earthquakes events in the Caribbean Basin.

2.14.3 Hurricanes and Storms

St. Vincent and the Grenadines is located south of the Hurricane Zone, but has suffered the impact of several severe storms in the past. Most recently, in 2004 the passage of Hurricane Ivan caused extensive damage from flooding, high winds, storm waves, and landslides – particularly on the coastline, destroying settlements and major infrastructural development (including the Windward Highway).

2.14.4 Erosion and Landslides

Because of the mountainous topography, the instability of many of the slopes, and the common occurrence of unconsolidated rocks, localised landslides and slumps occur throughout much of St. Vincent, mainly in the rainy season when surficial materials become over saturated. Landslides range in extent from 0.5 to 9.0 acres and affect many roads during and after heavy rainfall and storms. Movement types recognised in St. Vincent include falls, slides and flows involving rock and engineering soil.

Because of their gentler topography and less intensive rainfall the islands of the Grenadines are affected to a lesser extent by erosion and landslides.

As in a typical small Island situation, these vulnerabilities limit the options for development and hasten the demand for sound environment management as a pre-requisite for sustainable development.

3.0 SOCIO-ECONOMIC CONTEXT

3.1 Population and Demographic Characteristics

The 2001 population was tabulated at 106,253. This represented a decline of 0.2 percent during the intercensal period. This decline in the total population is related to natural population decline and net migration.

The 0.2 percent decrease in the population during the intercensal period was not evenly spread across the country. Indeed, eight of the thirteen census divisions showed decreases while the remaining five registered increases. The largest increase (1,751 or 16.3 percent) was in the Census Division, Suburbs of Kingstown. However, this increase was lower than the 25 percent increase that was recorded in the 1991 Census. The second largest increase (13.1 percent) recorded was in the Southern Grenadines. This compared favourably with the 13.9 percent increase recorded in 1991. The percentage increase in the southern Grenadines is consistent with the growth in the level of economic activity in the Southern Grenadines and the natural pull of the population seeking employment in the Tourism and Construction sectors in that part of the country.

The distribution of the population between mainland St. Vincent and the Grenadines remained virtually unchanged over the last twenty years. In 1980, 92.6 percent of the population resided on mainland St. Vincent and in 1991 the figure was virtually unchanged, 92.1 percent. However, in 2001, the mainland accounted for 91.9 percent of the population, registering a slight decrease.

The population density is the average number of persons per square mile. St. Vincent and the Grenadines has a total landmass of 150.3 square miles. Taking into account the 0.2 percent reduction in the size of the population, the population density decreased to 707 in 2001 from 709 in 1991

Although the population density declined, the density levels across census divisions varied significantly, from a high of 6,954 in Kingstown to a low of 197 in Chateaubelair. While the population density in Kingstown was lower than the 8,140 recorded in 1991, the present density is almost ten times the national average. This high population density in Kingstown, although showing declining trends over the last 20 years, continues to put severe pressure on social and other services within the country's capital.

The population of St. Vincent and the Grenadines can still be described as youthful despite the fact that there are some declines in the numbers. The number of persons in the 15 – 29 age group, traditionally defined as youth, was 29,523 or 27.8 percent, compared with 31,421 or 29.5 percent in 1991. In 2001, the dependency ratio moved from 0.77 in 1991 to 0.61 in 2001. This result is consistent with the decrease in birth rate.

**TABLE 1
DENSITY OF POPULATION - 1980, 1991 AND 2001**

CENSUS DIVISION	Area Sq. Miles	POPULATION			DENSITY		
		1980	1991	2001	1980	1991	2001
Kingstown	1.9	16,532	15,466	13,212	8,701	8,140	6,954
Kingstown Suburbs	6.4	8,609	10,757	12,508	1,345	1,681	1,954
Calliaqua	11.8	17,440	20,290	22,095	1,478	1,719	1,872
Mariaqua	9.4	8,408	8,864	8,145	894	943	866
Bridgetown	7.2	6,762	7,532	6,754	939	1,046	938
Colonaire	13.4	7,210	7,890	7,482	538	589	558
Georgetown	22.2	6,494	7,303	6,914	293	329	311
Sandy Bay	5.3	2,867	2,793	2,716	541	527	512

Layout	11.1	5,510	5,993	6,303	496	540	568
Barrouallie	14.2	4,667	5,199	5,422	329	366	382
Chateaubelair	30.9	6,101	6,045	6,087	197	196	197
Total							
Mainland	133.8	90,600	98,132	97,638	677	733	730
Northern							
Grenadines	9	4,740	5,514	5,389	527	613	599
Southern							
Grenadines	7.5	2,505	2,853	3,226	334	380	430
Total							
Grenadines	16.5	7,245	8,367	8,615	439	507	522
TOTAL SVG	150.3	97,845	106,499	106,253	651	709	707

Source : Population and Housing Census 1980, 1991 and 2001

3.2 The Economy

3.2.1 Agriculture

The agricultural sector and in particular the banana industry has contributed immensely to the economic development of St. Vincent and the Grenadines in the last three decades. It has been a means of providing income, employment and improved welfare for the Vincentian society. During the last decade, however, the sector's relative contribution to Gross Domestic Product (GDP) formation and export earnings has declined. For example, agriculture's contribution to GDP in the last seven years has been between 10-13 % compared to an average of 19 % in the previous twenty years.

This decline in the agricultural sector contribution to GDP is closely linked to a decline in the performance of the banana industry. Since 1993, the banana industry has struggled to adjust to ever-changing market conditions in Europe, including more stringent quality standards, greater competition and lower prices. Government and the management of the banana industry have attempted to restructure the Industry to make it more efficient and competitive.

The reality of the forces of globalisation and economic liberalisation is forcing radical changes in the economy. The absence of appropriate mechanisms to bring about successful economic adjustments has contributed to economic and social dislocation, particularly within rural communities. This has been most acute among communities with limited access to alternative economic opportunities. The contraction of the agricultural sector has badly affected rural employment, income, export earnings and investment in agriculture. The decline has contributed to significant increases in rural poverty.

The numbers of registered banana growers have declined from an estimated 7,800 in 1990 to 2,309 in 2003. Consequently, workers deriving all or a substantial proportion of their earnings from bananas have fallen from about 23,000 to about 7,000. In the late '90s the estimated average age of growers was about 55 years. However, with the introduction of EUREP-GAP the number of growers producing for export is expected to fall further. Export earnings and volumes declined from EC\$89.5m in 1991 to EC\$28.51m in 2003 and from 62,878 tonnes to 22,558 tonnes respectively.

3.2.2 Tourism

The Tourism Sector contributes approximately 15% to GDP. Tourist receipts contributed US\$ 81.3 million to the economy in 2002. In 2002, cruise ship arrivals fell by 14.8% compared to a fall of 11.2 percent in 2001. Arrivals by yachts and boats dropped by 5% in 2002, following a 21.2 percent growth in 2001. The tourism sector has taken on greater importance in recent times especially with the threats facing the agricultural sector in general and in particular bananas. This sector is critical to the advancement of the necessary and desirable strategic objective of economic diversification. The emerging prominence of the services sector and particularly the growing influence of tourism are features of the structural changes in the local economy over the past decade. The Government's programme for the Tourism Sector is enshrined in the National Tourism Sector Strategic Plan 2002 – 2006. During the short to medium term, it is anticipated

that the challenges facing the sector will intensify, requiring much needed transformation if the industry is to maintain a competitive edge necessary for its survival. Tourism in St. Vincent and the Grenadines needs to be refreshed.

3.2.2 Industrial Sector

The Industrial Sector in St. Vincent and the Grenadines employs around 8% of the workforce and currently contributes about 10% to GDP. Industrial activity is geared primarily on Agricultural Processing. The dominant player is the East Caribbean Group of companies which produces flour, rice, animal feeds and packages beans and other dried grain. Other players include those producing pasta, cigarettes, aerated beverages, stout beer and malt, rum, arrowroot starch, milk, fruit juices, furniture, bread and pastry products, seasoning's and spices, bottled water, concrete blocks and quarry products, steel rods, galvanize sheeting and plastic tubes and pipes plus a wide range of craft apparel and texture products, cardboard cartons, plastic cups and bags, solar water heaters and industrial gases.

3

4 3.3 Macroeconomic Policy Objective

The overall objective of the Government of St. Vincent and the Grenadines is to attain high levels of sustainable growth and development, while at the same time reducing the levels of poverty and raising social consciousness and increasing the levels of employment. To achieve this objective, the Government has proposed, in the medium term, the implementation of an economic diversification programme, specific measures to increase the level of exports and to renew emphasis on social development.

These objectives will be implemented through the following policy instruments:

1. Prudent fiscal management of public sector resources.
2. Mobilising domestic resources for development.
3. Improved and more focused legal and regulatory framework to facilitate investment.
4. Focus on pro-poor policies, particularly equity in access to the factors of production, land, capital, labour and knowledge.
5. Pursue sustainable debt management strategies.
6. Improvement in the delivery of public sector services.
7. More focused and deliberate policy for an improved implementation of programmes supporting economic growth and development.
8. Improvement to the social and economic infrastructure.
9. Implement the recommendations of the poverty reduction strategy
10. Strengthening the country's capacity for disaster management.

4.0 ECONOMIC POLICIES AND THE ENVIRONMENT

Government is aware that certain strategies to hasten economic growth could unintentionally result in economic behavior inimical to the efficient management or preservation of the natural resource base. It is recognized that effective management of the natural resource base requires a combination of regulatory as well as economic incentives, and in some ways the latter can be less costly to implement.

Over the years, St. Vincent and the Grenadines has moved substantially towards a policy and incentive framework that favors growth with efficiency. The pricing system is essentially market determined, though there are still some price controls. Direct production and consumer subsidies have been largely eliminated.

The Government is pursuing a policy whereby energy and water charges fully cover the operating costs of providing these services, with the exception of public facilities such as standpipes and baths, which serve depressed communities. The water-metering project has not only helped improve the finances of the Authority but has raised the efficiency of water use, having a conservation effect.

The above policies are good for the economy as well as for the environment since they provide correct signals regarding resource use. The Government is cognizant, however, that much scope remains to use economic policies and incentives for environmental protection and the management of the country's natural resources. An improved system is required for the proper valuation of land tax purposes since the current property taxes contributes approximately 1% of Government revenues. Presently, Government is in the final stages of a land valuation exercise which is not only expected to generate additional revenue but to put land to its most efficient use and therefore act as a mechanism for proper land management.

Opportunities exist also to apply the pricing mechanism in the tourism sector to help preserve the economically vital tourism assets. To this end, it has imposed a tax on cruise ship and yachts visiting St. Vincent and the Grenadines. Similarly, the mining of beach sand has rapidly exhausted the available resource, and has created severe threats of coastal inundation. Government is addressing this situation by implementing proposals for importing sand for Public Sector projects, collecting fees for sand from approved beaches and sand dunes and is rigorously prohibiting further sand mining on threatened beaches.

