



**DELEGATION OF THE EUROPEAN COMMISSION
IN
BARBADOS AND THE EASTERN CARIBBEAN
OFFICE OF THE NATIONAL AUTHORISING OFFICER
IN
ANTIGUA & BARBUDA**

**COOPERATION
BETWEEN
THE EUROPEAN UNION
AND
ANTIGUA & BARBUDA**

JOINT ANNUAL REPORT 2007

In conformity with Article 81 of
The Cotonou Agreement

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1 Update on the political, economic and social situation

1.1 Update of the political situation

In December 2007 the World Trade Organisation's panel of arbitrators ruled in favour of Antigua in its longstanding gaming dispute with the United States. As a result the US will have to pay Antigua & Barbuda US\$21 million in annual trade sanctions.

The ruling allows Antigua and Barbuda to ignore US intellectual property rights and trademarks relating to the production of computer software, CDs, DVDs and other items. Though the panel ruled that Washington was wrong in imposing restrictions on cross-border internet betting, it did not grant the US\$3.4 billion in sanctions sought by Antigua. The matter went before the world body after the United States in 2006 imposed new regulations, making it illegal for American banks and credit card companies to process payments to online gambling businesses outside its borders – effectively stifling Antigua's thriving gaming industry.

Following the ruling the US has urged Antigua and Barbuda to delay the implementation of trade sanctions imposed by the WTO. US Trade Representative (USTR) spokesman Sean Spicer said the administration was revising its WTO commitments after the WTO Dispute Settlement Body (DSB) imposed the annual fine. Mr. Spicer said the Bush administration has initiated a formal process at the WTO to revise its commitments and was in talks with Antigua and Barbuda and six other WTO members that have claimed to be affected.

The DSB had earlier in the year ruled that two pieces of legislation which were recently passed in Washington violated international trade rules on Internet gambling and were contrary to a 2003 WTO ruling on the matter. On 13 October 2006, President George W. Bush signed into law the Security and Accountability for Every Port Act which was preceded by the Unlawful Internet Gambling Enforcement Act 2006 which was passed by the House of Representatives and the US Senate on 30 September 2006.

Finance Minister Errol Cort delivered a budget which translated into a current account surplus of EC\$18 million as he disclosed that recurrent expenditure for fiscal year 2008 was budgeted at EC\$792 million while recurrent revenue and transfers were estimated at EC\$810 million (US\$303 million).

Government's financial plans for 2008 included a 10 per cent pay increase for public sector workers, which will take effect from January; a reduction in the level of income tax and an increase in the minimum wage.

Antigua and Barbuda established diplomatic relations with Morocco, Libya and Kazakhstan. Since coming to office in March 2004 United Progressive Party (UPP) has established diplomatic relations with a number of Arab states, including the United Arab Emirates, Bahrain, Morocco, Qatar, Saudi Arabia and Oman.

Antigua and Barbuda's first female Governor General, Dame Louise Lake-Tack was sworn in after the retirement of Sir James Carlisle. Dame Louise, 64, spent most of her adult life in Britain after migrating. She initially pursued a career in nursing before studying law and later serving as a magistrate from 1995 at both Marylebone and Horseferry Magistrate Courts in the United Kingdom.

The Antigua government has asked the International Criminal Police Organisation (INTERPOL) to investigate alleged misconduct by members of the previous Antigua Labour Party (ALP) government. Minister of Justice Collin Derrick said the treasury had been deprived of millions of dollars and he believed those funds had been sent to foreign jurisdictions where it would be difficult to trace them.

1.2 Update of the economic situation

Antigua and Barbuda is a middle income country with a small open economy. It has an area of 442 sq km; a population of 80,100 (2006 estimate); a population density of around 180 inhabitants per sq km; an estimated GDP of US\$ 818 million and GDP per capita of US\$10,213 (both figures in 2004 at current market prices). The relative position of A&B within the OECS – around 12.5% of the total population, 26% of total GDP and a territory that occupies 16 % of the total area of the grouping – and the comparison with Barbados (29% of Barbados GDP and almost the same GDP per capita at current market prices) show that after Barbados the income per capita of the citizens of A&B is the highest in the Eastern Caribbean.

Recent Economic Performance

Economic activity in Antigua and Barbuda is estimated to have increased in 2007, albeit at a reduced rate compared with the strong growth of 12.2% recorded in 2006. The slowdown in 2007 was largely attributed to a deceleration in activity in construction and tourism, the major drivers of growth in 2006. The slowdown in the pace of activity in the construction sector in 2007 was linked to the winding down of work on major public sector projects associated with Cricket World Cup (CWC) in the earlier part of the year. Construction work was also completed on a number of private sector properties that benefited from the CWC Incentives Act. Growth in construction was mainly on account of private sector activity which focused on tourism-related investment projects and residential accommodation. The expansion in private sector construction activity was financed in part by commercial bank lending, as reflected by a 22.7 per cent increase in outstanding credit for construction in the first nine months of 2007. Activity in the public sector concentrated on road rehabilitation, a car park and the headquarters of the transport board.

In the tourism industry, total visitor arrivals increased by 8.9 per cent to 669,062, for the first nine months of 2007, a reduced rate compared with growth of 23.4 per cent in the same period in 2006. This outturn was influenced by a slowdown in the rate of growth of both cruise ship passenger and stay over visitor arrivals, and a decline in yacht visitors. The number of cruise ship passengers rose by 12.9 per cent, well below the 35.0 per cent rate in the first nine months of 2006. Stay-over arrivals remained flat at 193,650; in the first nine months of 2006 arrivals rose by 4.0 per cent.

Consumer prices are projected to increase by 2.5 per cent based on rising prices for international oil and other commodities. The increase was driven by a 5.9 per cent rise in the food sub-index, reflecting higher prices for lamb, poultry, milk and fruits. The fuel and light sub-index was up by 12.1 per cent, attributable to an increase in the fuel surcharge on electricity consumption. The alcoholic beverages and tobacco sub-index rose by 11.0 per cent, influenced by higher prices for alcoholic beverages.

Meanwhile, in the external sector, import payments are expected to rise in line with increases in the prices of international oil and other commodities and with the expansion in economic activity. The total volume of imports rose by 13.4 per cent and that of exports increased by 3.3 per cent in the first nine months of 2007. The expansion in the volume of imports largely reflected increases in imports of fuel (19.9 per cent) and general cargo (10.0 per cent). Growth in the volume of exports was largely attributed to the re-export of vehicles and heavy equipment, following the completion of work on the cricket stadium.

The central government's overall fiscal deficit is projected to increase in 2007 by \$68.2m in the first nine months of 2007 up from \$43.9m in the previous period in 2006 based on higher current expenditure up by 18.3 per cent driven mainly by increases in outlays on the voluntary separation and early retirement programme, hiring of additional staff and larger interest payments. However, capital expenditure declined by 15.3 per cent, on account of the slow down in public sector

construction activity, partly offsetting the increase in current expenditure. Current revenue rose by 12.0 per cent to \$520.4m, largely reflecting the expansion in economic activity and improved tax administration. Receipts from taxes on domestic goods and services more than doubled to \$195.0m. This performance reflected the impact of new tax measures, in particular the Antigua and Barbuda sales tax (ABST) introduced in January 2007.

The total outstanding public sector debt rose by 2.5 per cent in 2007, influenced mainly by an increase of 4.7 per cent in central government's debt. The rise in central government's debt was partly attributed to a 5.8 per cent increase in domestic borrowing to finance its fiscal operations. The accumulation of arrears to both domestic and external creditors also contributed to the expansion in central government's debt. The total debt stock as a percentage of GDP at the end of 2007 was 108%.

