Final Report

On

THE DEFINITION & ESTABLISHMENT OF AN
INTEGRATED DEVELOPMENT PLAN
AND
PLANNING PROCESS

CHAPTER 1
INTRODUCTION

JANUARY 23, 2003
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## INTRODUCTION 1

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INTRODUCTION

1.1 THE CHALLENGE
The Integrated Development Plan (IDP) of the Commonwealth of Dominica is a unique and challenging task for two reasons. First, it seeks to promote the democratisation of holistic sustainable development planning in the Commonwealth of Dominica. Second, it seeks to define and establish a participatory process for Integrated Development Planning where the private sector and wider civil society play an enhanced role in the design and delivery of more transparent, accountable and decentralised development planning.

The Planning Framework of the IDP is recognizable by four very significant characteristics:

1. It treats the values and vision of the people as key determinants of the direction and strategy for national development, and as such, provides a Framework that should reflect more closely the priority issues as determined by the stakeholders themselves;

2. It defines mechanisms for ongoing stakeholder involvement in the preparation of the plan, definition of programs and projects, implementation of associated actions and in the review of performance for possible corrective action; (Refer to Annex A-13).

3. It defines a new approach to development planning and implementation, that highlights cross-cutting and cross-sectoral issues and requires all stakeholders to signal their commitments during the planning process; (Refer to Annex A-11)

4. It establishes a procedure in which a Development Plan directly influences the composition of public expenditure in the national budget; (Refer to Annex A-15, 16,17)

The challenge of the IDP is to release the unexplored planning potential of the people of Dominica and to present new and creative arrangements among sectors and stakeholders that can respond to the development planning needs facing the country.

Key success criteria of the IDP as a planning instrument include the following:

- Capture the emerging vision of the people;
- Reflect the values that shape that vision;
- Identify the key issues facing the people;
- Focus collective action on areas for priority action at the local household and community level; the enterprise and sector levels as well as the inter-sectoral, national and regional levels;
- Point decision-makers towards an integrated approach to resolving the development issues of the country.
1.2 THE STRATEGIC VISION

1.2.1 The Objective
One of the objectives of this Consultancy is to define and establish a participatory process that allows all stakeholders in the national community to take shared responsibility for the management of the economy at the broadest level of society. During the course of the Consultancy, it was observed that the consultative and participatory approach allowed the major stakeholders (Private Sector, Public Sector and Civil Society) to signal their commitments to specific economic and social actions so that these could be integrated into a holistic approach to development. Partnership, therefore, has emerged as the cornerstone of the new planning process. This is the partnership in which the development vision as expressed by different stakeholders is acknowledged and fully respected.

1.2.2 The Vision
Essentially, the vision most commonly expressed by stakeholders centers around the following fundamental aspirations:

1. To see and help build a society where there is harmony among and between people, and between people their God and His creation;
2. To be part of a development strategy that addresses the immediate as well as medium and long term needs in ways that involve all sectors and segments of society in the planning and managing of that strategy and avoids compromising the development prospects of future generations;
3. To live in a society that is stable and just, where discipline and respect for the individual is assured by a participatory and responsible approach to economic and social programmes at the community and the national levels.
4. To experience dignity, pride, patriotism and a sense of belonging to country.

In summary, the vision is for a better quality of life, new and better ways of doing things and for expanded horizons, and greater opportunities and choices for present and future generations of Dominicans.

1.3 KEY ELEMENTS IN THE IDP APPROACH

1.3.1 The IDP Process
The IDP Planning process is one of consultations, participation and information sharing. It is built on the premise that the values and vision of the people of the country must be treated as key determinants of the direction and strategy for national development. As such, a key element of the IDP is the design of mechanisms for ongoing stakeholder involvement in the further refinement of the Plan, in the definition of new programs and projects, in undertaking supporting actions and in providing feedback on the performance in the Public Sector.
The objective of the IDP- Planning Process, is to engage persons in all sectors, (Public Sector, Private Sector and Civil Society) as stakeholders in the nation’s business, to perform the following functions:

- Identify the key issues affecting their community/sector/country;
- Determine the priorities among these issues;
- Define their vision for Dominica;
- Propose measures (institutional, operational, legal, constitutional) for addressing these issues;
- Propose measures for formalizing and institutionalizing a participatory approach to planning for national development;
- Become involved in the design and implementation of the programs and projects;
- Stay involved in the monitoring, review and evaluation of the activities.