In addition to providing an adequate legal and regulatory framework, and strengthening enforcement, the Government will review its economic policies and subsidy programs with a view to reforming those that unintentionally encourage environmental degradation. It will also examine ways of requiring economic agents to internalize environmental costs in prices.

5.0 MAJOR ENVIRONMENTAL ISSUES

The major environmental issues in St. Vincent and the Grenadines are:

- ◆ Limited and ineffective land use planning,
- ◆ Deforestation,
- ◆ Coastal and Marine Resource Degradation,
- ◆ Solid and Liquid Waste Disposal
- ◆ Water Pollution
- ◆ Coastal Erosion and Sand Mining,
- ◆ Lack of public Awareness of the Importance of Environment to Survival
- ◆ Quality of the built Environment.

5.1 Limited and ineffective land use planning

Land has traditionally been the major resource for development in St. Vincent and the Grenadines. Ad-hoc development of tourism, industry and population increase place great demands on the utilization of the limited land available (90,000 acres) for commercial, housing, recreation, forest and water protection and other uses. However, land development is constrained by topography and slope. Less than 30,000 acres of land is generally available for agriculture, 30,000 acres for settlements and the remaining 30,000 for parks and protected areas. The major issue underlying St. Vincent and the Grenadines natural resources management problems is the absence of a National Physical Development Plan and a cadastre to direct growth and development. Land developments take place without reference to any land capability analysis and most land uses are unplanned since they take place in an ad hoc and piece-meal manner. There is need for more comprehensive planning, which would clearly demarcate land for major uses (protected areas, human settlements, commercial and recreational development etc.) to ensure compatibility with surroundings and protect environmentally sensitive areas. In particular, the absence of national and local physical development plans result in little provision made for the allocation of lands for housing. There is no appropriate zoning for housing and other economic activities, giving rise to squatter settlements in environmentally sensitive areas.

Until recently, the absence of a clear housing policy and a land delivery system for low income families led to the establishment of squatter settlements without basic physical and social infrastructure. In many cases, these squatter settlements occur in environmentally sensitive and disaster prone areas such as steep hillsides and gullies.

Government is a major landowner and has limited capability in land administration and management. As a result, there has been serious encroachment on Crown lands and protected areas are being utilized for agriculture, housing and other human activities. The absence of an up-to-date national cadastre makes it very difficult to plan land resources, to exercise effective development and management control or to realize maximum rent and land taxes. There is also the added difficulty of delineating parcel size, ownership and title for land. In many cases, the inability to produce clear title limits land development, and by extension public and private sector investments.

5.2 Deforestation

The removal of forest vegetation has serious implications, particularly in critical water catchments in the south of St. Vincent where the Diamond, Greiggs, Higher Lowmans, Montreal, and John Hill catchments have been degraded. The Fancy and Owia catchments are also affected. Deforestation of steep slopes is likely to lead to soil-erosion, land slides, and lowered water quality through siltation of potable water sources. Siltation can result in degradation of offshore reefs and fisheries, and cause damage to hydroelectric equipment. The continued denudation of forestland in St. Vincent threatens wildlife habitat including that of the St. Vincent parrot in Vermont, and Cumberland, and the Congo, Jennings, and Perseverance Valleys. The nature-tourism potential of affected areas can be severely impaired.

Human agents have been responsible for much of the deforestation that has taken place in the country. Over the last thirty years bananas and other crops were cultivated on marginal land which has been cleared of forest vegetation, particularly along the windward side of St. Vincent.

Much of the threat to the forests derives from the play of economic forces. During the late 1980s, the guaranteed external market and favorable exchange rates resulted in banana cultivation in and around the forest reserves and the water catchment areas. The current uncertainty about the sustainability of widespread banana production is impacting on land use with some reduction of acreage under production. If this continues, it is likely that banana production would cease on marginal lands, allowing these areas to revert to forest cover, or to tree crops, which can be more environmentally friendly than bananas.

Forest reserve boundaries are unmarked, and lack of patrolling sanctions encroachment on the reserves and other government lands which, in turn, has caused conversion from forest to banana and food crops. This expansion of the agricultural frontier has affected areas that should have been kept under natural vegetation for water catchment purposes. The economic consequences of deforestation for St. Vincent include, in addition to the threat to the country's water supply, decreasing agricultural productivity because of soil erosion, and impairment of St. Vincent and the Grenadines' eco-tourism potential, considered to be the best growth opportunity sector. There is also the danger of destroying important wildlife habitat in the highland ridges. Forests have also been destroyed in the process of fuel wood extraction, charcoal production and residential squatting.

Apart from the human factor, deforestation has resulted from eruptions of the La Soufriere volcano - most recently in 1979 - that caused severe denudation of the mountain slopes. The amardillo, a recently imported species from neighboring states is causing significant levels of deforestation in the central forest lands of St Vincent.

5.3 Coastal and Marine Resources Degradation

The coastal resources of the islands, including beaches, coral reefs, mangroves, fisheries and wildlife, are among their most important assets for the Tourism Industry and fisheries sub-sector. Mangroves, beaches and coral reefs provide shelter and food for a myriad of juvenile and adult marine organisms and are therefore critical to their survival. Coastal wetlands provide an important habitat for migratory wading birds and waterfowl. Coral reef systems are important for the regeneration of white sand beaches, which are the primary attractions for tourism in the Grenadines. Mangroves, sea grass beds, and coral reefs are therefore critical to coastal ecosystems, in shore fisheries, and protection against beach erosion.

The coastal area, particularly the southwest coast of St. Vincent, is the most heavily populated and industrialized area in the country. Further economic development in St. Vincent and expansion of the growing tourism industry in the Grenadines will involve additional development in coastal areas. There is currently no comprehensive coastal zone management program nor specific regulations or requirements for protecting coastal resources. Yet, the degradation of these resources, resulting from improper construction practices, removal of sand from beaches, possible contamination from agricultural run-off, and improper disposal of solid and liquid wastes, both sewage and industrial effluent, are becoming apparent throughout the coastal zone.

Encroachment on, and destruction of coastal habitat is becoming a serious problem in St. Vincent and the Grenadines. Near shore fisheries species appear to be overexploited due to (1) the high exploitation pressure exerted on near shore fish species by fishermen who take not only large quantities of adults but also a myriad of juveniles; (2) the destruction and degradation of the natural habitats which result in reduced availability of food and shelter for near shore marine organisms and a subsequent reduction in the abundance of fish. Recognising the threat to fisheries and other marine, the Government has designated ten (10) fisheries conservation areas.

Coral Reefs are important for the protection they provide to mangroves, seagrass beds and beaches from the destructive erosive effects of waves during heavy storms and hurricanes. Their protection is essential to the continued high quality of the beaches in the Grenadines. They are also important to the productivity of inshore fisheries as they provide a habitat for a large number of commercially valuable fish species and invertebrates such as conch and lobster. Their scientific and educational values are another important reason for the protection of these resources. Widespread deterioration of the coral reefs throughout the islands, particularly those in the Tobago Cays, has occurred, although it remains unclear whether this degradation stems from natural or human causes. Coral Reefs are under stress from land-based sources of pollution including agricultural run-off, and water borne soil from eroded farmlands. Significant damages to these reefs are caused by boats anchors, lobster trapping, and other intense tourism activity. In order to protect these natural resources, the Government has declared Tobago Cays as a National Marine Park and is establishing the appropriate management framework.

In recent years, Tourism is considered to be the country's best opportunity for increased foreign exchange earnings, especially with the impending adjustment in banana exports to the European Community. Tourism is also a vital source of revenue and employment. The large-scale tourism investment projects that are now being planned or implemented are being carefully monitored and managed in an effort to eliminate negative effects. Moreover strict measures must be taken to ensure that adequate setbacks from high water mark are provided for guidelines for sewerage and drainage are established and enforced.

Activities in adjacent watersheds also affect the coastal zone offshore area. For example, housing, industrial pollution, agricultural practices, and waste disposal all impact on the water quality and flooding potential of the inland bays.

5.4 Solid and Liquid Waste Disposal

Despite recent improvement in the collection, storage and disposal of waste on St. Vincent, solid waste remains an environmental issue. Solid waste management is a challenge on the small Grenadine islands where the location of disposal sites and the collection and disposal methods of waste from domestic and other sources on land, and from ships at sea may impact negatively upon human health, the aesthetic quality and tourism potential of the Islands.

Streams, rivers and coastal water quality in populated areas may become threatened by pollution from inadequate disposal of sewage and gray water from domestic and industrial activities. In some coastal areas such as Kingstown and Georgetown, the high ground water level impedes the absorptive capacity of the soil, and increases the possibility for water pollution and nutrient enrichment of marine waters in coastal areas.

Water polluted by industrial effluent run-off into coastal waters results in the deterioration of reefs. The Indian Bay-Villa-Young Island-Calliaqua-Carenage reef and beach ecosystems appear to be under stress from liquid waste generated in the densely populated southern area of St. Vincent.

5.5 Water Pollution

Water pollution resulting from municipal, agricultural and industrial sources is of serious concern. Contamination of drinking water sources and water use for bathing and recreation may pose serious threat to public health. Agriculture development, and the production of banana in particular over the last four (4) decades, with the intensive use of fertilizers, pesticides, herbicides and other agro-chemicals has threatened to contaminate drinking water sources, to endanger marine life and to negatively impact on soils, bio-diversity and water quality in streams and rivers. Many of the highly toxic chemicals used in agricultural production have been restricted for use in the USA because of their toxicity to human. There is therefore need for greater control over the importation and application of agro-chemicals. Increasing attention must also be given to controlling and regulating the discharge of industrial effluent as well as used oil from vehicles.

5.6 Coastal Erosion and Sand mining.

Human-induced coastal erosion is a major problem along parts of the coast of St. Vincent and the Grenadines. It is most evident at Indian Bay, Diamond, Calliaqua, Argyle beach, Georgetown, Colinarie and Lowmans Bay on St Vincent, at Admiralty Bay on Bequia and Big Sands on Union Island are similarly affected.

A major contributory factor is beach sand mining which continues to be carried out in restricted areas despite the passage of the Beach Protection Act (1987) prohibiting the mining of all but the designated beaches at Brighton and Diamond, and efforts by the Government to import sand to meet demand. Unchecked sand mining on the islands' beaches has resulted in serious beach erosion in recent years. Various proposals for carefully regulating sand mining on a limited number of beaches and charging a sufficiently high fee for sand removal are under consideration, as is the proposal for importation of sand.

Apart from sand mining, other causes of beach erosion will have to be addressed to fully protect the resource. In some locations naturally occurring beach erosion has been accelerated by the placement of hard engineering structures in close proximity to the shoreline. The erection of jetties without proper technical guidance and the construction of groynes to counter coastal erosion on a specific site serve to impede the natural long shore movement of sand along the bay, and may lead to the erosion on other areas of the beach. The destruction of mangrove and other coastal vegetation and swamps to facilitate built development and other land uses further contribute to the alteration of coastal processes which leads to increase beach erosion.