Structure and management of public finances

Over the years, the Government of Antigua and Barbuda has accumulated large fiscal deficits and debt repayment arrears, which have adversely affected the country's creditworthiness and its ability to access external funding for its Public Sector Investment Programme (PSIP). The Government that took office in 2004 has introduced significant reforms, confirming its campaign pledge to return normalcy to fiscal and debt relations, and improve governance and transparency. The authorities are cooperating with the IMF to address the macroeconomic and fiscal imbalances and have engaged in an active effort to raise public awareness regarding the need for the sustained implementation of further reforms. Generally, the Government set itself the objective of realizing a current account surplus of 4 percent of GDP in five years, reducing disbursed outstanding debt to the region of 60 percent of GDP within ten years, and getting the debt service to current revenue ratio to 15 percent within five years. This entailed the reorganisation of the tax structure, in addition to addressing the expenditure side. The Personal Income Tax (PIT) and the Antigua and Barbuda Sales Tax (ABST) were introduced in January 2007 and efforts are ongoing to control expenditures. The authorities are continuing their endeavours to introduce reforms to place public debt firmly on a downward path, while maintaining macroeconomic stability and strengthening growth.

According to the most recent IMF Article IV Report in 2006, the IMF concluded that the reforms undertaken by the Government have led to positive 'macro-economic outcomes, especially on the fiscal side. Moreover, the new administration was able to convince some of the lenders of the need for restructuring of the debt and for debt forgiveness, all of which have improved the fiscal operations. However, the commitments that the country had made for the Cricket World Cup incurred major capital expenditure on the part of the Government. Moreover, in its quest to shield the most vulnerable from the ravages of adjustment, the Government also expanded social expenditures on old age pensions and on such programmes as school feeding and the provision of books and uniforms to primary and secondary school children.

One of the major challenges that country has had to face is the increase in oil prices in the last two years. The Government has sought to offset the effect on the transportation sector of the country by adjusting the consumption tax that is derived from the sector. However, given the fiscal straight-jacket in which it finds itself, there is an early limit on the degree to which it can absorb increases in the price of oil by reducing the taxes that are collected from the sector. The Government has also taken advantage of the loan arrangements put in place by the Government of Venezuela, under the Petrocaribe deal by which countries of the Caribbean region can secure loans to offset the rise in costs of the price of oil. The agreement was signed in 2005 and allows Antigua and Barbuda financing over as long as 25 years in dealing with any escalation of the price.

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

Antigua and Barbuda is a Member of the OECS, the CARICOM and the Association of Caribbean States (ACS). The country's main trading partners are the OECS and CARICOM, the United States, Japan, and the European Union countries, the main traded items being commodities, agricultural produce and beverages. It has concluded CARIFORUM-EU EPA negotiations which were launched in 2004, it is engaged in FTAA, and WTO negotiations (DDR) in particular.

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

As regards the CARICOM Single Market and Economy (CSME), OECS countries have joined in July 2006 (Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago signed the CSM Agreement in February 2006). OECS Countries see the establishment of a Regional Development Fund and of preferential and concessionary measures as an essential condition to allow them to participate meaningfully in the CSME.

The EU and the African, Caribbean and Pacific countries (ACP) had been working to put in place new Economic Partnership Agreements (EPAs) by the start of 2008. The EPAs aim at progressively and asymmetrically removing barriers to trade and enhancing cooperation in all areas related to trade. They also aim at providing an open, transparent and predictable framework for goods and services to circulate freely, as well as to promote incoming investment, thus increasing the competitiveness of the ACP.

On 16 December 2007, the European Commission initialled a comprehensive EPA with Antigua and Barbuda and the other CARIFORUM countries (CARICOM plus the Dominican Republic) covering all areas under negotiation.

The general approach is to build on and reinforce regional integration in the Caribbean (market building) and, in subsequent market opening, to use asymmetric flexibility for the benefit of the Caribbean in terms of product coverage and periods for tariff elimination, thereby helping to promote sustained wealth creation and development.

Medium-term Economic Prospects and Assessment of the Reform Process

Antigua and Barbuda medium-term economic prospects are improving. In the absence of any natural disaster, or major external shock, the economy is expected to grow by 5-6% per annum over the medium-term. Tourism activity in Antigua and Barbuda expanded strongly in the first nine months of 2007. The construction sector is expected to continue to play a major role in driving economic growth. Following growth of 35% in 2006, this sector was projected to grow by 10% in 2007. This expansion will be driven by private and public sector projects including construction of the new American University of Antigua campus, construction of housing and apartment complexes, residential construction and construction of new tourist accommodation properties. Inflation is projected to remain modest throughout the next years, despite increases in fuel prices, reflecting the low inflationary climate in most of the country's major trading partners.

On the external account, exports of goods and services are projected to increase at a rate in excess of growth in nominal GDP. However, imports of goods and services also grew at a rate faster than that of nominal GDP in 2006 and 2007. As a result, the current account deficit on the external account was expected to widen from 2005 to 2007 before starting to decline in 2008.

Over the medium-term, Antigua and Barbuda's fiscal performance will be of particular concern. The Government needs to raise additional revenue if it is to service its debts and increase its PSIP. The new tax raising measures are expected to increase Central Government's revenue receipts significantly over the medium-term. At the same time, the Government will be reducing its recurrent expenditure by undertaking a comprehensive public sector reform programme, which is expected to result in a 20% reduction in Central Government employment. Capital expenditure will be contingent on the country's ability to obtain additional finance to finance the implementation of the PSIP. Given the impact of the major revenue raising initiatives taken in 2005 and 2006, recurrent revenue receipts should improve. This coupled with a projected reduction in recurrent expenditure, particularly on wages and salaries should result in Antigua and Barbuda being in a much better position to service its debt.

1.3 Update of the poverty and social situation

According to the 2007 UNDP Human Development Report, Antigua and Barbuda is ranked 57th among 177 countries on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita Gross Domestic Product (GDP). This places the country in the top of the Medium Human Development category and compares to a rank of 60 out of 177 in 2005.

The results of the 2007 Survey of Living Conditions (SLC) in August 2007 indicate that poverty was 18.4% in 2005/06. Indigence was 5.0 percent. The indigence line was EC\$6.71 or US\$2.51 per day in 2005/06. The index of inequality – the Gini coefficient - was estimated to be 0.49: inequality in Antigua and Barbuda is high. The poorest 20% enjoyed just 4.5% of the expenditures compared to 56.3% enjoyed by the richest 20%. The poverty gap and FGT index were 18.4 and 6.6 respectively.

Poverty is not associated with high unemployment (4%) as the majority of the population of working age are employed however a large number of these individuals attract low levels of pay. The phenomenon of the working poor is a significant factor in the analysis of poverty with large numbers of women dependent for employment on the hotel and restaurant sectors, where the jobs are heavily weighted in favour of low skilled employment and are subject to the travails of seasonality. This sector was also subject to pressure from incoming migrants, with the result that wages were in all likelihood close to market clearing levels.

According to the SLC as much as 52.3% of the poor within the workforce did not possess any educational certification. Despite a sustained level of investment in the education sector over the years, it is apparent that a significant proportion of the workforce have not benefited from the advances that have occurred in the areas of education and training.

In the geographic distribution of poverty former sugar producing areas such as St. Philip and areas with a high concentration of migrants experiencing higher levels of poverty. The crisis in the banana industry in Dominica, an effect of WTO ruling, and the volcanic eruption in Montserrat have had a ripple effect on A & B with migrants facing economic decline in both of these countries migrating to Antigua and Barbuda.

The data from the SLC show that the country has embarked on a transformation process in education, starting with a relatively low base in terms of skills and education within its work-force, which does not portend well for its performance in the knowledge economy of the 21st century. A major effort will be needed to upgrade its existing work-force at the same time as educational quality is improved for those currently in the system. Good primary care has guaranteed a reasonable improvement in life expectancy for the population, and relative immunity from communicable diseases, except STDs like HIV/AIDS. However, the epidemiological profile derived from the SLC suggested a high prevalence of chronic diseases. Life style changes would be necessary to arrest and reverse this trend.