1.3.2 The IDP Principles
The following principles have been applied in the preparation of the Integrated Development Plan:

Ownership: Developing a commitment to the policy/programme/project based on opportunities for active involvement in the process of shaping the vision, setting the goals, designing the mechanisms and timing and sequencing the actions for implementation of decisions.

Decentralization: Opening up opportunities, and providing the capacity for local and national organizations to share the responsibility for management of economic and social programmes.

Governance: Initiating processes and procedures of administration of Public and Corporate affairs that are responsive to the citizens.

Transparency: Ensuring openness in the public administration, so that all information vital to decision-making is reliable and available in a timely manner.

Participation: Providing an active role within the planning and decision-making process for all stakeholders including the opportunities for women, youth, indigenous people, and other marginalized groups.

Partnership: Engaging informal and formal mechanisms of cooperation, coordination and collaboration that focus on agreed goals in ways that reduce suspicion and distrust between stakeholders and enhance progress towards sustainable development.

Accountability: Ensuring that persons in positions of trust and responsibility are required to account for the decisions they make and the resources under their care.
Cross-sectoral: Taking account of impact of policies, plans and actions in one sector on other sectors.

Cross-cutting: Addressing stakeholders’ interests which cut across the conventional definitions of economic and social sectors and which require an holistic approach.

1.4 INSTITUTIONALISING THE APPROACH

1.4.1 Responsibilities of Stakeholders within an IDP Framework

1.4.1.1 Public sector

With regards to the public sector, the IDP concern is with institutional capacity at the level of policy making, at the level of administrative effectiveness and at the level of public service efficiency. The major challenge is to reorient the public service towards becoming a “customer-driven” service. This can be achieved if some of the old issues of encouraging innovation, involving staff and selecting senior managers are addressed with a view to modernizing the public service. More specifically, the IDP approach focuses on measures that enable the country’s public service to administer and co-manage policies and programmes in support of stabilization and growth in the economy in full partnership with the private sector and civil society. (Refer to Annex A-21)

The IDP requires a Public Sector that knows how to:

- Involve the Private sector and Civil Society in active partnership in formulating a Medium-Term Public Expenditure Framework;
- Create and utilize reporting and information sharing mechanisms to demonstrate transparency and accountability in the discharge of public business;
- Promote career development in the Service leading to highly skilled and efficient civil service;
- Effectively network with Divisions in other Ministries to respond to cross-cutting issues.

1.4.1.2 Private Sector

The successful recovery in economic activity within the emerging liberalized environment requires enhanced competitiveness, services, promotion and marketing and it is the private sector that will ultimately produce the competitive products and services in this new environment. The IDP approach recognizes that a new dynamic must be fashioned based on partnership between public, private and civil society sectors, which creates an enabling “environment” that converts national economic policy into programmes and projects of sustainable growth. In this respect, the IDP will require a Private Sector, which: (Refer to Annex A-24)

- Is actively involved in deciding the elements of a Medium-Term Public Expenditure Framework from which the annual budgets can be determined; (Refer to Annex A-19)
• Builds its own combined capability (finance, manufacturing and primary production) to service a dynamic “extended domestic market” in the OECS and CARICOM in areas of primary production of food products; agro-processing, trade with water; personal skills and services; joint tourism destination marketing in sports and health events; (Refer to Annex A-22)

• Participates in the formulation of a more cohesive set of Policies relating to Trade, Taxation, Utility and Port Costs, adoption of information technology and promotion of music, entertainment and art-form enterprises; (Refer to Annex A-17)

• Is broadly representative of businesses in the informal sector, farmers and vendors in addition to representation of existing manufacturing, commercial and financial units of the private sector.

1.4.1.3 Civil Society
Institutional and organizational capacity is essential in civil society to partner with public and private sectors in an IDP framework. The many examples of constructive partnering of civil society organizations with the public sector in particular, attest to the value of such institutional arrangements in attaining creative new approaches to development. (Refer to Annex A-24)

The Strategic Vision for Civil Society would require that NGOs, CBOs and other members of Civil Society continuously:
• Strengthen their organizational capacity to share information and mobilize their membership to capture the benefits of economic programmes;
• Within their area of competence, participate in the delivery of health and social services to targeted communities; in the management and maintenance of educational facilities; in the introduction of relevant content in the educational and training (human resource development) curricula; (Refer to Annex A-14)
• Organize local area development committees to make an inventory of available skills and resources in the local area; initiate locally-based activities in agriculture, healthy lifestyles, land-resource management (forestry and watershed area) and rural based tourism; (Refer to Annex A-15)
• Provide assistance through professional associations (architects, planners, engineers) to support local government in:
  o Improving their community service activities
  o Develop initiatives to attract more businesses to their communities;