Coastal erosion from natural processes is likely to increase in St. Vincent and the Grenadines as a result of the effects of climate change/ global warming which is expected to produce more frequent and severe hurricanes and storms.

5.6 Lack of Public Awareness of the importance of the Environment to survival.

In St Vincent and the Grenadines although the population has been showing greater interest and appreciation for environmental matters recently, there remains limited public knowledge and awareness about the vital role of natural resources in socio economic development. A greater understanding of the linkages between environment and eco-development will result in greater action to conserve and manage resources in a more sustainable manner. A population enlightened on environmental matters will be able to participate in all aspects of development especially on land and natural resources allocation decision. This would provide an opportunity for NGO's CBO's and the private sector to better contribute to environmental management and sustainable development and more importantly to share in the required environmental work and lessen the strain on the Government's limited resources.

5.7 Quality of the Built Environment

The quality of the built environment in some parts of the country is highly unsatisfactory. The abandonment and decay of buildings in areas such as Georgetown and parts of Kingstown detract from the beauty of the landscape and create an ambience that is less than appealing. Unsightly squatter settlements, makeshift vending activities in and around Kingstown and other settlements also require immediate attention. In addition, many historical buildings and cultural assets which are worthy of conservation are being destroyed or modified. Thus, there is a need for action to improve the quality of the built environment and to protect and conserve the core elements of the nation architecture and cultural heritage.

6.0 GOVERNMENT'S ENVIRONMENTAL PRIORITIES

Government's primary concern is that its' development strategy must be sustainable. This requires appropriate policies and priorities with respect to ensuring environmental integrity. The major areas of environmental priorities identified by Government reflect national concerns, and underscore the fundamental policy positions, which can be encapsulated as:

- (1) the utilization of the natural resources of the country must not be at the expense of the welfare of future generations
- (2) projects and programmes must be developed to improve health and the general quality of life of the nation.

The following issues are identified by the Government in the 2002-2004 Medium Term Economic Strategy Paper identify as being critical to environmental integrity :

- ◆ Loss of agriculture lands to housing and squatting.
- ◆ Deforestation due to illegal agriculture.
- ◆ Mis-management of small ships generated waste.
- ◆ Tremendous stress on reefs in the Tobago Cays due to poor management.
- ◆ Lack of proper regulation for sand mining.
- ◆ Poor management of the aggregate site at Rabacca.
- ◆ Lack of public awareness of the importance of the environment to survival.

In the medium term, the Government will give further support and commitment to the protection of the environment. Emphasis will be given to the following:

- ◆ Strengthening of environmental legislation and enforcement.
- ◆ Promoting national environmental educational programmes.
- ◆ Revamping the National Environmental Advisory Board.
- ◆ Updating the National Environmental Action Plan in collaboration with the OECS.
- ◆ Finalising the Forestry Development Plan.
- ◆ Implementing a solid waste programme in the Grenadines.

The central challenge for the Government in the medium term with respect to the environment is one that ensures there exists levels of environmental quality that would maximise opportunity for economic and social development for present and future generations, without compromising the integrity and sustainability of biological diversity, environmental and cultural assets.

7.0 LEGAL INSTRUMENT AND INSTITUTIONS

7.1 Environmental Management Legislation

Although Saint Vincent and the Grenadines does not currently have any comprehensive environmental law, there exists many pieces of legislation which address various conservation and environmental management issues. In recent years the major pieces of environmental legislation were reviewed. Implementation of environmental legislation is constrained by a number of factors including:

1. Limited political/bureaucratic commitment to environmental programmes
2. Limited financial resources with which to support environmental programmes
3. Organisational weaknesses in the implementation of programmes and their coordination at both the national and local levels
4. Limited technical expertise and experience at national and local levels

5. The influence of the policies of the International agencies currently providing financial assistance to the country
6. Limited integration of environmental costs into economic policies
7. Limited environmental standards in place for the enforcement of key legislation

The major environmental laws are set out below:

National Environmental Laws

- Order in Council Fishing Nets, 1916 (Fishing/management/use of harvestable fish)
- Birds and Fish Protection Act, 1926
- Regulations made under section 15(h) of the Public Health Ordinance (Title XIII Cap.14) for the Removal, Carriage and Disposal of Human Faecal Matter Urine and other noxious or offensive Matter in Kingston and the small Towns, 1942
- Regulations made under Section 15(I) Subsections (I) and (II) with Respect to the Scavenging and Cleansing of Towns and the Removal of House Refuse, 1930
- Washing (River and Sea) Regulations, 1939 (Water quality/pollution, seawater quality/pollution, wastes)
- Forests Ordinance, 1945 (Forest conservation/management/exploitation, animal species protection/management, protected areas)
- Crown Land Forest Produce Rules, 1946 (Forest conservation/management/exploitation)
- An Ordinance to provide for the Protection of Animals, 1947
- Proclamation about Youngs Island, Kings Hill, Government House Grounds including the Botanical Gardens, and Milligan Cay to be Birds Sanctuaries, 1947
- Crown Lands (Prohibited Areas) Order, 1948 (Forest conservation/management/exploitation, protected areas)
- Crown Lands Forest Reserves (Declaration) Order, 1948
- Proclamation about Pigeon (Ramier) Island Isle de Quatre to be Birds Sanctuaries, 1950
- Animals(Diseases and Importation) Ordinance, 1954 (An Ordinance to control the Importation of Animals , Birds Reptiles and Insects ,and to regulate the Treatment and Disposal of Animals which are suffering or are suspected to be suffering from any Disease ,and for other Matters related thereto or connected therewith)
- Motor Vehicle and Road Traffic Regulations, 1959 (Air)
- Continental Shelf Act, 1970 (An Act to make Provision as to the Exploration and Exploitation of the Continental Shelf; to enable effect to be given to certain Provisions of the Conventions on the High Seas done in Geneva on 29th April, 1958; and for Matters connected with these Purposes)
- Central Water and Sewerage Authority Regulations, 1972
- Pesticides Control Act, 1973 (An Act to provide for the Control of the Importation, Sale, Storage and Use of Pesticides)
- Oil Pollution (Liability and Compensation) Act, 1977 (An Act to make Provision with Respect to Civil Liability for Oil Pollution Damage by Merchant Ships, to provide for the Payment of Contributions (by Importers of Oil and others) to the International Oil Pollution Compensation Fund and the Liability of the Fund to compensate Persons who suffer Pollution Damage, and for Purposes connected with and incidental to the foregoing)
- Central Water and Sewerage Authority Act , 1978 (An Act to make better Provision for the Conservation , Control , Apportionment and Use of the Water Resources of Saint Vincent and for Purposes incidental thereto and connected therewith)
- Fiscal Incentives (Motor Exhaust Systems) Order, 1984 (air)
- Fisheries Act , 1986 (An Act for the promotion and management of fisheries and for matters incidental thereto and connected therewith)
- Wildlife Protection Act, 1987 (Natural resources and nature conservation, plant species protection/management, animal species protection/management, hunting/management/use of harvestable species)
- The Noise Control Act, 1988 (An Act to make new Provisions in respect of the Control of Noise and Vibration with a View to their Abatement)
- Mustique Company Limited Act, 1989 (declaring Mustique a conservation area)
- Forest Resource Conservation Act, 1992 (Forest conservation/management/exploitation)
- Town and Country Planning Act, 1992 (making provisions for the orderly and progressive development of land and the proper planning of town and country areas, as well as for control of development. Under the Physical

Planning and Development Board's authority, consideration should be given to the foreseeable need and availability of land for natural agricultural and forestry reserves, national parks and public open spaces.)

- Central Water and Sewerage Authority Act, 1992 (Water resources conservation/management, water quality/pollution)
- Marine Parks Act (prohibiting fishing, removing of any object, damaging or impairing the growth of any flora or fauna, damaging the substrata or causing pollution of the air or soil, and carrying out any commercial activities except in an area designated for that purpose within a marine park.)
- National Parks Act (management of Parks, rivers, beaches and other protected areas)

7.2 Multilateral Environmental Agreements

The Government of Saint Vincent and the Grenadines is a signatory to a number of international and regional environmental agreements as detailed in the table below:

List of Environmental Conventions	
Conventions	Party
Basel Convention on the Transboundary Movement of Hazardous Waste and Disposal	√
Convention on Biological Diversity (CBD)	√
United Nations Framework Convention on Climate Change (UNFCCC)	√
Kyoto Protocol	√
United Nations Convention to Combat Desertification (UNCCD)	√
Convention on the International Trade in Endangered Species of Wildlife Fauna and Flora (CITES)	√
Vienna Convention for the Protection of the Ozone Layer	√
Montreal Protocol on substances that deplete the Ozone layer	
Biosafety Protocol	√
Ramsar Convention	√
Cartegena Convention	√
- Spaw Protocol	√
- Oil Spills Protocol	√
- LBS Protocol	
MARPOL Convention	√
United Convention on the Law of the Seas (UNCLOS)	√
Regional	
St. Georges Declaration (SGD)	√
National Environmental Management Strategy (NEMS)	√
In development	
Stockholm Convention	
Rotterdam Convention	

7.3 Government Institutions

Although ministerial responsibility for environment is established within the Ministry of Health and the Environment, environmental management largely remains a shared responsibility among a number of ministries and statutory bodies. The Table below lists the key institutions and identifies their environmental responsibilities. The current institutional framework lacks inter-ministerial coordination, and a clear definition of environmental authorities in development planning; and the capacity for performing environmental management functions needs to be strengthened.

GSVG agencies with resource management functions, with principal legislations and key responsibilities.

AGENCY	RESOURCE MANAGEMENT LEGISLATION	RESOURCE MANAGEMENT RESPONSIBILITIES
<u>MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES</u>		
Agriculture Department		
Agriculture -Extension and Advisory Services	Agriculture Ordinance (No. 23, 1951) Agriculture Ordinance (Amendment) (No. 21, 1956)	Extension services, research, agronomy and soil conservation.
-Tree Crop Development	Unit Agriculture Small Tenancies Act (No. 16, 1957)	
-Research Unit		
-Soil and Water Conservation Unit		
Pesticide Control Board	Pesticides Control Act (No. 23 of 1973)	Control of the important, distribution and use of pesticides. Protection and management of the nation's forests and wildlife.
Forestry Division	Forests Ordinance (Cap. 23, No. 25 of 1945) Crown Land Forest Produce Rules (Cap.23, No. 1, 1946) Crown Forest Proclamation (Cap. 23, No. 2, 1946) Crown Lands Forest Reserves (Declaration) Order (Cap. 23, No. 3, 1948) Crown Lands (Prohibited Areas) Order (Cap. 23, No. 4, 1948) Wildlife Protection Act (No. 16 of 1987) Beach Protection Act (No. 10 of 1981)	Designated as lead agency to co-ordinate all aspects of beach protection.