The Government of Antigua and Barbuda is committed to implementing pro-poor approaches at the same time as it seeks to put the country on a sustainable growth path. It is committed like other members of the OECS to comply with the benchmarks set in the MDGs, and more so the variant of these that seems most appropriate to the Commonwealth Caribbean. The table in Annex B summarises the situation for the country based on the data generated in the SLC. The authorities are currently finalizing a Millennium Development Gold Report – 1990 -2007 which should be available in June 2008. Initiatives to reduce and alleviate poverty in A & B have had to be managed against the backdrop of a major fiscal crisis in the public finances which is being addressed in the Governments home-grown fiscal stabilisation programme.

In the short term, the Government has undertaken a number of measures that are pro-poor, and which seek to manage the impact of the crisis. It is establishing a more transparent and facilitative environment for private sector growth through the establishment of an Investment Authority. Credit is to be made available to small, medium enterprises (SMEs) through the Development Bank. The raising of the non-contributory pensions, the reduction of customs duties on essential food and other requirements of the poor, the introduction of the schools meals programme, and the school uniform programme are meant to give relief to the poor. Primary health care has been maintained and expanded. Housing of lower income people is being addressed through the affordable homes programme. The provision for adult education and post school education and training generally, is being addressed as a key mechanism in upgrading the work-force and in enlisting marginalised youth: while there is increasing access, the challenge would be in encouraging the commitment of such youth in taking advantage of the programmes.

2 Overview of past and ongoing EC co-operation

Antigua and Barbuda is one of the few Eastern Caribbean countries where the principal source of assistance has been from the EDF NIP which, given the size of the population and the per capita GDP, has been relatively modest. Historically there have been significant delays with implementation due, in particular, to poor interdepartmental coordination. However, aid management has recently improved and many of the objectives have been attained, even surpassed.

Under the 7th, 8th and 9th EDF, EC aid has been focusing on human resource development in line with Government policy to upgrade the country's intellectual capital by means of a comprehensive reform of the education system.

Antigua and Barbuda originally benefited from an allocation of €2.3 million under the A envelope and €0.3 million under the B envelope under the 9th EDF. Following transfers from funds left over from previous EDF allocations, the total under the A envelope is €7.7 million.

2.1 Focal Sector

9th EDF €7.3 million – Focal Sector: Human Resources Development

Under the 9th EDF, 94.8% of the “A envelope” amounting to €7.3 million, including funds transferred from previous EDFs, have targeted the education sector, at the tertiary level. The overall objective of the EC intervention was to upgrade the level of trained human resources in the labour market in the context of a changing economic, social and cultural environment.

To this end, the EC has funded a €3.8M project (9 ACP AB01) Strengthening of the Technical, Vocational Education Project (STAVEP). This project seeks to improve capacity in technical and vocational training in conformity with market and social demand, through the enhancement of relevance and ownership, access and equity, quality and efficiency. This will be achieved through the

enhancement of facilities, capacity building, professional development, and an improved curriculum at the Youth Skills Training Program (YSTP) and the Engineering Department of the Antigua State College.

Implementation continues at a steady pace, with the successful roll out of several key activities in 2007. The Acts (legislation) to establish the Antigua and Barbuda National Training Agency (ABNTA) and the Antigua and Barbuda Institute of Continuing Education (ABICE) were read in Parliament in Q4 of 2007. Some revisions have been recommended and it is expected that the Acts will be passed in Q2 of 2008. The new TVET curriculum framework and curricula were successfully piloted in September 2007. Collaboration with partners in industry continues to be strengthened. The technical assistance contract comes to an end in March 2008. The consultancy team is also carefully coordinating strengthening of the various TVET institutions and capacity building of key stakeholders as it gradually hands over various aspects of the programme as part of its exit strategy (at the end of 2007). To this end, strategic action plans have been prepared for both ABICE and the ABNTA. Civil work construction of new TVET-related facilities at ABICE and the Antigua State College (ASC) are nearing completion. Installation of equipment as part of the various supplies contracts is also being completed. As of December 2007, 95% of the works to be done on the classrooms at ABICE had been completed. It is expected that Provisional Acceptance for that component will be issued in January 2008, the end date of the works contract.

The EC has funded a €2.3M project (9 ACP AB05) for Upgrading Facilities at Antigua State College. The works on the Learning Resource Centre\Antigua State College project was awarded in May 2007. This contract was awarded following tendering with a suspension clause. The recruitment of a supervising consultant was delayed due to the fact that the initial tender process had to be cancelled and negotiated. Additional construction drawings also had to be provided to enable actual construction work to start. Work commenced in September 2007 and is due to finish in December 2009. Work is – at present – three months behind schedule.

A Financing Agreement under the 9th EDF (9 ACP AB 6) Technical Cooperation Facility (TCF II) for an amount of €416,593 was signed by the NAO end-August 2007. The first and only Programme Estimate was signed in March 2008 and will be for a period of 18 months. The progress in the start-up of this work programme has been somewhat delayed due to the slow approval process for the establishment of a new bank account necessary for the implementation of the PE. The project identification phase for the preparation of the fiscal reform programme under the 10th EDF has been initiated and terms of reference for the recruitment of a consultant under the framework contract are expected to be finalised in June 2008.

2.2 Projects and programmes outside focal sectors

9th EDF: 5.2% of the indicative programme (€0.4 million) has been earmarked under the Technical Cooperation Facility (TCF), which aims at facilitating and supporting the implementation of the CSP, as it provides support for studies, audits, seminars/conferences and technical support. Under this Facility a Macro-Economist was hired and provided expertise and technical support to the work of the Ministry of Finance and the Economy in general and to the Economic Policy and Planning Unit (EPPU) in particular. The recommendations emanating out of this Technical Assistance will be taken into account when designing the 10th EDF Fiscal and Public Sector Reform Programme. An addendum to the Financing Agreement was signed May 2007 to include an increase in the amount from 400,000 to 480,000 and a reallocation of the budget.

2.3 Utilisation of B-envelope

Following the Mid-Term Review exercise, it was decided to maintain the €0.4 million allocation of the B-Envelope (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), as established in the original 9th EDF Country Strategy Paper and the National Indicative Programme.

Antigua and Barbuda has not received any FLEX allocations or other allocations from the B-Envelope.

Utilisation of resources for NSAs

No resources were set aside for NSAs under the 9th EDF. However during the MTR "in-country-meeting" of December 2004 and with the aim of strengthening civil society involvement in EU/Antigua & Barbuda development partnership, it was agreed that a Non State Actors (NSA) Advisory Panel, representative of Antigua & Barbuda's civil society, would be established by the Government. The Panel would allow for tripartite dialogue, information and consultation on development cooperation between the EU and Antigua & Barbuda.

In the second half of the year a team of international consultants assisted the Government and the Delegation with the mapping of NSAs in Antigua and Barbuda and the selection of members of the Panel. The Panel was actually launched in June 2006 and represented an opportunity to discuss with the NSAs the A&B's Programming Orientations for the 10th EDF. The NSA Panel Executive (Chairperson and Secretary) was immediately appointed thereafter. NSAs will benefit from resources under the 10th EDF, notably for capacity building.

Under the TCF funds were allocated for the convening of conferences and seminars to support stakeholders involved in strengthening NSAs public sector dialogue.

2.4 Other instruments

Caribbean Regional Indicative Programmes (EDF)

Antigua and Barbuda, 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. Discussions on the programming of the 9th EDF RIP have led to the decision that the focal sector for support will be regional economic integration and integration into the world economy, for which an envelope of €57 million is available.

Under the Caribbean Regional Indicative Programme (CRIP), Antigua is benefiting from the construction of a three storey Science Block at the Antigua State College as part of the OECS Human Resources development - Tertiary level programme. It has also benefited from CRIP funds for the rehabilitation of the Nelson Dockyard seawall (see above).