The Diaspora
The Diaspora constitutes a most highly endowed group of Dominican. They have demonstrated in concrete terms their capacity to deliver goods and services to communities in support of development goals. Furthermore, they have readily adopted the approach of consultation and collaborative efforts, which the IDP itself flags as the hallmark of an inclusive planning process and are expected to be receptive to efforts at involving them in all stages of the process. (Refer to Annex A-24)
With respect to the further involvement of the Diaspora in Dominica’s development, the IDP proposes as part of the transition strategy the establishment of a Unit at the highest level of the public sector, to facilitate the participation and eventual re-entry of members of the Diaspora into Dominican society. This Unit can be the conduit and mechanism for addressing and resolving the problems faced by returning Dominicans. The Unit should also have the capability to address expeditiously the need for mechanisms that will facilitate investments of expertise and finances by the Diaspora in the local economy.

Additional transition measures that can be taken with respect to the Diaspora are:

- Expand the roster of Dominicans in the Diaspora with skills and experience of relevance to the development focus of the country;
- The strengthening of links between the Diaspora and local community organizations;
- Identify, track and recruit young Dominicans who have been trained in fields relevant to the country’s development needs;
- As a special focus, recruit women in the Diaspora, many of whom are already engaged in matters of trade and who can be particularly important to Dominica in enhancing opportunities for trade in goods and services;
- Continued to recruit youth in the Diaspora to represent Dominica in the field of international sports and actively engage them in a programme aimed at providing role models to the youth at home.

**Measures to Institutionalize the Approach**

Immediate measures for institutionalizing the process are discussed in detail in Chapters 6 and 7 and include the following:

- A National Public Education Programme for national development should be implemented, targeting schools, youth, the general population, and with the full engagement of established community organizations, the media and a reengineered Government Information Service. The objective of this campaign would be the continuous sensitization of the various publics and the motivation for sustained participation in developing future components of the IDP.
- An Integrated Development Planning Commission (IDPC) should be established to promote, manage and monitor both the process and the implementation of the plan. Membership in this Commission would be drawn from the public and private sectors, and civil society.
- The next phase of IDP planning consultations should be initiated no later than January 2003 in order to inform the budget formulation process for FY03/04. The IDPC should be assigned the responsibility of initiating the Process.
- Active consideration should be given to the enactment of the necessary legislative and regulatory provisions to clearly indicate where the social and economic responsibility lies for the following processes and to allow for the full
participation and representation of stakeholders in all national decision making functions with respect to:

- The Integrated Develop Planning Process;
- The Policy Development Process;
- The modernization of the Public Service;
- The Medium-Term Public Expenditure Framework;
- The Preparation of the Annual Budget;
- The Facilitation of Trade and the Creation of New Service Enterprises;
- The Special Relationship with the Carib Community;
- The Social and Economic Vulnerability Response;

Indicators of Compatibility
The interactive consultative process, which characterizes the IDP, should permeate through all levels of decisions on projects. The more prevalent the “signature” of IDP-compatibility, the more successful will be the participation of stakeholders in the process.
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CHAPTER 2
METHODOLOGY

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2.1 INTRODUCTION

2.1.1 The project to define and establish an Integrated Development Plan and Planning Process1 sought to achieve the following results:

1) A national information campaign designed to sensitize all stakeholders on the meaning and importance of Integrated Development Planning as well as encourage actors to identify their priorities and role in this new process;

2) A national "Integrated Development Plan" encompassing cross-cutting and sectoral;

3) A New Process for development planning that will facilitate holistic decentralised planning of both cross-cutting and sectoral issues and contain provisions for approaches to consensus building on development programme policies and priorities at all stages of the Economic Management cycle;

4) An IDP Implementation Plan, showing detailed immediate actions/projects/programmes and broad medium to longer term activities, responsibility schedules and programme of financing as well as mechanisms for co-operation and joint action.