GSVG agencies with resource management functions, with principal legislation and key responsibilities.

AGENCY	RESOURCE MANAGEMENT LEGISLATION	RESOURCE MANAGEMENT RESPONSIBILITIES
Fisheries Division	Fisheries Act (No.8, 1986) Maritime Areas Act (No. 15 of 1983) Marine Parks Act (1999)	Promotion and management of fisheries; protection of marine reserves Fisheries Act Regulations (SRO No.1, 1987) Establishes SVG's EEZ protection of marine parks
<u>MINISTRY OF JUSTICE, INFORMATION AND CULTURE</u>		
Department of Culture		Preservation of the nation's cultural heritage.
<u>MINISTRY OF HEALTH AND THE ENVIRONMENT</u>		
Public Health Department	Public Health Act (No.9, 1977) Public Health (Amendment) Act (No.6, 1985)	Maintenance of environmental health.
Environmental Services Unit	Environmental Health Services Act	To monitor and coordinate environmental activities.
National Environmental Board		Policy advisory board to Government regarding directions & focus for the Ministry.
Central Water & Sewerage Authority	Central Water & Sewerage Authority Act (No. 6, 1978) As amended (No. 11, 1985) Central Water Authority (Water Supply) Regulations, as Amended (No. 30, 1973)	Conservation, apportionment & use of water resources.
<u>MINISTRY OF TOURISM AND CULTURE</u>		
Parks Authority	National Parks Act (No.33, 2002) Act for the Preservation of Historic Buildings & Antiquities (No.9 of 1976)	Management of Parks and protected areas. Affords protection to historic structures and sites.

GSVG agencies with resource management functions, with principal legislation and key responsibilities.

AGENCY	RESOURCE MANAGEMENT LEGISLATION	RESOURCE MANAGEMENT RESPONSIBILITIES
National Trust	St. Vincent National Trust Ordinance (No.32, 1969) St. Vincent National Trust Ordinance (Amendment) (No. 29 of 1971)	Protection and preservation of the country's national heritage.
<u>MINISTRY OF FINANCE, PLANNING, AND DEVELOPMENT</u>		
Central Planning Division Physical Planning Unit	Town and Country Planning Act (No.45, 1992)	Preparation of physical development plans; administration of development control; advise on environmental matters; Secretariat to Physical Planning and Development Board.
Physical Planning and Development Board	Town and County Planning Act (No.45, 1992),	Decision-making authority for development activities.
- Lands and Surveys	Crown Lands Ordinance (1906); Rev. Ed. Cap.77 (1926) Crown Lands (Amendment) Ordinance, No. 22 of 1945, no. 19 of 1946, No. 12 of 1947 Crown Lands (Sale) Regulations (No. 24, 1983 Crown Lands (Rent) Regulations (No. 25, 1983)	Undertake surveys for all Government Departments and management of Crown and other State Lands.

7.4 Non-Government Sector Participation

Traditionally, the private sector and NGO's have played a minimal role in environmental and sustainable development matters. By and large the State sector has been the major actor. In the last decade, however, the NGO's and CBO's have had greater involvement in environmental issues. NGO's involvement relates largely to participation in consultations on environmental and sustainability development issues as well as the planning and execution of small community environmental projects. A list of NGO's and CBO's involved in environmental management is provided below:

NATIONAL NGO's AND CBO's INVOLVED/INTERESTED IN ENVIRONMENTAL MATTERS

1. The St Vincent National Trust
2. Old Hegg Turtle Sanctuary Park
3. Projects Promotions Ltd
4. The North Leeward Tourism Association
5. The Buccament Development Organisation
6. Union Island Museum and Ecological Society
7. Mayreau Environmental Development Organisation
8. JEMS Progressive Organisation
9. Friends of the Environment
10. Grenadines Environmentally Sustainable Development Programme Group

8.0 Strategy for Environmental Action

St Vincent and the Grenadines is a signatory to the St George's Declaration (SGD) of Principles for Environmental Sustainability in the Organisation of Eastern Caribbean States (OECS), 2001. There are 21 Principles that have been prescribed in the SGD, and OECS Member States have agreed to utilize these in the governance of national affairs. Most of these principles are directly relevant to the operations of many of the Ministries in St Vincent and the Grenadines. The Government of St Vincent and the Grenadines is required to develop and implement a National Environmental Management Strategy and Action Plan to guide the implementation of the Principles of the St George's Declaration.

The National Environmental Management Strategy and Action Plan 2004-2006 (NEMS) for St Vincent and the Grenadines was completed in 2004 through a process of district and sectoral consultations and after a review of key policies and programmes and feedback from a National Consultation on the draft NEMS. The overall process was coordinated by the Environmental Services Unit, especially local publicity on the NEMS and community consultations, with inputs from the National Environmental Advisory Board.

Lead agencies in the Government of St Vincent and the Grenadines will over the next 3-years adopt the sections in the NEMS that are relevant to their work and adapt activities that are consistent with their priorities. At the end of this period, these agencies are expected to lead a review of progress on the implementation of the NEMS and Action Plan for another 3-year NEMS cycle.

According to the NEMS – Action Plan, monitoring of the progress of implementation of the NEMS is to be carried out on a quarterly basis and be guided by the Environmental Services Unit (ESU) and the National Environmental Advisory Board (NEAB).

The major environmental principles, strategies, activities and indicators that are included in the NEMS are outlined below:

5 PRINCIPLE 1: Foster Sustainable Improvement in the Quality of Life

Strategy 1: The Government of St Vincent and the Grenadines will develop, promote and implement programmes to address poverty, health, employment, education, social development and provision of basic human needs to sustainably improve the quality of life within the carrying capacity of its natural resources, and giving due consideration to levels of acceptable change.

Activities:

- i. Continue the implementation of measures outlined in the Medium Term Economic Strategy Paper 2002-2004. [Central Planning Division]
- ii. Approve the draft National Physical Development Plan 2002-2022 and ensure that the measures proposed in this Plan are implemented. [Cabinet of Ministers]
- iii. Consult with national community to define priorities for improvement in Quality of Life [Environmental Services Unit]
- iv. Define how Programmes being implemented contribute to improved Quality of Life [All Agencies]

Indicators
Annual reports from all Ministries on progress of key projects.
National Physical Development Plan approved
National Consultation held and report prepared
Report on Quality of Life achieved through national programmes

6 PRINCIPLE 2: Integrate Social, Economic and Environmental Considerations into National Development Policies, Plans and Programmes.

Strategy 2: Pursue sustainable development policies aimed at poverty alleviation, the general improvement of social, economic and cultural conditions, the conservation of biological diversity, the mitigation of adverse effects of climate change and the maintenance of essential ecological processes and life support systems.

Activities:

- i. Continue the implementation of the Integrated Forest Management and Development Programme. [Forestry Dept.]
- ii. Continue the implementation of the Fisheries Development and Management Plan. [Fisheries Division]
- iii. Continue the implementation of programmes of Livestock Production, Pest control, Crop Production, Soil Loss and Land Degradation, Extension Development, and Farmers Development. [Agriculture Division.]
- iv. Continue and expand the work of the Poverty Alleviation Task Force in partnership with NGOs and other stakeholders; helping communities to become self-sufficient, and the Children against Poverty programme. [Central Planning Division]
- v. Implementation of Tourism Policy. [Ministry of Tourism]

Indicators
Annual report on Integrated Forest Mgt & Dev. Prog.
Annual report on Fisheries Dev. & Mgt Plan
Annual report from Agriculture Division
Progress report from the Poverty Alleviation Task Force
Annual Report on Implementation of Tourism Policy

Strategy 3: Formulate, promote and implement integrated development policies, plans and programmes to ensure that environmental management is treated as an integral component of planning processes in pursuit of sustainable development.

Activities:

- i. *Approve the draft National Physical Development Plan 2002-2022 and the Planning Standards and Guidelines.*
[Cabinet of Ministers]
- ii. *Coordinate the implementation of the measures proposed in the National Physical Development Plan 2002-2022.*
[Central Planning Division]
- iii. *Approve the draft Climate Change Policy.*
[Cabinet of Ministers]
- iv. *Revise existing plans and programmes based on Strategy 2* [All Agencies]

Indicators
National Physical Development Plan approved
Annual report from Central Planning Division
Climate Change Policy approved
Existing plans and programmes revised

Strategy 4: Ensure that any action likely to cause significant negative impact on human health or the existing environment shall only be undertaken subject to a prior assessment of the effects of such action on human health or the environment and subject also to both the identification and implementation of measures to adequately prevent or mitigate potential negative impacts and the requisite authorization following from the assessment.

Activities:

- i. *Continue to enforce the requirement for Environmental Impact Assessments (EIAs) under Country Planning Act, including the principle of public consultation.* Town and
[Central Planning Division]
- ii. *Build awareness among politicians and other senior decision makers on the need for EIAs and the benefits that could accrue from utilizing EIAs to guide economic development.* and the
[Central Planning Division]
- iii. *Strengthen mechanisms and capacity to ensure that Development Approval conditions are and enforced.* monitored
[Central Planning Division]

Indicators
Number of EIAs submitted
Number of awareness sessions targeted to politicians and senior decision makers
Increase in trained staff to monitor and enforce Development Approvals

Strategy 5: Adopt measures to restore environmentally degraded areas and to ensure the sustainable use of natural resources in a manner which recognizes the intricate linkages between ecological systems in small island states, and between these systems and human activity, and which reflect the principles of island systems management.

Activities:

- i. Formulate criteria for and identification of environmentally degraded areas.
[Forestry Dept., Fisheries Division, Environmental Services Unit, Physical Planning Unit]
- ii. Preparation of Plan to restore these areas, with assigned responsibilities, costs, and schedule.
[Forestry Dept., Fisheries Division., Environmental Services Unit, Physical Planning Unit]
- iii. Continue and expand the programmes on Soil and Water Conservation, River Bank Assessments, Hydro-surveys, and reafforestation
[Forestry Dept]
- iv. Identify critical degraded sites and issue Waste Orders for restoration as appropriate.
[Physical Planning Unit]
- v. Encourage NGOs to participate in coastal and waterways cleanup.
[Environmental Services Unit and NGOs]

Indicators
Criteria developed for degraded areas
Restoration plans prepared
Annual report from Forestry Dept.
Number of Waste Orders issued
Number of NGOs participating in cleanups

7 PRINCIPLE 3: Improve on Legal and Institutional Frameworks

Strategy 6: Clarify and rationalize, as appropriate, the roles of national, regional and international environmental agencies, networks and institutions to maximize efficiency and accountability in managing the environment and natural resources, and to reduce duplication and maximize cost effectiveness.