Support from all ACP funds (EDF)

The EC approved the €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 ("Hubs and Spokes") has been designed for the Caribbean region, which has been initiated in 2004. Under this project the OECS Secretariat is benefiting from the services of a Trade Policy Adviser, soon to be assisted by a Trade Policy Analyst.

The OECS has received Funding (€280,000) for the Establishment of an OECS Representation Facility 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. The Caribbean Regional Negotiating Machinery (CRNM) has also received support (€857,652) from the EPA Support Facility. Also the NAO Office benefited from a 9th EDF Financial and Contractual Procedures Training held in Barbados in January 2005, under an All ACP programme started in 2004.

Thematic Budget-lines (EC Budget)

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

European Investment Bank (EIB)

The EIB has provided Antigua and Barbuda with a total of €9.45 million in financial assistance since 1979. EIB loans have been utilised for a road rehabilitation programme, an airport navigational system at V.C. Bird Airport, the improvement of the North Shore Water Distribution System and a livestock development programme. The EIB also participates in the funding of the Antigua and Barbuda component of the OECS waste management project. Antigua and Barbuda is in arrears with debt servicing of Lomé III special Loans managed by the EIB. The Bank's activity regarding new projects in Antigua and Barbuda is currently put on hold until the arrears situation has been solved. The Government is in dialogue with the EIB to explore ways to address this issue.

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

The outstanding EIB loan portfolio for operations in Antigua and Barbuda amounted to € 6.2m by the end of 2007, on signatures of € 9.5m. These were all operations under the Lomé agreement and include a road rehabilitation programme, an airport navigational system at V.C. Bird Airport, the improvement of the North Shore Water Distribution System and a livestock development programme. The EIB has also participates in the funding of the Antigua and Barbuda component of the OECS waste management project. Antigua and Barbuda is in arrears with debt servicing of Lomé III special Loans managed by the EIB. The Bank's activity regarding new projects in Antigua and Barbuda is currently put on hold until the arrears situation has been solved. The Government is in dialogue with the EIB to explore ways to address this issue.

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Centre for the Development of Enterprise (CDE)

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

The PROINVEST programme financed by EDF all-ACP funds and managed by the CDE aims at increasing investments between the Caribbean and Europe. PROINVEST has a fund of EUR 110 M over 5 years to support private sector development in the Caribbean, African and Pacific Countries. By the end of 2005, the Programme had committed EUR 5 373 679 to activities within the Caribbean region; of this, EUR 2 212 817 was committed during the course of 2005, to support individual company business plans, public-private sector dialogue, company match-making activities, and business development institutional services.

3. Policy Coherence for Development (PDC)

The preparation of the National Strategic Development Plan (NSDP) is still ongoing and the Government has not indicated a date for the finalisation of the policy. The authorities are also working on the Millennium Development Gold Report – 1990 -2007 which should be going to the printers in June 2008.

The recent Budgets presented by the Government have been designed to create what has been seen as a ‘home-grown economic and stabilization programme’. The primary objective is to:

- i. Correct the fiscal imbalances;
- ii. Control the high level of central government debt;
- iii. Strengthen governance and transparency;
- iv. Expand social programmes; and
- v. Encourage private sector development.

Generally, the Government set itself the objective of realizing a current account surplus of 4 percent of GDP in five years, reducing disbursed outstanding debt to the region of 60 percent of GDP within ten years, and getting the debt service to current revenue ratio to 15 percent within five years. In order to achieve these objectives the Government introduced a comprehensive reform programme comprised of, but not limited to:

- Improved accountability and transparency in public operations, including in the Customs Department;
- Reduction of fiscal debt, and generally, an improvement in debt management;
- Promotion of private sector investment and development;
- Tax reform;
- Rationalization of tax concessions;
- Implementation of a Public Sector Investment Programme;
- Introduction of Sales Tax;
- Improved expenditure controls in the public sector;
- Voluntary Separation Package for public servants; and
- Reintroduction of personal income tax.

The Government’s programme is premised on some degree of debt restructuring and debt forgiveness on the part of the international community. Some 75 percent of revenue was pre-empted by its wage bill and a considerable share of the remaining revenue was earmarked for the payment of specific creditors. CIDA are providing technical assistance to the Government in debt management.

4. Joint EU-Caribbean Strategy

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

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

5. Donor Coordination and harmonisation

The Government of Antigua & Barbuda hosted a National Economic Symposium on July 18th 2007 which was attended by the donor community and representatives from the private sector. The forum was used to discuss economic growth prospects for the country, the progress in the implementation of the A&B sales tax, presentation of the fiscal situation, the findings of the Survey of living conditions (August 2007), the economic impact of hosting the Cricket World Cup and the legacy of the purpose built cricket stadium.

The EC, with grants, and the CDB, mainly with loan assistance are the only two significant donors in Antigua and Barbuda. All other bilateral and multilateral donors and institutions tend to have small programmes, generally at regional or sub-regional (OECS) level. In relation to GDP, ODA accounts for about 2%. Donor coordination plays an important role in the programming of activities for Antigua and Barbuda in the following sectors: drugs, education, environment, governance and disaster management, while consultations are held in other areas of common interest.

Member States active in Antigua and Barbuda include France and the UK (DFID). DFID's current strategy within the region emphasises working with and through regional institutions DFID's programmes in the region are focussed on three broad themes - economic management and public service delivery; trade, competitiveness and economic integration; and HIV/AIDS, crime and violence. In addition the UK has provided significant levels of bilateral debt relief to the Caribbean over recent years through the Commonwealth Debt Initiative.

In recent years, DFID has provided Antigua and Barbuda with EC\$5.398 million to build four new health clinics across the country. Assistance was also provided to support the education sector in the wake of the volcanic eruptions in Montserrat which resulted in thousands of displaced citizens seeking safety in Antigua and Barbuda. A&B has also benefited from the DFID funded OECS/UWI Primary Teacher Education Programme.

The Caribbean Development Bank provides significant financial resources to A&B and is currently providing support in the fields of education and public service reform. The Government of Cuba is providing technical assistance in the areas of health, agriculture and sports and includes doctors, nurses and radiologists, agricultural specialists along with several trainers specialising in boxing, athletics and sports medicine. The Peoples Republic of China has provided the Antigua Public

Utilities Authority (APUA) with an electricity generator and has also been involved in infrastructure development. The Government of Japan has built three new fisheries complexes whilst the Kuwait Development Fund has provided a loan for infrastructure development. The Organisation of American States (OAS) is presently implementing a six month Drug Use Prevalence Survey to obtain baseline data to assist in social policy formulation while the new Mount St. John's hospital is being funded by a consortium of financial institutions with the Bank of Antigua Limited as agent.

Antigua and Barbuda cooperates with the Caribbean Regional Technical Assistance Centre (CARTAC), a regional resource, based in Barbados, which provides technical assistance and training in core areas of economic and financial management at the request of its participating countries. CARTAC has provided assistance in the implementation of tax policy reforms.

Antigua and Barbuda is one of the two countries (with Dominica) benefiting from the Caribbean Open Trade Support Program (COTS), funded by USAID and designed to help facilitate the transition of countries in the Eastern Caribbean from traditional trading regimes based on preferences to open trade, and to enable them to compete more successfully and on a sustainable basis in the global economy. The programme also supports the countries' efforts to adopt and participate in the CARICOM Single Market and Economy (CSME), thereby collectively strengthening the region's framework for global competition. COTS' goal is to support the creation of country models in the region that are competitive in regional and global trade. A focused agenda of activities are being implemented over the four-year period 2005 through 2009 under the following five themes: private sector development, governance, public-private interface, resilience to natural disasters, public awareness.