2.1.2 To achieve these results the project was divided into three (3) Phases (Figure 1):

- Phase 1: Sensitisation, Research, Analysis and Planning;
- Phase 2: Consolidation, Integration and Development of the Integrated Development Plan;
- Phase 3: Programming and Project Identification

2.1.3 The Methodological issue was to design an approach to research, analysis and planning that also allowed for the forging of a consciousness and awareness of the IDP process among our people that will continuously provide inputs into the dialogue on national issues. To do this within the objectives of the Project the IDP Team:

a) Conducted a series of sensitization exercises;

b) Listened to the responses on issues and vision;

c) Formulated Planning and Policy Concepts from these responses;

d) Developed draft IDP Proposals and Projects for Stakeholders’ validation;


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1 Terms of Reference for THE DEFINITION AND ESTABLISHMENT OF AN INTEGRATED DEVELOPMENT PLANNING PROCESS between the Ministry of Finance and Planning, Commonwealth of Dominica and THE DEVELOPMENT INSTITUTE, September 2001
FIGURE 1: How the Project accomplished its Objectives

IDP Process Sensitisation of Major Stakeholder

Listening to Responses on Issues and Vision.

Formulating Planning & Policy Concepts from these responses.

Developing Draft IDP Proposals & Projects for Stakeholders’ validation.

Prepare an Integrated Development Plan and Implementation Plan

2.2 SENSITISATION MEETINGS

2.2.1 To provide, in the broadest sense, an audience for the major stakeholders in the economy to LISTEN to each other as they presented their views and opinions on what should be done in the economy and society, the IDP Team conducted, in Phase 1, fifteen (15) sensitisation exercises. This involved about 600 persons from the Public Sector, Private Sector and Civil Society spending on average of 4 hours per meeting listening and expressing their own ideas on several topics of current concern. Gender response to the sensitisation meetings indicated that 39% of the attendees were women. (Refer to Annex D)

2.2.2 Community meetings of a broad range of leaders and key individuals in communities constituted a very important mechanism for data gathering and information sharing. Zonal meetings were held in La Plaine, Colihaut, Marigot, Grandbay, Portsmouth, and Roseau with persons from surrounding villages being bused in to attend these meetings. Lists of invitees to the meetings were compiled with the assistance of village council clerks, community development officers and
district health workers. Attendance at these meetings was facilitated by the provision of transportation and the airing of public service announcements.

**Table: List of Sensitisation Meetings Held**

<table>
<thead>
<tr>
<th>Sensitisation Meetings</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Community Meeting for residents from Delices to Castle Bruce Communities</td>
<td>La Plaine</td>
</tr>
<tr>
<td>2 Community Meeting for residents from Dublanc to St. Joseph Communities</td>
<td>Colihaut</td>
</tr>
<tr>
<td>3 Community Meeting for residents from Petite Savanne to Pichelin Communities</td>
<td>Grandbay</td>
</tr>
<tr>
<td>4 Community Meeting for residents from Penville to Portsmouth Communities</td>
<td>Portsmouth</td>
</tr>
<tr>
<td>5 Community Meeting for residents from Woodfordhill to Concord Communities</td>
<td>Marigot</td>
</tr>
<tr>
<td>6 Community Meeting for residents from Marigot</td>
<td>Marigot</td>
</tr>
<tr>
<td>7 Community Meeting for residents from Mahaut to Scotts Head Communities</td>
<td>Roseau</td>
</tr>
<tr>
<td>8 Civil Society (NGO, Sports, Community Organizations)</td>
<td>Roseau</td>
</tr>
<tr>
<td>9 Media Workers</td>
<td>Roseau</td>
</tr>
<tr>
<td>10 Religious Leaders</td>
<td>Roseau</td>
</tr>
<tr>
<td>11 Private Sector</td>
<td>Roseau</td>
</tr>
<tr>
<td>12 Bankers Association</td>
<td>Roseau</td>
</tr>
<tr>
<td>13 Political Leadership - DLP</td>
<td>Roseau</td>
</tr>
<tr>
<td>14 Political Leadership- DFP</td>
<td>Roseau</td>
</tr>
<tr>
<td>15 Political Leadership - UWP</td>
<td>Roseau</td>
</tr>
</tbody>
</table>

2.2.3 Sensitisation meetings were also held with persons and groups who were considered very important opinion leaders. These included, The President of the Commonwealth of Dominica, media workers, broad civil society group, the Executive membership of the three political parties, the Leader of the Opposition, the Minister of Finance and Economic Planning, the Committee of Permanent Secretaries, religious leaders, private sector organizations, small business owners, farmers and the bankers association. The objectives of these meetings were to provide information on the concept of integrated development planning, to introduce the consultancy and its terms of reference, to receive feedback and to motivate persons to explore their role in the process, thus fostering commitment.