Activities:

- i. Through a group consultation process (governmental and NGO), assess the existing assignment of environmental coordination/management functions (including capacity, outputs, institutional structure) and make appropriate recommendations; analyse whether environmental responsibilities are appropriately placed and entwined with economic development processes to ensure sustainability.
[National Environmental Advisory Board]
- ii. Define an efficient institutional structure with responsibilities and inter-relationships; prepare a national Organisation Chart showing responsibilities, linkages, coordination clarify the national/coordinating functions of the Environmental Services Unit.
[NEAB]
- iii. In the short-term, develop clear terms of reference for the National Environmental Advisory Board (NEAB).
[Environmental Services Unit and NEAB]
- iv. Reconstitute the NEAB and elevate their status through Cabinet decree to facilitate decisions on the implementation of environmental and related activities.
[Cabinet of Ministers]

Indicators
Consultations held & recommendations prepared
Institutional structure and function defined
NEAB TOR clarified & approved
NEAB reconstituted

Strategy 7: Where necessary, create or strengthen existing national agencies with responsibility for environmental management to achieve, and be accountable for, effective management of the environment and natural resources.

Activities:

- i. Allocate/increase resources to enable Agencies to fully carry out their assigned responsibilities as defined by Strategy 6
[Cabinet of Ministers]

- ii. Increase the staffing of the Fisheries Division, including a full-time presence in Grenadines.
[Fisheries Division]
- iii. Increase the staffing and travel vote for the Forestry Dept., including an active presence in the Grenadines.
[Forestry Dept.]
- iv. Increase the staffing at the Environmental Services Unit to undertake aspects of environmental management not under the purview of other agencies.
[Environmental Services Unit]
- v. Prepare a proposal for the establishment of an ‘Environmental Police Unit’ to enhance national capacity for enforcement of environmental laws.
[Ministry of National Security, Ministry of Agriculture, and Ministry of Health and the Environment]

Indicators
Increase in resources
Increase in staff at Fisheries Division & full-time presence in the Grenadines
Increase in staff at Forestry Dept & active presence in the Grenadines
Increase in staff at ESU
Proposal on Environmental Police Unit prepared

Strategy 8: Support and enhance the capacity of non-governmental and community-based organisations for environmental management.

Activities:

- i. Promote the availability of funding for environmental management from the GEF/Small Grants Programme, the OECS/ESDU, and other sources to local communities and NGOs.
[Environmental Services Unit]
- ii. Operationalise the fishery centers and strengthen fishers cooperatives and organizations.
[Fisheries Division]
- iii. Consult with NGOs to determine their organizational and financial needs.
[Environmental Services Unit]
- iv. Provide short-term in-house training for members of NGOs/CBOs in aspects of environmental/project management and encourage volunteerism in departmental projects among these trainees.
[Environmental Services Unit, Forestry Dept., and Fisheries Division]

Indicators
Number of community groups and NGOs applying for grants
Number of Fishery Centres operating
NGOs consultation held and needs assessment report prepared.
Number of training sessions held for NGOs/CBOs

Strategy 9: Develop, integrate, strengthen and enforce environmental legislation to effectively implement the Principles contained in the St George’s Declaration and reflect the precautionary approach to environmental management, including the adoption, wherever feasible, of specific standards necessary to ensure protection of human health, the environment and all natural resources consistent with the principles of sustainable development.

Activities:

- i. Revise the Town and Country Planning Act and regulations, and approve the draft standards and guidelines.
[Physical Planning Unit]
- ii. Amend the Fisheries Regulations to address sport fishing, licensing and registration.
[Fisheries Division]

- iii. Approve the draft Regulations under the Forestry Resources Conservation Act and revise the Regulations under the Wildlife Protection Act. [Forestry Dept.]
- iv. Evaluate the effectiveness of implementation of the Litter Act 1991 and recommend measures for effective implementation. [Environmental Health Division]
- v. Review the effectiveness of enforcement of existing legislation and regulations, and make recommendations for improvement. [All Agencies]
- v. Draft an Environmental Bill that provides for coordination/harmonisation of all environmental activities/legislation, stakeholder participation, and a framework for sustainable financing of environmental activities. [Ministry of Legal Affairs]

Indicators
T&C Planning Act and Regulations revised and standards and guidelines approved
Fisheries Regulations amended
Regulations under Forestry Resources Conservation Act and under the Wildlife Protection Act revised
Evaluation report on implementation of Litter Act prepared
Report on enforcement effectiveness prepared
Environmental Management Bill drafted for review and comment

Strategy 10: Create and strengthen existing legal and institutional frameworks that allow for the effective participation of the relevant public, private, non-governmental and community-based organizations in environmental management.

Activities:

- i. Establish the Fisheries Advisory Council that provides for participation of key stakeholders under the Fisheries Act (1986). [Fisheries Division]
- ii. Establish the Wildlife Conservation Advisory Committee as provided under the Wildlife Protection Act (1987) [Forestry Dept.]
- iii. Encourage the full participation key stakeholder groups on the steering committee of the Integrated Forest Management and Development Programme. [Forestry Dept.]
- iv. Fill vacant positions to increase the capacity of the legal department. [Ministry of Legal Affairs/Legal Dept.]

Indicators
Fisheries Advisory Committee operational
Wildlife Conservation Committee established
Number of stakeholder groups represented on IFM&D Prog. Steering Committee
Vacant positions in Legal Dept filled

Strategy 11: Establish and enforce legislation that permits any individual or party to initiate and pursue a legal action in a competent court where harm has been caused, or is reasonably anticipated to be caused; to the environment or human health, whether or not the individual or party initiating such legal action has personally suffered financial loss.

Activities:

- i. Continue and expand on the awareness building and education of judiciary and law enforcement personnel. [Fisheries Division. and Forestry Dept.]
- ii. *Formulate a programme to encourage taking of legal action by private parties.*
[Legal Dept, and NEAB]

Indicators
Number of awareness/education activities for law enforcement and judiciary
Programme on legal action by private parties developed

8 PRINCIPLE 4: Ensure Meaningful Participation by Civil Society in Decision Making.

Strategy 12: Establish, strengthen and promote structures and procedures for the broad participation by Civil Society in the design, implementation and evaluation of decision making processes and programmes.

Activities:

- i. Continue to publish plans and proposals in local newspapers and the Gazette, and to hold district consultations. [Physical Planning Unit]
- ii. Continue consultations with stakeholders on projects that affect them or where cooperation is needed. [Fisheries Division and Forestry Dept.]
- iii. Encourage full participation of civil society representation on the National Economic and Social Development Council, and on the Tripartite Committee on the Economy. [Central Planning Division]

Indicators
Number of notices published and district consultations held
Number of consultations held with stakeholders
Number of civil society representatives on the NESDC and TCE

Strategy 13: Facilitate the right of everyone to seek, receive and disseminate clear and timely information on environmental matters, and on all development plans and activities in which they have an interest and which are likely to affect their lives.

Activities:

- i. Continue the development of the departmental library for free access by all. [Fisheries Division and Forestry Dept., Public Library]
- ii. Continue and expand the communication of information on national programmes, policies and proposals to all sectors of society. [Communication and Information Training Unit-Agriculture; Agency for Public Information; CWSA and Central Planning Division, Public Library]

iii. Evaluate the effectiveness of environmental awareness/education programmes and dissemination activities. [Ministry of Education and Environmental Services Unit]

Indicators
Status report on library operation
Number of information notices
Evaluation report on effectiveness of environmental education/awareness prepared

Strategy 14: Facilitate the transmission of comments on proposed activities to the competent authority before any formal decision on policy or development proposals is taken and to receive a timely response from the competent authority to comments appropriately made.

Activities:

- i. Improve on the timeliness and format for response to information sent to all agencies and departments for review and comments. [Central Planning Division]
- ii. Expand on the coverage and frequency of extension services. [Fisheries Division; Forestry Dept.; and Agriculture]

Indicators
Change in time taken to send out information
Number of areas covered and frequency of visits

Strategy 15: Provide avenues for the expression of ideas, and the exchange of information and traditional knowledge on environmental management between States, organisations, communities and individuals, as well as facilitating their effective participation in the formulation, adoption and execution of decisions affecting their lives.

Activities:

- i. Encourage the participation of staff from government agencies and NGO/CBO representatives in local, regional and international meetings and workshops and decision-making processes.
[All Ministries]

Indicator
Number of meetings/workshops attended

9 PRINCIPLE 5: Ensure Meaningful Participation by The Private Sector

Strategy 16: Collaborate to work with the private sector to establish best management practices that prevent negative environmental and human health impacts and to adequately mitigate negative impacts that may occur.

Activities:

- i. Invite participation of the private sector in committees and Boards. [Ministers of Government]
- ii. Work with manufacturers and local community to manage waste. [Environmental Services Unit]

Indicators
Number of private sector representatives on committees and Boards
Number of manufacturers and community members engaged in waste management

Strategy 17: Establish or maintain, as appropriate, a forum through which natural resource management and environmental issues can be discussed between government and the private sector and which can advise government in the design, development and implementation of sustainable development activities.

Activities:

- i. Host consultations with key interest groups among the private sector as appropriate.
[All Ministries]
- ii. Invite participation of the private sector in committees and Boards. [Ministers of Government]

Indicators
Number of consultations held with private sector
Number of private sector representatives on committees and Boards

10 PRINCIPLE 6: Use Economic Instruments for Sustainable Environmental Management

Strategy 18: Pursue and promote sound environmental practices, in part through the establishment of innovative means of generating public and private financial resources by means of fiscal incentives and market based instruments, and the reallocation and efficient use of resources.

Activities:

- i. Include the valuation of ecosystem goods and services in national accounting to guide the reallocation and efficient use of resources. [Central Planning Division and Environmental Services Unit]
- ii. Identify cost savings that could accrue from integrated environmental and economic accounting.
[Central Planning Division]

Indicators
Valuation of ecosystem goods and services completed
Cost saving identified

Strategy 19: Provide economic incentives to encourage the adoption of sound environmental technologies and practices.

Activities:

- i. *Assess the effectiveness of existing economic incentives* [Central Planning Division]
- ii. Evaluate the effectiveness of implementation of the Trade (Bottle Deposit Levy) Act 1991 and recommend measures for effective implementation. [Controller of Customs and Environmental Health Division]
- iii. Identify the range of potential fiscal incentives that could encourage the private sector to adopt sound environmental technologies and practices. [Central Planning Division and Environmental Services Unit and Private Sector]
- iv. Develop and approve at least one fiscal incentive for implementation. [Central Planning Division and Cabinet of Ministers]

Indicators
Report on effectiveness of economic incentives prepared
Report on effectiveness of Trade (Bottle Deposit Levy) Act prepared
Fiscal incentives identified
Fiscal incentive developed and approved

Strategy 20: Ensure that where pollution occurs the polluter shall be accountable and shall bear the expenses mandated by law and/or duly established authorities to return the environment to a generally acceptable state.