The Delegation actively participates in the UNDP chaired donor coordination groups and other coordination mechanisms. We are also working closely with the IMF, the World Bank, DfID, CARTAC, CIDA and the CDB. There is also a very close working relationship with the World Bank and UNDP especially on sub-regional social protection reform. The Delegation has been consulted on the new programming strategy of the WB, the IDB, the CDB and UNDP. Donor coordination on trade issues is effective (eg CRNM donor group meets regularly) and periodic on drugs and crime issues. Relations with CDE and CTA leave a large margin for potential improvement for the purpose of better structured and deeper involvement of Eastern Caribbean civil society in our development partnership.

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

The Delegation and the NAO office decided to seize the opportunity offered by the launching of the NSA Advisory Panel in June 2006, to discuss 10th EDF programming matters with civil society. The NAO has agreed to earmark some non-focal sector funding for institutional strengthening of NSAs, including networking and fund-raising skills, under their 10th EDF NIP.

The Non State Actors Panel (NSAP) in Antigua and Barbuda is led by an Executive Committee comprised of representatives from the Chamber of Commerce, women's development organizations, the Fishermen's Association, service clubs and small business development entities.

During the last few months, the NSAP has been reactivated and now has an established secretariat responsible for assisting with its day to day operations. The Panel also has a representative on the Project Steering Committee which has responsibility for two major EU funded education projects, namely the STAVEP and UFASC.

To date:

a) Meetings have been held with representatives from the EU Delegation (to discuss the role and function of the NSAP and possible development activities which may be embarked upon.

- b) Plans are presently being made by the authorities to:
 - i) Conduct study tours to other regional NSAP
 - ii) Provide training for members, and
 - iii) Conduct a feasibility study to determine the level of technical assistance which can be provided to the local fishermen's groups in Antigua and Barbuda.

The NSAP plans to increase its visibility on a national level over the next few months.

7. Conclusions

Antigua and Barbuda is a middle income country with a small open economy. It has an area of 442 sq km; a population of 80,100 (2006 estimate); a population density of around 180 inhabitants per sq km; an estimated GDP of US\$ 818 million and GDP per capita of US\$10,213 (both figures in 2004 at current market prices). The relative position of A&B within the OECS – around 12.5% of the total population, 26% of total GDP and a territory that occupies 16 % of the total area of the grouping – and the comparison with Barbados (29% of Barbados GDP and almost the same GDP per capita at current market prices) show that after Barbados the income per capita of the citizens of A&B is the highest in the Eastern Caribbean.

Regarding the poverty situation, around 18.4% of the population are considered to be poor in Antigua & Barbuda. Indigence was 5.0 percent. The indigence line was EC\$6.71 or US\$2.51 per day in 2005/06. The index of inequality – the Gini coefficient - was estimated to be 0.49: inequality in Antigua and Barbuda is high. The poorest 20% enjoyed just 4.5% of the expenditures compared to 56.3% enjoyed by the richest 20%. According to the Recent SLC plans were in place by the Government for universal primary education for boys and girls in academic year 2006/07. The move to increase participation at the secondary level has been relatively recent. There has also been a problem of quality in educational performance, with many of male youth failing to achieve acceptable standards. The SLC results suggest almost complete immunisation coverage for children. However, the prevalence rates of lifestyle diseases are notably high - diabetes, high blood pressure, heart disease and cancer.

Economic activity in Antigua and Barbuda is estimated to have increased by about 4.5% in 2007, albeit at a reduced rate compared with the strong growth of 12.2% recorded in 2006. The slowdown in 2007 was largely attributed to a deceleration in activity in construction and tourism, the major drivers of growth in 2006. The construction sector was fuelled by both significant public sector investments in infrastructure and buoyant public sector spending on hotel and residential construction. The consumer price index rose by 2.5 per cent. The merchandise trade deficit is estimated to have widened on account of an increase in import payments. A larger overall fiscal deficit was incurred by the central government. The public sector debt rose, reflecting an increase in central government's debt. The country remains highly reliant on the tourism sector. Employment growth beyond tourism has been dependent directly and indirectly on the expansion of the construction sector, much of which has centred around the 2007 Cricket World Cup and Government infrastructure projects.

The principal development challenges focus around the need to sustain economic growth through tourism and export development; combat the relatively high level of poverty and inequality; and reduce risks posed by natural disasters. The importance of regaining fiscal sustainability and implementing a successful debt restructuring process is also recognised as a critical precondition for growth. The Government has developed and is implementing its home grown fiscal stabilisation programme which entailed the reorganisation of the tax structure, in addition to addressing the expenditure side. The programme delivered positive macro-economic outcomes with strong growth recorded in the last three years and buoyant revenue growth. The tax burden has increased from 20% to 24% of GDP in 2004 and 2007 respectively. Moreover, the new administration was able to convince some of the lenders of the need for restructuring of the debt and for debt forgiveness, all of

which have improved the fiscal operations. However, the commitments that the country had made for the Cricket World Cup incurred major capital expenditure on the part of the Government. Moreover, in its quest to shield the most vulnerable from the ravages of adjustment, the Government also expanded social expenditures on old age pensions and on such programmes as school feeding and the provision of books and uniforms to primary and secondary school children.

The EC has primarily provided assistance to Antigua & Barbuda through the EDF NIP which, given the size of the population and the per capita GDP, has been relatively modest. Under the 7th, 8th and 9th EDF, EC aid has been focusing on human resource development in line with Government policy to upgrade the country's intellectual capital by means of a comprehensive reform of the education system. The 9th EDF originally for €2.34 M for the A envelope, increased to €7.3 M after the transfer from previous EDFs, for which the focal sector is human resource development, in particular at tertiary level. Given the recent findings of the Survey of Living Conditions with 52.3% of the poor within the workforce without any educational certification it is apparent that the investment in tertiary education is of critical importance. Following the End-Term Review, it was agreed to support further efforts at improving the macroeconomic situation as well as enhancing economic diversification. A financing agreement for €416.593 was signed in July 2007 for which the bulk of funds are allocated to the preparation of assistance for the fiscal reform programme under the 10th EDF.

The EC and the Government of Antigua and Barbuda propose to allocate 90% of the 10th EDF resources available under the A envelope to **Fiscal and Public Sector modernisation** as the single focal sector, which is also in line with the EPA negotiations. The resources will be used to support implementation of the fiscal and public-sector reforms necessary in Antigua and Barbuda, by enhancing the policy-making and technical capacity of the Ministry of Finance, and to support establishment of a National Productivity Council as a public-private partnership. There are no plans to use budget support given the limited funds available and the fact that the majority of the programme should be implemented in the form of technical assistance. The remaining 10% of the A envelope will be allocated to the **Technical Cooperation Facility**, notably to **support non-State actors** (NSAs) and to provide **trade-related technical assistance**.