2.2.4 The sensitization strategy also involved the formation of special Reference Groups. The reference groups were small groups of persons who have been involved in making meaningful contributions of development concepts and ideas in the past. The ideas, proposals and reports were shared with these groups to gain the benefits of their experiences.

2.2.5 The culmination of the sensitization strategy was the Revalidation sessions. This consisted of community meetings, and discussions with reference groups, civil
society organizations, private sector organizations and international organizations, Cabinet and other political leaders, and officials of the public and private sector to present our proposal to stakeholders’ for comment and further guidance.

2.2.6 The community meetings were held in Portsmouth, La Plaine, and Grandbay. These townhall type meetings were broadcast on a local radio station with opportunity for live audience participation.

2.3 WORKSHOPS

2.3.1 Five Sectoral Workshops were held: Youth, Private Sector, Public Sector, Civil Society and Joint Sectoral. These workshops provided the opportunity for more focused and detailed discussions on vision, priority issues and recommended solutions. Workshop format included plenary presentations, small working groups and plenary discussions. A total of 656 persons were invited to the workshops.

2.3.2 A response rate of 35% was realized in respect of sectoral workshops. A gender analysis of participants reveals that 45% of attendees at workshops were women.

<table>
<thead>
<tr>
<th>WORKSHOPS</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector</td>
<td>Roseau</td>
</tr>
<tr>
<td>Youth Symposium</td>
<td>Roseau</td>
</tr>
<tr>
<td>Civil Society</td>
<td>Roseau</td>
</tr>
<tr>
<td>Public Sector</td>
<td>Roseau</td>
</tr>
<tr>
<td>Joint Stakeholders</td>
<td>Roseau</td>
</tr>
</tbody>
</table>

2.4 SURVEY INSTRUMENTS

2.4.1 Empirical information was obtained from the public sector and civil society through surveys, utilizing administered questionnaires. For the public sector component the survey was conducted in the Ministry of Agriculture and the Environment, the Ministry of Communications and Works and the Ministry of Community Development and Gender Affairs. The objectives of the surveys were to determine the public sector’s perception regarding its role, modernization of the sector, level of linkages inter, intra and extra ministerial, and its knowledge of reforms undertaken in the sector. (Refer to Annex D)

2.4.2 The survey of the civil society sector was conducted among organizations at the micro or village level and at national level. The objectives were to determine the state of organization of groups at those levels, their functioning and linkages. The fieldwork was designed and conducted with technical assistance and utilized a team of trained interviewers.
2.5 DOCUMENTATION REVIEW

2.5.1 The Team mounted an extensive review of documents relating to planning, development and participatory decision-making (Refer to Annex G). In addition, the IDP Team produced over 40 pieces of written documents (including 26 Discussion Papers – Annex A) in order to fully share with the public, the concepts, ideas and information that would form the basis for the Integrated Development Plan, the planning process and the Implementation Plan described in this Report.

2.5.2 This review was invaluable in many important respects including:

- Providing material, which spoke directly to the steps required to make the shift from the present practice in which planning and administration is often treated as the exclusive domain of the public sector, to an approach accommodating partnering with private sector and civil society;
- Identifying measures that were available (by way of draft legislation or manuals) present, but were subjected to undue delays endemic to the present approach to planning;
- Informing, the preparation of reviews and analysis of the economic situation in the country, and identifying prescriptions for remedial action that were consistent with an IDP approach.
- Assessing reports containing IDA-type approaches adopted by other countries that could possibly serve as best practices for the IDP.
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CHAPTER 3
PLANNING CONSIDERATIONS

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3.1 WHAT IS AN INTEGRATED DEVELOPMENT PLAN

3.1.1 The justification for the current trend towards an integrated approach to Development Planning is based on six (6) important precedents:

1. The declaration of the Global Conference on Environment and Development held in Rio de Janeiro (Brazil) in 1992 and the subsequent report, Agenda 21 Chapter 8 which promotes “adopting a domestically formulated policy framework that reflects a long term perspective and cross-sectoral approach as the basis for decisions, taking account of the linkages between and within the various political, economic, social and environmental issues involved in the development process” (Section 8.4 (b);

2. The declaration of the follow-up Conference on A Programme of Action for Sustainable Development in Small Island Developing States, held in Barbados in 1994, which endorses the need for prudent action in the use and management of islands’ resources to ensure sustainable development.