Activities:

- i. Develop and promote new cost recovery measures for solid waste management. [Central Water and Sewage Authority]
- ii. Assess the ability of legislation and resources to ensure this takes place and enact appropriate environmental standards. [All Agencies]

Indicators
New cost recovery measures for solid waste management developed
Report on legislation, resource requirements and standards prepared

Strategy 21: Adopt measures, following an incident which causes pollution of natural resources or harm to human health, to recover as expeditiously as possible from the legal or natural person responsible for the incident, all expenses incurred in the controlling, managing or the mitigating of the said pollution.

Activities:

- i. Evaluate the effectiveness of implementation of Waste Orders and recommend measures for effective implementation and cost recovery. [Physical Planning Unit]
- ii. Evaluate the effectiveness of implementation of response measures to marine pollution and recommend improvements for effective implementation and cost recovery. [Ministry of National Security/Coast Guard Service]
- iii. Review of responses to hazards impacting on natural resources and human health to determine adequacy. [All Agencies]

Indicators
Effectiveness of implementation of Waste Orders evaluated
Effectiveness of implementation of response to marine pollution evaluated
Hazard responses report prepared

Strategy 22: Agree at the regional and international level, on the use of environmental policy instruments to address regional or global environmental problems, and safeguard sustainable development.

Activities:

- i. Approve and adopt harmonized OECS Fisheries Regulations. [Fisheries Division]
- iii. *Approve and adopt harmonized policies with regard to issues such as waste management, marine pollution, air pollution, climate change. [CWSA, National Security, Fisheries Division, Forestry Dept., Environmental Health Division]*

Indicators
Harmonized OECS Fisheries Regulations adopted
Harmonised environmental polices adopted

Strategy 23: Develop and apply methodologies for the economic assessment and accounting of natural resources and the environmental services they provide.

Activities:

- i. Adopt an existing methodology for estimating national wealth and for integrated environmental and economic accounting to produce the National Accounts as a guide to government decision-making. [Central Planning Division]
- ii. Adopt methodologies for assessing value and services from natural resources, costs of mitigation [Forestry Dept., Fisheries Division, Agriculture Division.]

Indicators
National Accounts prepared using integrated environmental and economic accounting methods
Methodologies for assessing value and services of natural resources adopted

11 PRINCIPLE 7: Foster Broad-based Environmental Education, Training and Awareness

Strategy 24: Facilitate access to adequate and accurate information relating to the environment.

Activities:

- i. Develop and promote clear guidelines for accessing information from government and statutory agencies. [All Ministries]
- ii. Upgrade in-house facilities, to include use of information and communication technologies, to improve service to the public. [All Ministries]

Indicators
Guidelines for accessing information from government and statutory agencies produced and publicized
In-house facilities upgraded

Strategy 25: Present environmental information in a manner that is clear and understandable to everyone, and without the imposition of any undue financial burden on either the person requesting the information or the government.

Activities:

- i. Continue production of newsletters, booklets, signs, flyers, posters, jingles, brochures, school and community presentations, radio programmes, participation in fairs and summer programmes etc. [Forestry Dept.; Fisheries Division; Environmental Services Unit, and CWSA]
- ii. Continue daily advisory service (walk-in clientele or phone-in), summaries of planning guidelines, workshops on planning requirements and guidelines, “planning awareness week”, planned weekly column in daily newspaper, etc. [Physical Planning Unit]

Indicators
Number of notices and publications produced
Number of Physical Planning advisories produced

Strategy 26: Cooperate with each Ministry, as well as with accredited national, regional or international organisations, to promote environmental education, training, capacity building and awareness.

Activities:

- i. Continue collaboration with local agencies, regional and international environmental and development institutions. [All Ministries]
- ii. Create a database of local expertise or persons trained in environmental management or related areas, to serve as a source of potential recruitment or technical assistance. [Ministry of Education]

Indicators
Number of meetings attended
Database of expertise created

12 PRINCIPLE 8: Address the Causes and Impacts of Climate Change

Strategy 27: Establish appropriate and relevant integrated strategies, plans and policies to adapt and respond adequately and in timely fashion to the causes and impacts of climate change.

Activities:

- i. Approve and adopt the draft Climate Change policy document prepared by the Environmental Services Unit. [Cabinet of Ministers]
- ii. Collaborate with other government agencies in the implementation of the Climate Change policy measures. [Environmental Services Unit]

Indicators
Climate Change Policy adopted
Number of climate change measures implemented

Strategy 28: Collaborate at the regional and international levels, in the implementation of obligations under the United Nations Framework Convention on Climate Change.

Activities:

- i. Participate in activities of the UN Framework Convention on Climate Change, the Adapting to Climate Change in the Caribbean Project and other relevant initiatives. [Environmental Services Unit]

Indicator
Number of climate change activities direct participation

13 PRINCIPLE 9: Prevent And Manage the Causes and Impacts of Disaster

Strategy 29: Establish at the community and national levels, appropriate and relevant integrated frameworks to prevent, prepare for, respond to, recover from, and mitigate the causes and impacts of natural phenomena on the environment and to prevent man-made disasters.

Activities:

- i. Develop and promote the National Disaster Plan to communities throughout St Vincent and the Grenadines. [National Emergency Management Organisation]
- ii. Train local agencies at the district/village level to help coordinate local level activities in response to a disaster. [National Emergency Management Organisation]

- iii. Participate in the Comprehensive Disaster Management programme in the Caribbean.
[National Emergency Management Organisation]

Indicators
Number of communities in receipt of information on the NDP
Number of local agencies trained
Number of CDM activities with direct participation

Strategy 30: Exchange information with other States or agencies, relating to the experiences and lessons to be learnt from the causes and impacts of natural and man-made hazards and phenomena on its environment.

Activities:

- i. Participate in activities of the Caribbean Disaster Emergency Response Agency and other disaster management activities; and share local disaster management information with other agencies in the Caribbean as appropriate. [National Emergency Management Organisation]

Indicator
Number of CDERA and disaster management activities attended

14 PRINCIPLE 10: Prevent and Control Pollution and Manage Waste

Strategy 31: Adopt and implement appropriate measures to adequately manage solid and liquid waste, including hazardous waste, and atmospheric pollutants.

Activities:

- i. Implement the landfill monitoring programme. [CWSA]
- ii. Develop hazardous waste action plan. [CWSA]
- iii. Develop and promote a programme for composting. [CWSA]
- iv. Conduct waste characterization at major landfill sites and in the Grenadines, especially the characterization of wastes from yachts. [CWSA]
- v. Recruit and train additional personnel as Public Health Inspectors; clearly defining their roles, responsibilities and authority, and deploy in each district; with at least two Inspectors based in the Grenadines. [Environmental Health Division]

Indicators
Landfill monitoring operational
Hazardous waste action plan developed
Composting programme developed
Waste characterization completed
New Public Health Inspectors recruited and trained.

Strategy 32: Develop and implement measures, including the identification, adoption and enforcement of effluent and emission standards and guidelines, to prevent, reduce and control pollution, and degradation of the environment from pollution.

Activities:

- i. Recruit, train, empower and deploy Litter Wardens. [CWSA]
- ii. Improve on the system and facilities for garbage collection and disposal from yachts, especially in the Grenadines. [CWSA]
- iii. Deploy Wardens to enforce litter and garbage laws in the Grenadines. [CWSA]

Indicators
Litter Wardens deployed
Fewer complaints on garbage collection and disposal from yachts
Number of charges for litter or improper garbage disposal

Strategy 33: Develop and implement strategies to regularly monitor and report on pollution levels.

Activities:

- i. Monitor and report on the storage, collection and disposal of solid wastes at district levels and circulate reports to all Ministries. [Environmental Health Division and CWSA]
- ii. Establish an Air and Water Quality Monitoring Unit within the Environmental Health Division. [Ministry of Health and the Environment]
- iii. Monitor and report on potable and recreational water within the 12 Environmental Health Districts and circulate reports to all Ministries. [Environmental Health Division]
- iv. Establish a pesticide monitoring programme. [Ministry of Agriculture]

Indicators
Solid waste monitoring report prepared
Water and Air Quality Monitoring Unit established
Report on water quality prepared
Pesticide monitoring programme developed

15 PRINCIPLE 11: Ensure the Sustainable Use of Natural Resources

Strategy 34: Manage terrestrial, marine and atmospheric resources, organisms and eco-systems in an appropriate manner to obtain the optimum sustainable productivity, while maintaining the integrity of natural and ecological processes and inter-relationships between such systems and processes.

Activities:

- i. Assess threats to sustainable use of natural resources; quantify rates of decline of resources; devise recommendations to counteract rates of decline. [Forestry Dept., and Fisheries Division]*
- ii. Continue and expand programmes on reforestation, tree seedling production, and forest maintenance.
 - ii. Continue programmes on targeted species research, fisheries assessment, re-introduction of Fish Aggregating Devices, management of high seas fishing fleet, reef survey, and turtle monitoring. [Fisheries Division]

Indicators
Assessment report on threats to natural resources prepared
Increase in area planted with trees
Fisheries Division annual report

Strategy 35: Design, promote and implement measures to prevent, mitigate and control degradation of aquatic, terrestrial and atmospheric environmental quality and processes conducive to desertification.

Activities:

- i. Implement the measures contained in the National Biodiversity Strategy and Action Plan for St Vincent and the Grenadines. [Office of the Prime Minister, Fisheries Division, Forestry Dept., Agriculture Division, Central Planning Division, Environmental Services Unit]
- ii. Identify critical areas for erosion control, and develop and implement remediation projects with community participation. [Soil and Water Conservation Unit and Forestry Division]

Indicators
Number of activities in the NBSAP implemented
Number of critical areas identified and remedied

Strategy 36: Work together, in collaboration with Civil Society, to promote and facilitate improved national capability for the management of natural resources.

Activities:

- i. Provide short-term in-house training for Civil Society Organisations to enhance their capacity to participate in the implementation of natural resources management projects.
[Fisheries Division, Forestry Dept., Central Planning Division, and Environmental Services Unit]

Indicator
Number of training sessions for CSOs

Strategy 37: Take all necessary measures within its legal and policy framework, including enactment of new legislation where appropriate, to ensure that conservation and management of natural resources are treated as an integral part of development planning at all stages and levels.

Activities:

- i. Identify and implement a mechanism to incorporate environmental considerations, especially natural resources accounting into development planning. [Office of the Prime Minister and Central Planning Division]
- ii. Conduct environmental cost/benefit analysis of Public Sector Investment Projects to guide decision-making. [Office of the Prime Minister and Central Planning Division]

Indicators
Mechanism utilized to incorporate environmental considerations into development planning
Number of cost/benefit analyses conducted for PSIPs

Strategy 38: Develop a schedule of development activities for which environmental impact assessment will be required as part of project definition and design, and the results of which will be considered in determining whether and how a project will proceed.