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

ANNEX A1) Table of Macroeconomic Indicators

| Indicator | Actual | | | Estimate | | | Projected | | | |
|--|--------|-------|-------|----------|------|-------|-----------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| National accounts (as % of GDP) | | | | | | | | | | |
| Gross domestic product ^b | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Agriculture | 3,9 | 3,9 | 3,8 | 3,7 | 3,7 | 3,7 | 3,6 | 3,5 | 3,4 | 3,5 |
| Industry | 20 | 23 | 21 | 21 | 21 | 21 | 21 | 20 | 20 | 20 |
| Services | 76 | 73 | 75 | 75 | 75 | 76 | 76 | 76 | 77 | 77 |
| <i>Memorandum items</i> | | | | | | | | | | |
| Gross domestic product (US\$ million at current prices) | 678 | 710 | 727 | 759 | 802 | 834 | 881 | 936 | 981 | 1043 |
| GNI per capita (US\$, Atlas method) | 8670 | 8800 | 8770 | 9330 | 9950 | .. | .. | .. | .. | .. |
| Real annual growth rates (% , calculated from 1990 prices) | | | | | | | | | | |
| Gross domestic product at factor cost | 3,3 | 1,5 | 2,2 | 4,9 | 4,1 | 2,5 | 4,1 | 4,6 | 3,2 | 4,9 |
| Real annual per capita growth rates (%) | | | | | | | | | | |
| Gross domestic product at factor cost | 1,7 | -0,1 | 0,6 | 3,3 | 2,5 | 0,9 | 2,5 | 3,0 | 1,6 | 3,3 |
| Balance of Payments (US\$ millions) | | | | | | | | | | |
| Trade Balance | -290 | -281 | -299 | -311 | -329 | -354 | -384 | -405 | -424 | -451 |
| Merchandise Exports FOB | 52 | 41 | 37 | 42 | 45 | 47 | 50 | 53 | 55 | 59 |
| Merchandise Imports FOB | 342 | 321 | 336 | 353 | 374 | 401 | 434 | 457 | 479 | 510 |
| Tourist receipts | 290 | 272 | 274 | 300 | 327 | 357 | 396 | 441 | 467 | 507 |
| Net current transfers | 9 | 9 | 6 | 13 | 9 | 9 | 10 | 10 | 10 | 11 |
| Current account balance | -65 | -65 | -111 | -104 | -106 | -116 | -130 | -119 | -121 | -118 |
| Net private foreign direct investment | 28 | 44 | 37 | 74 | 59 | 64 | 70 | 78 | 85 | 94 |
| Change in reserves ^e | 6 | -16 | -8 | -26 | 11 | -2 | -2 | -2 | -2 | -2 |
| <i>Memorandum items</i> | | | | | | | | | | |
| Resource balance (% of GDP) | 38,3 | 32,5 | 30,7 | 31,1 | 31,7 | 33,3 | 34,9 | 36,6 | 37,0 | 37,8 |
| Public finance (as % of GDP at market prices)^g | | | | | | | | | | |
| Total revenues and grants | 21,7 | 19,2 | 21,5 | 21,0 | 21,4 | 24,4 | 26,4 | 27,4 | 27,4 | 27,4 |
| Total expenditures and net lending | 26,7 | 30,3 | 32,2 | 27,7 | 26,8 | 35,0 | 34,7 | 33,0 | 32,0 | 31,0 |
| Central government overall balance | -5,0 | -11,1 | -10,7 | -6,7 | -5,4 | -10,6 | -8,3 | -5,6 | -4,6 | -3,6 |
| Capital expenditure | 2,1 | 4,7 | 5,1 | 4,0 | 1,8 | 4,0 | .. | .. | .. | .. |
| Primary balance | -0,3 | -6,8 | -6,7 | -3,0 | -1,9 | -4,6 | -1,6 | 1,4 | 2,4 | 3,4 |
| Monetary indicators | | | | | | | | | | |
| M2/GDP | 75,8 | 75,8 | 78,7 | 91,3 | 91,3 | 91,2 | .. | .. | .. | .. |
| Growth of M2 (%) | 5,7 | 4,8 | 6,3 | 21,1 | 5,7 | 3,9 | .. | .. | .. | .. |
| Consumer price index (% change, average) | -0,6 | -0,4 | 1,8 | 2,8 | 1,5 | 1,5 | 1,5 | 1,5 | 1,5 | 1,5 |

a. Projections for 2005-09 are based on an adjustment scenario including regularizing the stock of total arrears in 2005 through issuing long-term bonds.

b. GDP at factor cost

c. "GNFS" denotes "goods and nonfactor services."

d. Includes net unrequited transfers excluding official capital grants.

e. Includes use of IMF resources.

f. Consolidated central government.

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

Source: World Bank OECS Country Assistance Strategy 2007-2011

ANNEX A2) Table of indicators for the MDGs

TABLE OF INDICATORS FOR THE MDGS

(This table is extracted from the Survey of Living Conditions in August 2007 which is the most recent report available on the status of MDGs in Antigua & Barbuda)

| | |
|--|--|
| Goal 1: Eradicate extreme poverty and hunger | |
| Target 1 Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day | Indicators Proportion of population below \$1 (1993 PPP) per day; Poverty gap ratio (incidence x depth of poverty); Share of poorest quintile in national Consumption |
| Target 2 Halve, between 1990 and 2015, the proportion of people who suffer from hunger | Indicators Prevalence of underweight children under five years of age; Proportion of population below minimum level of dietary energy consumption |
| The results of the 2007 Survey of Living Conditions indicate that poverty was 18.4 in 2005/06. Indigence was 5.0 percent. The indigence line was EC\$6.71 or US\$2.51 per day in 2005/06. The index of inequality – the Gini coefficient - was estimated to be 0.49: inequality in Antigua and Barbuda is high. The poorest 20% enjoyed just 4.5% of the expenditures compared to 56.3% enjoyed by the richest 20%. The poverty gap and FGT index were 18.4 and 6.6 respectively. | |
| Goal 2: Achieve universal primary education | |
| Target 3 Ensure that, by 2015, children everywhere (boys and girls) will be able to complete a full course of primary schooling | Indicators Net enrolment ratio in primary education; Proportion of pupils starting grade 1 who reach grade 5; Literacy rate of 15-24 year-olds |
| Status: Antigua and Barbuda has a long tradition of universal primary education. Plans were in place to achieve universal secondary education in the course of the academic year 2006/2007. | |
| Goal 3: Promote gender equality and empower women | |
| Target 4 Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015. | Indicators Ratio of girls to boys in primary, secondary and tertiary education; Share of women in wage employment in the non-agricultural sector; Proportion of seats held by women in national parliament |
| Status: There exists a Gender Affairs Division. In addition to working to empower women generally, through advocacy, it has sought to focus on the problem of violence against women in general, and on domestic violence, in particular. The 2004 general elections put one female elected member of parliament in parliament. There are also women in the upper House of Parliament and both the Speaker of the House and the President of the Upper house are females. Women are also well represented in the upper levels of the public service and dominate the teaching service. | |
| Goal 4: Reduce child mortality | |
| Target 5 Reduce by two thirds, between 1990 and 2015, the under-five mortality rate | Indicators Under-five mortality rate; Infant mortality rate; Proportion of 1 year-old children immunized against measles .. |
| Status Immunization of children under five years of age is well institutionalised. Children have to be immunised to gain admission to primary schools. The SLC results suggest almost complete coverage. | |
| Goal 5: Improve maternal health | |
| Target 6 Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio | Indicators Maternal mortality ratio; Proportion of births attended by skilled health personnel |
| Status Maternal mortality is low, and women have ready access to care during pregnancy. However, there is some evidence of an increase in babies being born prematurely. | |

| Goal 6: Combat HIV/AIDS, malaria, and other diseases | |
|---|--|
| Target 7 Have halted by 2015 and begun to reverse the spread of HIV/AIDS | Indicators HIV prevalence among pregnant women aged 15-24 years |
| Target 8 Have halted by 2015 and begun to reverse the incidence of Malaria and other major diseases | Indicators Prevalence and death rates associated with malaria; Prevalence Proportion of tuberculosis cases detected and cured under DOTS and death rates associated with Tuberculosis; |
| Status Malaria no longer poses a problem in Antigua and Barbuda. All other communicable diseases are under control. However, the prevalence rates of lifestyle diseases are notably high - Diabetes, High Blood Pressure, Heart Disease, Cancer. The SLC yielded little information on the prevalence of HIV/AIDS. However, at the level of the community, respondents did suggest prevalence of HIV/AIDS enough to create concern. | |
| Goal 7: Ensure environmental sustainability | |
| Target 9 Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources per capita and consumption of ozone-depleting CFCs source, urban and rural | Indicators Proportion of land area covered by forest; Ratio of area protected to maintain biological diversity to surface area; Carbon dioxide emissions |
| Target 10 Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation | Indicators Proportion of population with sustainable access to an improved water |
| Target 11 By 2020, to have achieved a significant improvement in the lives of slum dwellers | Indicators Proportion of households with access to secure tenure Status |
| Status There are limited institutional resources to treat with reforestation, coastal and marine conservation. The survey shows that almost 90 percent of the population has access to potable water supply from a public source. | |
| Goal 8: Develop a global partnership for development | |
| Targets 12-18: Summary Indicators Official development assistance; Market access; Debt sustainability; Youth unemployment rate; access to affordable essential drugs; telephone lines and cellular subscribers per 100 population; computers in use per 100 population and Internet users per 100 population | |
| Status Antigua and Barbuda is signatory to a number of cooperation agreements. Because of its high per capita income, it did not attract much development assistance in the past. However, its present indebtedness has made it necessary to look to Development Assistance for programme support, generally and for the PSIP, in particular. | |
| Source: Survey of Living Conditions, August 2007 | |