Activities:

- i. Disseminate widely the requirements for and availability of guidelines on environmental impact assessments (EIAs). [Central Planning Division]
- ii. Ensure that Public Sector Investment Projects are subject to EIAs wherever feasible. [Cabinet of Ministers]

Indicators
Number of notices on guidelines for EIAs distributed
Number of PSIPs subjected to EIAs

16 PRINCIPLE 12: Protect Cultural and Natural Heritage

Strategy 39: Institute appropriate measures, including legislation where necessary, to provide for the researching, documenting, protecting, conserving, rehabilitating and management of cultural, historic and natural monuments, buildings and symbols, as well as areas of outstanding scientific, cultural, spiritual, ecological, scenic or aesthetic significance.

Activities:

- i. Build the capacity of the National Parks Authority to manage natural heritage sites / protected areas.
[Ministry of Tourism and Culture]
- ii. Build the capacity of the National Archives, National Museum and the National Trust to manage historic/cultural/heritage resources. [Ministry of Tourism and Culture]
- iii. Declare and protect areas of cultural and natural heritage. [Ministry of Tourism and Culture]

Indicators
National Parks Authority fully staffed
Increase in the amount of resources provided
Cultural and Heritage sites declared

Strategy 40: Collaborate on mechanisms for the protection of cultural, historic and natural heritage.

Activities:

- i. Participate in activities of the World Heritage Convention, the Museum Association of the Caribbean and other related activities for the management of cultural and historic resources.
[Ministry of Tourism and Culture]
- iii. Involve the public/NGOs in the management of cultural, historic and natural heritage.
[Ministry of Tourism and Culture]

Indicators
Number of heritage events attended
Number of NGOs/community representatives assisting in management of sites.

17 PRINCIPLE 13: Protect and Conserve Biological Diversity

Strategy 41: Pursue appropriate measures to manage biological resources and, where necessary, restore biological diversity, including species diversity, genetic diversity within species and ecosystem diversity.

Activities:

- i. Implement the measures contained in the National Biodiversity Strategy and Action Plan (NBSAP) for St Vincent and the Grenadines. [Office of the Prime Minister, Fisheries Division, Forestry Dept., Agriculture Division, Central Planning Division, Environmental Services Unit]
- ii. Ensure that the workplans of all relevant Ministries contain elements of the NBSAP appropriate to their jurisdiction. [Cabinet of Ministers]
- ii. Establish the legal and institutional structure to control and license the prospecting for, or harvesting and export of cultural and ecological resources.
[Ministry of Agriculture, Lands and Fisheries]

Indicators
Number of measures in the NBSAP implemented
Number of workplans that contain elements of the NBSAP
Legal and institutional structure established

Strategy 42: Take necessary precautionary measures to avoid or minimize, the intentional or accidental introduction or escape, into or from the environment, and the control of alien or living modified organisms that are likely to impact adversely on other organisms, the environment or on human health.

Activities:

- i. Increase the staffing, training and budget of the Ministry of Agriculture to enhance plant inspection and phytosanitary control. [Ministry of Agriculture]
- ii. Continue monitoring and control programmes for the mango seed weevil, pink mealy bug, etc.
[Ministry of Agriculture]
- iii. Develop and implement a national framework for Biosafety. [Ministry of Agriculture and Environmental Services Unit]

Indicators
Increase in number of staff and training events
Number of reported incidents of infestation and responses
Biosafety framework completed

18 PRINCIPLE 14: Recognize Relationships between Trade and Environment

Strategy 43: Cooperate towards the establishment and maintenance of regional and international economic systems that equitably meet the developmental and environmental needs of present and future generations.

Activities:

- i. Participate in the activities of the World Trade Organisation and for the CARICOM Single Market and Economy, and negotiations for the FTAA; and publicize relevant information to the public.
[Ministry of Foreign Affairs, Commerce and Trade]
- ii. Host national debates/discussions on the potential impacts (positive and negative), so as to gain further inputs into formulating a national position at trade negotiations or meetings. [Ministry of Foreign Affairs, Commerce and Trade]
- iii. Evaluate the implications of trade agreements on environmental health and livelihoods.
[Ministry of Foreign Affairs, Commerce and Trade]

Indicators
Number of trade related activities attended
Number of national discussions held on trade
Evaluation report on implications of trade on environment and livelihoods

Strategy 44: Adopt measures that prevent importation of products that have been banned or whose use has been otherwise curtailed in other countries because of the negative impact of those products on the environment or human health.

Activities:

- i. Increase staffing and training to effectively research on, and enforce prohibitions of banned products.
[Ministry of Agriculture]
- ii. Increase awareness activities to importers, farmers and others on products that are harmful to the environment and to human health, as well as on alternatives.
[Ministry of Agriculture]

Indicators
Increase in number of staff and training sessions
Number of awareness activities and sectors targeted

19 PRINCIPLE 15: Promote Cooperation in Science and Technology

Strategy 45: Promote directly or through competent regional or other international agencies, cooperation in the fields of science, technology and other research in support of sound and sustainable natural resource and environmental management, and the sustainable development of human resources.

Activities:

- i. Continue to participate in regional and international technical meetings as well as research and development projects related natural resources management. [Forestry Dept., Fisheries Division, and Environmental Services Unit]

Indicators
Number of meetings and projects with direct participation

Strategy 46: Promote scientific and technical cooperation in the field of environmental conservation and the sustainable use of natural resources.

Activities:

- i. Continue networking with professionals in regional and international agencies to improve local knowledge base and access to technical resources. [Forestry Dept., Fisheries Division, and Environmental Services Unit]

Indicator
Number of networks or professionals providing assistance/information

Strategy 47: Assess and where appropriate, adopt suitable technologies, techniques and methodologies for achieving effective environmental management.

Activities:

- i. Promote appropriate information and communications technology in all departments and provide adequate training for its use. [Ministry of Telecommunications, Science, Technology and Industry]

Indicator
Number of departments trained upgraded with new technology

20 PRINCIPLE 16: Manage and Conserve Energy

Strategy 48: Promote and adopt the sustainable use, management and conservation of energy at the national level.

Activities:

- i. Develop a programme for energy audits of government buildings and offices. [Ministry of Transport Works and Housing, VINLEC and Environmental Services Unit]
- ii. Develop proposals for energy conservation in these buildings/offices, including cost savings to the Government; and implement energy conservation measures in selected pilot buildings/offices. [Ministry of Transport Works and Housing, VINLEC and Environmental Services Unit]
- iii. Develop a National Energy Policy, including an assessment of alternative energy sources. [Ministry of Transport Works and Housing, VINLEC and Environmental Services Unit]

Indicators
Programme for energy audits developed
Number of building/offices in which energy conservation measures implemented
National Energy Policy developed

21 PRINCIPLE 17: Negotiate and Implement Multi-lateral Environmental Agreements

Strategy 49: Endeavour to become and remain a party to multi-lateral environmental agreements relating to the Principles of the St George's Declaration.

Activities:

- i. Continue to participate in the activities (Conference of Parties, Subsidiary Bodies, and technical meetings) of the multilateral environmental agreements especially those related to climate change, biodiversity and land degradation. [Ministries of Agriculture, Health and the Environment]
- ii. Examine the implications of the MEAs on Trade, in terms of its impact on the economy and livelihoods. [Ministry of Foreign Affairs, Commerce and Trade; and Ministries of Agriculture, Health and the Environment]

Indicators
Number of international MEA activities attended
Evaluation report on impact of MEAs

Strategy 50: Establish appropriate mechanisms to facilitate the exchange of information relating to the negotiation, implementation and compliance with multi-lateral environmental agreements.

Activities:

- i. Collaborate with all agencies in discharging the Government's obligations under these multilateral agreements, particularly reporting, initiating enabling activities, and building in-house capacity. [Ministries of Agriculture, Health and the Environment]

Indicator
Number of meetings attended to collaborate on obligations under MEAs

ANNEX XII - Migration Profile

Box 1 : Immigrants

Total number of residents 117,193 (July 2004 est.)
 Of which : Own nationals NA million
 Immigrants NA million (%)

Status immigrants

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

Immigration trend

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

Education: Skilled labour NA %

Main countries of origin

Rate of return NA %

Finance

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

Box 2: Emigrants

Total number of emigrants NA million

Status emigrants

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

Legal situation emigrants

Documented NA %
 Undocumented NA %

Trend

Number of leaving migrants in 90/95: NA million
 Number of leaving migrants in 95/2000: NA million
 The net migration rate in 2004 is estimated at -7.64 migrant(s)/1,000 population (2004 est.).²

Education: Skilled labour NA %

Main countries of destination

Rate of return NA %

Finance

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

² This entry includes the figure for the difference between the number of persons entering and leaving a country during the year per 1,000 persons (based on midyear population). An excess of persons entering the country is referred to as net immigration (e.g., 3.56 migrants/1,000 population); an excess of persons leaving the country as net emigration (e.g., -9.26 migrants/1,000 population). The net migration rate indicates the contribution of migration to the overall level of population change.

ANNEX XIII - Macroeconomic Indicators

SAINT VINCENT AND THE GRENADINES: MAIN ECONOMIC INDICATORS

	1995	1996	1997	1998	1999	2000	2001	2002	2003a/	2004a/
	<i>Annual rates of growth b/</i>									
Gross domestic product	8.3	1.2	3.1	5.7	3.6	2.0	-0.1	1.6	3.6	5.8
Gross domestic product per capita	7.6	0.6	2.7	5.6	3.7	1.8	0.2	...	...	...
	<i>In US dollars</i>									
Gross domestic product per capita	2 022	2 115	2 211	2 399	2 484	2 519	2 639	2 728	2 819	...
	<i>Annual rates of growth b/</i>									
Gross domestic product by economic activity										
Agriculture	...	...	9.1	-3.6	-3.8	6.6	-7.7	7.8	-2.2	10.2
Mining and quarrying	...	...	-3.0	-1.0	-14.9	-10.5	-10.5	-2.9	...	3.0
Manufacture	...	...	-5.3	-0.9	-0.9	-9.4	5.6	-2.9	0.7	7.0
Electricity, gas and water	...	...	8.2	9.6	8.8	6.1	11.2	2.6	7.5	4.1
Construction	...	...	16.0	-3.9	-4.1	-13.5	7.1	-2.9	9.4	40.0
Wholesale and retail trade	...	...	11.1	8.7	8.0	7.7	3.4	3.1	5.7	4.0
Transport	...	...	3.8	4.3	4.1	1.3	1.1	6.2	5.5	...
Communications	...	...	13.1	24.4	19.6	9.2	-12.2	-10.3	2.1	2.0
Bank and insurance	...	...	3.8	12.4	11.0	5.4	-7.6	6.9	1.5	2.9
Real estate and housing	...	...	3.1	2.0	1.5	3.1	3.1	1.5	...	1.5
Other services	...	...	-24.3	15.0	9.2	5.1	14.8	5.0	3.5	3.1
Tourism	...	...	-4.0	10.0	9.1	6.3	-3.0	-8.0	-5.8	12.8
	<i>Millions of US Dollars</i>									
Balance of payments										
Current account balance	-41	-36	-84	-95	-72	-28	-38	-47	-77	-85
Merchandise balance	-57	-75	-105	-120	-127	-93	-106	-117	-138	-151
Exports fob	62	53	47	50	50	52	46	40	...	...
Imports fob	119	128	153	170	177	144	152	157	...	...
Services balance	19	38	23	28	59	65	72	72	72	74
Income account	-12	-9	-13	-14	-19	-19	-19	-17	-25	-21
Unilateral transfers	9	10	11	11	15	19	15	15	13	13
Financial and capital balance c/	39	36	85	101	76	42	47	41	76	85
Net foreign direct investment	31	43	92	89	56	29	21	33	55	54
Financial capital d/	9	-7	-7	12	20	13	26	23	0	0
Global balance	-1	0	1	6	4	14	9	-6	0	0
Variation in reserve assets e/	1	0	-1	-6	-4	-14	-9	6	0	0
Other indicators of the external sector										
External debt (millions of US dollars)	62	70	79	103	160	160	170	170	192	...
External debt (% of GDP)	23.4	25.0	26.8	32.4	48.5	47.7	49.1	47.1	51.4	...
Prices										
Rate of change of the consumer price index (december to december)	3.1	3.6	0.8	3.3	-1.8	1.4	-0.2	0.4	2.7	3.0
Weighted deposit real interest rate	...	...	3.7	3.9	3.6	3.7	3.8	3.5	3.2	4.3
Weighted lending real interest rate	...	...	9.4	10.8	11.6	11.1	10.5	10.7	10.9	10.7
	<i>Millions of EC\$ dollars</i>									
Central government										
Current income	193	217	229	242	256	261	272	306	309	...
Current expenditures	170	187	197	205	225	240	259	275	268	...
Capital account	-37	-25	-67	64	46	24	28	50	61	...
Fiscal result f/	-15	5	-35	-28	-15	-4	-15	-19	-20	...
	<i>Percentages of GDP</i>									
Money and credit										
Domestic net credit	41.4	43.3	45.6	42.8	46.0	52.6	50.2	54.9	50.3	65.9
To the public sector	-5.0	-7.6	-9.1	-11.8	-10.1	-8.7	-8.2	-4.7	-7.3	6.4
To the private sector	48.7	53.0	56.4	56.8	61.1	65.5	64.9	65.1	63.1	59.5
Liquidity (M3)	52.4	51.9	56.1	60.2	65.0	70.3	70.2	72.9	72.6	73.7
Money supply and deposits in domestic currency (M2)	51.7	51.3	55.0	58.8	63.2	69.3	69.4	71.9	71.5	72.7
Deposits in foreign currency	0.8	0.6	1.0	1.4	1.9	1.0	0.8	1.0	1.0	1.0

Source: ECLAC, on the basis of official information.

a/ Preliminary data.

b/ On the basis of constant 1990 prices.

c/ Includes errors and omissions.

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

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

f/ Includes donations.

ANNEX XIV – STABEX Programmes

Situation Summary as at 31 December 2004

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 3.57669

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	Funds Available before Pipeline	Individual Commitments	Payments	Pipeline Proposals
	Original	Interest	Revised					
				Projects	Proposals	/Contracts		
* STABEX 1994 PROGRAMME								
Banana Productivity Improvements	6,000,000		8,722,031	8,303,935	418,096	8,303,935	8,303,935	
Agricultural Diversification	6,000,000		6,700,000	6,700,000	--	5,901,586	5,285,495	1,600,000
Diversification of the Economy	8,000,000		8,000,000	5,071,059	2,928,941	4,876,679	3,989,021	2,000,000
Rural Development & Social Safety Nets	1,000,000		1,061,439	851,014	210,425	851,014	797,612	
EDF/Programme Management Cordination Unit	2,000,000		2,815,000	2,815,000	--	2,783,260	2,629,117	
Monitoring & Evaluation	1,000,000		1,000,000	143,440	856,560	143,440	129,005	
Reserve	1,724,865		3,248,937	--	3,248,937			2,927,645
1st Protocol Stabex/30/REP.Liv1st Pr./SVG	173,908		--	--	--			
Interest	--	5,816,214	167,580	--	167,580			
Total for STABEX 1994 PROGRAMME (9 detail records)	€ 25,898,773	5,816,214	31,714,987	23,884,448	7,830,539	22,859,913	21,134,184	6,527,645
Percent				75.3%	24.7%	72.1%	66.6%	20.6%
* STABEX 1995 PROGRAMME								
Banana Productivity Support	1,000,000		1,000,000	--	1,000,000			1,000,000
Agricultural Diversification	1,500,000		1,500,000	1,500,000	--			
Promotion of Economic Diversification	200,000		200,000	141,496	58,504	141,496	141,496	
EDF/PMCU Monitoring & Evaluation	231,457		231,457	212,024	19,433	212,024	212,026	
Budgetary Support	10,550,000		10,550,000	10,550,000	--	10,550,000	10,549,975	
Interest	--	2,310,809	2,310,809	1,386,009	924,800	1,386,009	1,262,731	928,993
Total for STABEX 1995 PROGRAMME (6 detail records)	€ 13,481,457	2,310,809	15,792,266	13,789,529	2,002,737	12,289,529	12,166,228	1,928,993
Percent				87.3%	12.7%	77.8%	77.0%	12.2%

Situation Summary as at 31 December 2004

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 3.57669

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/	Funds Available	Individual	Payments	Pipeline
	Original	Interest	Revised	Approved Projects	before Pipeline Proposals	Commitments /Contracts		Proposals
* STABEX 1996/97 PROGRAMME								
Diversification of the Economy	1,000,000		1,000,000	--	1,000,000			1,000,000
Social & Community Development	500,000		500,000	--	500,000			
Agricultural Diversification	1,800,000		1,800,000	1,800,000	--			
Monitoring, Auditing & Evaluation	817,698		817,698	59,469	758,229	59,469	59,469	700,955
Budgetary Support	10,700,000		10,700,000	7,490,000	3,210,000	7,490,000	7,489,961	3,210,000
Interest	--	2,323,585	2,323,585	998,160	1,325,425	998,160	922,969	
Total for STABEX 1996/97 PROGRAMME (6 detail records)	€ 14,817,698	2,323,585	17,141,283	10,347,629	6,793,654	8,547,629	8,472,399	4,910,955
Percent				60.4%	39.6%	49.9%	49.4%	28.6%
* STABEX ART. 195A BALANCES								
Not yet allocated (FMO not signed to date)	3,503,427		3,503,427	--	3,503,427			3,777,900
Interest	--	363,114	363,114	--	363,114			
Total for STABEX ART. 195A BALANCES (2 detail records)	€ 3,503,427	363,114	3,866,541	--	3,866,541			3,777,900
Percent				0.0%	100.0%			97.7%
* STABEX/SSA 1993 PROGRAMME								
Banana Industry Development Programme	5,452,277		5,500,797	5,349,723	151,074	5,349,725	5,349,725	
Special System of Assistance 1993	196,165		--	--	--			
STABEX 1993 Addendum	222,542		--	--	--			
Post Tropical Storm Lili Damage Recovery	--		903,067	903,067	--	903,067	873,881	
Interest	--	575,154	42,274	--	42,274			
Total for STABEX/SSA 1993 PROGRAMME (5 detail records)	€ 5,870,984	575,154	6,446,138	6,252,790	193,348	6,252,792	6,223,607	
Percent				97.0%	3.0%	97.0%	96.5%	
Grand Total	€ 63,572,339	11,388,876	74,961,215	54,274,396	20,686,819	49,949,864	47,996,417	17,145,493

ANNEX XIV – SFA Programmes

Situation Summary as at 31 December 2004

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 3.57669

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								
Rabacca Palletisation Centre 2 (works, supply, TA)	810,000		810,000	810,000	--	810,000	76,557	
West Coast Road Rehabilitation Ph. 1 (works,equip)	4,400,000		4,400,000	4,400,000	--	3,793,092	2,224,771	
Regional Technical Assistance	400,000		532,676	502,676	30,000	502,676	458,656	
Contingencies	490,000		357,324	--	357,324			
Interest	--	78,524	78,524	--	78,524			
Total for SFA 1999 (5 detail records)	€ 6,100,000	78,524	6,178,524	5,712,676	465,848	5,105,768	2,759,983	
Percent				92.5%	7.5%	82.6%	44.7%	
* SFA 2000								
Rabacca Palletisation Centre 3 (Works, supply, TA)	600,000		600,000	--	600,000			
West Coast Road Rehabilitation 2 (Works, TA)	5,150,000		5,150,000	--	5,150,000			
TRANSIR Study (Consultancy, Equipment)	300,000		300,000	--	300,000			
Regional Technical Assistance	400,000		400,000	400,000	--	400,000	360,009	
Interest	--	--	--	--	--			
Total for SFA 2000 (5 detail records)	€ 6,450,000	--	6,450,000	400,000	6,050,000	400,000	360,009	
Percent				6.2%	93.8%	6.2%	5.6%	
* SFA 2001								
West Coast Road Rehabilitation 3 (Works,TA,Equip)	6,200,000		6,200,000	--	6,200,000			
Evaluation and Audit	100,000		100,000	--	100,000			
Contingencies	100,000		100,000	--	100,000			
Interest	--	--	--	--	--			
Total for SFA 2001 (4 detail records)	€ 6,400,000	--	6,400,000	--	6,400,000			
Percent				0.0%	100.0%			

Situation Summary as at 31 December 2004

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 3.57669

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	Funds Available before Pipeline	Individual Commitments	Payments	Pipeline Proposals
	Original	Interest	Revised					
				Projects	Proposals	/Contracts		
* SFA 2002								
Social Fund	4,250,000		4,250,000	--	4,250,000			
Public Sector Support Fund	1,250,000		1,250,000	--	1,250,000			
Regional Technical Assistance	400,000		400,000	400,000	--	400,000		
Audit and Evaluation	100,000		100,000	--	100,000			
Contingencies	100,000		100,000	--	100,000			
Interest	--		--	--	--			
Total for SFA 2002 (6 detail records)	€ 6,100,000	--	6,100,000	400,000	5,700,000	400,000		
Percent				6.6%	93.4%	6.6%		
* SFA 2003								
Improve access to ECD adult and special needs	2,900,000		2,900,000	--	2,900,000			
Improve quality in ECD adult and special needs	1,400,000		1,400,000	--	1,400,000			
Improving education management	160,000		160,000	--	160,000			
Technical assistance	500,000		500,000	--	500,000			
Administration	440,000		440,000	--	440,000			
Audit and Evaluation	100,000		100,000	--	100,000			
Contingency	100,000		100,000	--	100,000			
Interest	--		--	--	--			
Total for SFA 2003 (8 detail records)	€ 5,600,000	--	5,600,000	--	5,600,000			
Percent				0.0%	100.0%			
Grand Total	€ 30,650,000	78,524	30,728,524	6,512,676	24,215,848	5,905,768	3,119,992	