B) ANNEXES WITH A RETROSPECTIVE CHARACTER

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

| YEAR of GLOB. Commit. | ACCOUNTING NUMBER of GLOBAL commit. | 0 | TITLE GLOBAL COMMITMENT | END date of imple-mentat° | GLOBAL COMMIT. | INDIV. COMMIT. | RAC |
|--|-------------------------------------|------------------|---|---------------------------|-------------------------------|------------------------------------|------------------|
| | | N° INDIV COMMIT. | TITLE INDIVIDUAL COMMITMENT | | AMOUNT ONGOING INDIV. COMMIT. | PAYMENTS ON ONGOING INDIV. COMMIT. | RAP |
| TOTAL ON ONGOING GLOBAL COMMITMENTS | | | | | | 7,773,000 | 7,044,783 |
| TOTAL ON ONGOING INDIVIDUAL COMMITMENTS | | | | | 6,472,587 | 3,146,314 | 3,326,273 |
| 2002 | 8ACP AB2 | 0 | TA TO THE NAO | 20061231 | 298,000 | 290,075 | 7,925 |
| 2002 | 8ACP AB2 | 3 | WORK PROGRAMME 3 FOR 2005/2006 - XCD 227,000 | 20060214 | 68,969 | 68,425 | 544 |
| 2002 | 8ACP AB2 | 4 | SUPPORT SERVICES TO THE NAO/WORK PROGRAMME 3 YR.2006 FOR | 20061231 | 74,200 | 72,341 | 1,859 |
| 2003 | 8ACP AB3 | 0 | MULTI-COUNTRY DRUG DEMAND REDUCTION PROJECT | 20061231 | 350,000 | 321,714 | 28,286 |
| 2003 | 8ACP AB3 | 3 | ANTIGUA DRUG DEMAND REDUCTION PROGRAMME/WP 2005-2006 FOR | 20061231 | 233,000 | 114,434 | 118,566 |
| 2003 | 9ACP AB1 | 0 | STRENGTHENING OF TECHNICAL AND VOCATIONAL EDUCATION PROJECT | 20101231 | 3,883,407 | 3,738,176 | 145,231 |
| 2003 | 9ACP AB1 | 3 | PROGRAMME ESTIMATE NO.2/STAVEP PROJECT FOR PERIOD | 20060908 | 110,544 | 105,544 | 5,000 |
| 2003 | 9ACP AB1 | 4 | SERVICE CONTRACT 2 YEARS CAMBRIDGE EDUCATION LTD | 20080229 | 794,999 | 412,388 | 382,611 |

| YEAR of GLOB. Commit. | ACCOUNTING NUMBER of GLOBAL commit. | 0 | TITLE GLOBAL COMMITMENT | END date of implementat° | GLOBAL COMMIT. | INDIV. COMMIT | RAC |
|-----------------------|-------------------------------------|------------------|--|--------------------------|-------------------------------|------------------------------------|---------|
| | | N° INDIV COMMIT. | TITLE INDIVIDUAL COMMITMENT | | AMOUNT ONGOING INDIV. COMMIT. | PAYMENTS ON ONGOING INDIV. COMMIT. | RAP |
| 2003 | 9ACP AB1 | 5 | V.E.C CONSTRUCTION /STAVEP YSTP SITE EXPANSIONFOR | 20080123 | 1,470,000 | 805,632 | 664,368 |
| 2003 | 9ACP AB1 | 6 | SUPPLY AND INSTALLATION OF EQUIPMENT AND TOOLS FOR STAVEP | 20070913 | 306,983 | 306,983 | 0 |
| 2003 | 9ACP AB1 | 7 | SUPPLY AND INSTALLATION OF EQUIPMENT & MATERIALS/YSTP/ASC | 20070913 | 364,098 | 364,098 | 0 |
| 2003 | 9ACP AB1 | 8 | SUPPLY AND INSTALLATION OF EQUIPMENT(LOT 8) FOR STAVEP BY | 20070913 | 142,306 | 112,033 | 30,273 |
| 2003 | 9ACP AB1 | 9 | PROGRAMME ESTIMATE 3 - STAVEP FOR PERIOD SEPTEMBER 11,2006 | 20080210 | 410,000 | 185,435 | 224,565 |
| 2003 | 9ACP AB2 | 0 | PREP. FP - LEARNING RESOURCE CENTRE (+8 AB 1) | 20051101 | 5,000 | 4,541 | 459 |
| 2004 | 9ACP AB4 | 0 | TECHNICAL COOPERATION FACILITY (TCF) | 20101031 | 480,000 | 448,677 | 31,323 |
| 2004 | 9ACP AB4 | 2 | FRAMEWORK CONTRACT NO.2005/102899-B&S EUROPE FOR EUR 30,000 | 20051231 | 30,000 | 28,504 | 1,496 |
| 2004 | 9ACP AB4 | 3 | FWC-BENEF-SUPPORT TO NAO OFFICE-AB WITH 10TH EDF PROGRAMMING | 20060731 | 15,000 | 14,636 | 364 |

| YEAR of GLOB. Commit. | ACCOUNTING NUMBER of GLOBAL commit. | 0 | TITLE GLOBAL COMMITMENT | END date of implementat° | GLOBAL COMMIT. | INDIV. COMMIT | RAC |
|-----------------------|-------------------------------------|---|--|--------------------------|----------------|---------------|-----------|
| 2004 | 9ACP AB4 | 4 | FWC BENEF - CAMBRIDGE EDUCATION FOR EUR 79,188 FOR BROAD PROGRAMME | 20060520 | 79,188 | 77,474 | 1,714 |
| 2004 | 9ACP AB4 | 5 | ESTIMATE FOR SUPPORT TO NON-STATE ACTORS ADVISORY | 20070508 | 19,700 | 4,964 | 14,736 |
| 2004 | 9ACP AB4 | 6 | PE 1 FOR SUPPORT TO NAO, TRADE CAPACITY AND NSA PANEL FOR | 20081031 | 112,000 | 32,101 | 79,900 |
| 2005 | 9ACP AB5 | 0 | UPGRADING OF FACILITIES AT ANTIGUA STATE COLLEGE. MORE THAT | 20111231 | 2,340,000 | 2,241,600 | 98,400 |
| 2005 | 9ACP AB5 | 1 | UPGRADING OF FACILITIES AT THE ANTIGUA STATE COLLEGE | 20080131 | 2,050,000 | 441,322 | 1,608,678 |
| 2005 | 9ACP AB5 | 2 | SUPERVISION OF WORKS WITH SKINNER & JOSEPH Q.S FOR UPGRADE OF | 20080731 | 191,600 | 0 | 191,600 |
| 2007 | 9ACP AB6 | 0 | TECHNICAL COOPERATION FACILITY 2 (TCF 2) | 20110831 | 416,593 | 0 | 416,593 |

ANNEX B2) On-going Caribbean regional projects (Situation on December 31st, 2007)

9th EDF

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

| 9 ACP RPR 6 | Support to the competitiveness of the rice sector in the Caribbean | 23.57 |
|----------------|---|--------------|
| 9 ACP RPR 21 | Support to the collaborative doctoral programme in economics | 1 |
| 9 ACP RPR 61 | Programme for science and technology innovations and capacity building (PSTICB) | 30.35 |
| 9 ACP RPR 64 | All ACP Agricultural Commodities Programme | 45 |
| 9 ACP RPR 164 | Support to CKLN II | 10 |
| 9 ACP RPR 167 | Capacity Support for sustainable management of energy resources | 1.5 |
| OCT Projects | | |
| Project Number | Project Title | Total (€ mn) |
| 9 PTO REG 1 | Strategic Planning in Public Services (CARICAD) | 0.65 |
| 9 PTO REG 11 | Strengthening the integration of the British and Dutch OCTs | 6 |
| 9 PTO REG 12 | TCF OCT II | 2.77 |
| 9 PTO REG 14 | Global C Envelop | 23.17 |

8TH EDF

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

Annex B3) EIB Projects for Antigua and Barbuda

| Country | Project Name | Status | Convention | Contract number | Amount signed (m) | | Date of Signature | Amount outstanding (m) | | Beginning repayment |
|----------------------------|-----------------------|-----------|----------------|-----------------|-------------------|------------------|-------------------|------------------------|------------------|---------------------|
| | | | | | OR | RC | | OR | RC | |
| Antigua and Barbuda | AIR NAVIGATION SYSTEM | Disbursed | Lome - 3 | 70788 | | 1,500,000 | 09/19/1989 | | 231,150 | 09/15/1997 |
| | OECS WASTE DISPOSAL | Disbursed | Lome - 4 | 71016 | | 3,400,000 | 10/10/1995 | | 2,092,700 | 03/31/2003 |
| | | Disbursed | Lome - 4 - Bis | 71016 | | 1,300,000 | 10/10/1995 | | 800,150 | 03/31/2003 |
| | Total | | | | | 6,200,000 | | | 3,124,000 | |

D) ANNEXES ON AID EFFECTIVENESS

ANNEX D1) Completed EAMR aid effectiveness questionnaire

Annex C of EAMR: Questions on the EU Aid Effectiveness targets.

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

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

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

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

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

- Delegations are invited to:

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

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

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

1. EU Target No 1

Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements

2. Introduction

The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)

3. Questions and definitions

| Question | Definition – OECD Ref | Response EUR |
|---|-----------------------|-----------------|
| How much ODA did you disburse at country level for the government sector in FY 2007 (EUR)? | Qd2 | 34000000 |
| How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)? | Qd5 | 9000000 |
| How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)? | Qd6 | 9000000 |
| How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)? | Qd7 | 9000000 |
| How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)? | Qd9 | 9000000 |

4. Definition of Indicator

$[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2]$ (please calculate and enter as response %)

26%

5. Additional information

Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)

No

Definitions from "Definitions and Guidance" OECD/DAC
www.oecd.org/dataoecd/13/29/36306366.doc

| | |
|---|---|
| ODA | <p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none">▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and▪ are concessional in character and convey a grant element of at least 25%. |
| Disbursements | <p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p> |
| Government sector | <p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p> |
| Disbursements for the government sector | <p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p> |

| | |
|---|--|
| Use of national budget execution procedures (Q ^d 5) | Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment. |
| Use of national financial reporting procedures (Q ^d 6) | Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <u>NOT</u> require: <ul style="list-style-type: none"> ▪ The production of additional financial reports. ▪ Periodicities for reporting that are different from government's normal reporting cycle. ▪ Formats for reporting that do not use government's existing chart of accounts. |
| Use of national auditing procedures (Q ^d 7) | Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing. |
| Use of national procurement procedures | Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation). |

1. EU target 2

Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements¹

2. Introduction

EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.

The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.

To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link <http://www.oecd.org/dataoecd/13/29/36306366.doc>. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.

Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.

3. Questions and definitions

| | | |
|---|--|--------------|
| 1 | How much technical cooperation did you disburse in 2007 (Total TC in EUR)? <i>OECD question reference in the Paris survey : Q^d3</i> | Euro 5000000 |
| 2 | How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)? <i>OECD question reference in the Paris survey : Q^d4</i> | Euro 0 |

4. Definition of Indicator

| | | |
|---|--|----|
| 3 | <i>Q^d4 / Q^d3 (please calculate this and enter in the next column as %)</i> | 0% |
|---|--|----|

¹ Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q^d4.

5 Additional Information

4 Qualitative information² :

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

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

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

Resistance from recipient countries to foreign TA

Please note any other comments you have on these issues

1. EU target 3

Avoid establishment of new project implementation units (PIUs).

2. Introduction

² These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"

To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link <http://www.oecd.org/dataoecd/13/29/36306366.doc>. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.

Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.

3. Questions and Definitions

| | | |
|---|---|---|
| 1 | How many parallel project implementation units funded by EC were in operation in December 2007? <i>OECD question reference in the Paris survey : Q^d10</i> | 0 |
| 2 | Out of these, how many <u>new</u> parallel project implementation units were established during 2007? | 0 |

4. Additional Information

| | |
|---|---|
| 3 | <p>Qualitative information³:</p> <p>Are there any significant initiatives to avoid the establishment of parallel PIUs in your country?</p> <p>What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements?</p> <p>Increase capacity within the ministries in charge of ODA implementation.</p> <p>Please note any other comments you have on these issues</p> |
|---|---|

³ These questions are taken from the survey on "Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU Target No 4

Reduce the number of uncoordinated missions by 50%.

2. Introduction

The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.

The Paris Declaration **objectives** underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field⁴ it is important that donors: Conduct **fewer missions**, coordinate timing of missions with partner authorities and, where necessary, with other donors, *conduct more joint missions*, *avoid conducting missions during "mission free periods"*⁵.

Coordinated mission is **a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another**. In practice, the following 3 questions help to clarify what is meant by a mission:

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

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

3. Questions and definitions

| | | | |
|---|------------------------|---|---------------|
| OECD | ref: Q ^d 15 | How many HQ missions to the field were undertaken in FY 2007? ⁶ | 12 |
| | Q ^d 16 | How many of these were coordinated? | 5 |
| Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2007 in the table below: | | | |
| Missions by: | | Coordinated | Uncoordinated |
| Members of Commission | | | |

⁴ 'Field' refers to the country in general including missions to the capital only.

⁵ The target set for 2010 for indicator 10 a) is to have 40% of donor missions to the field as joint.

⁶ This question applies to the missions from the HQ

| | | |
|--|---|---|
| AIDCO | 4 | |
| DEV | 1 | 3 |
| RELEX | 2 | |
| TRADE | | 1 |
| ECHO | | |
| FISH | | |
| OTHER DGs Taxud | | 1 |
| Consultants contracted by the Commission | | |
| Total | | |

| 4. Definition of Indicator | | |
|---|------|------|
| Q ^d 16 / Q ^d 15 | 2006 | 2007 |
| Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ; | | |

| 5. Additional Information | | | |
|--|--------------|------------------|----------------------|
| Delegations are invited to list the dates for main HQ missions already planned for the March 2008 to August 2008, indicating whether they are, or not, to be coordinated with other donors; | | | |
| HQ DG | Date planned | Purpose/Sector | Coordinated (Yes/No) |
| DEV, TRADE | _____ July | signature of EPA | YES |
| _____ | | | |
| Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2008 to February 2009, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue. | | | |
| HQ DG | Date planned | Purpose/Sector | Donor(s) involved |
| NOT APPLICABLE NO REAL DONOR PRESENCE IN OUR REGION APART FROM EU | | | |
| _____ | | | |
| Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints. | | | |
| _____ | | | |

Other aid effectiveness related information

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

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

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

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

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

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

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

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

(a) nothing done yet.

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

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

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

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

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

ANNEX D2) Donor Matrices current and future financial support

Source: World Bank OECS Country Assistance Strategy 2007-2011

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