3. The publication in 1998 of several documents prepared by the staff of the OECS/NRMU describing development issues and constraints of the current planning and development activities in the OECS Member States. The proposals for an integrated approach to planning were presented for consideration as one path towards sustainable development. (See Box 1, Dr. Marylyn Morris, OECS-NRMU).

4. In 1998, the Government of Dominica commissioned the OECS-NRMU to prepare a study entitled “Institutional Arrangements for Integrated Development Planning for Dominica”. This was followed in 2000, with the Coalition Government resuscitating this initiative and with the support of the European Union launching the present assignment for “The Definition and Establishment of an Integrated Development of the OECS Planning Process” in Dominica.

5. In June 2000, Dominica, along with the other ACP States and the EU States became signatory to the Cotonou Agreement. This replacement of the Lomé Convention identified the preparation of a National Integrated Plan as a framework within the trade and aid elements of the partnership would be conducted.

6. In 2000 and again in 2002, the President of the World Bank proposed a comprehensive development framework as a planning tool for integrating economic, financial, social and environmental actions for development and for involving all sectors in the design and implementation of that process.
3.1.2 Dr. Marilyn Morris provides further guidance on the nature of Integrated Development Planning within the plethora of development plans. She advises that an IDP be “developed within a tiered plan system, with the IDP being at the highest level and providing strategic guidance to lower order plans, such as economic and physical plans, as well as sector/facet plans. This will ensure that the broad goals and objectives of each plan, at whatever level in the tiered system, will be in conformity with the guiding principles enunciated in the Integrated Development Plan”1 (emphasis added).

3.1.3 The new development planning structure as described in the Morris Report and adapted to the Dominica context, involves three tiers (Figure 3):

**Tier 1:** The IDP Process identifying 15 defined mechanisms for Inter-Sectoral coordination and collaboration and the development of institutional linkages among participating stakeholders

**Tier 2:** The Integrated Development Plan (IDP) providing strategic guidance for the design, integration and implementation of economic, sector and spatial/physical plans.

**Tier 3:** Preparation and implementation of economic, sector and spatial/physical plans.

3.1.4 In Tier 1 the political directorate initiates the preparation of an IDP and definition of an IDP process and implementation plan. The plan is expected to give strategic guidance to the preparation of lower order plans (Tier 3). For this to occur, action in Tier 2 will involve the establishment of an IDA Commission (Chapter 7) with the executive authority for implementation of the economic, sector and physical plans consistent with process and guiding principles of the IDP.

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1 OECS-NRMU Publication entitled: “An integrated Approach to Development Planning in the OECS Member States: Towards a Paradigm Shift”.
STAGE 1 - Preparation of an Integrated Development Plan

Setting Strategic Planning Goals/Objectives Based On Established Policies

FIGURE 3: The Integrated Planning Process (Preparation and Execution of Planning)

Tier 1

PLAN PREPARATION

Tier 2

INTEGRATED DEVELOPMENT PLAN
(REFLECT NATIONAL GOALS AND PROVIDES STRATEGIC GUIDELINES TO LOWER ORDER PLANS.
TIME FRAME – 5 YEARS

Tier 3

Implementation Unit
(Plan Preparation and Implementation)

Economic Plans

Spatial/Physical Plans

Sector or Facet Plans Micro-plans (Special Thematic)
Sub-sector Plans
Time Frame 1 – 5 years

PLAN IMPLEMENTATION

Implementation Units

NB All plans/projects/programmes to reflect economic, social and environmental concerns.
3.1.5 Currently, there are five specific sector/facet plans and programmes to which the IDP seeks to provide a strategic guidance. These include:

- The Economic Stabilization and Growth Programme
- The Eco-Tourism Development Plan
- The Agricultural Diversification Programme
- The Poverty Reduction Strategy (in process of compilation)

**Box 1: Issues & Constraints in Development Planning in the OECS**

“These pertinent issues and constraints in current planning and development activities in OECS Member States are identified as follows:

- Inadequate institutional capacities to effect the comprehensive planning and policy process as envisaged by an IDP Approach.
- Inadequate, inappropriate or non-existing legislative framework to legitimize the policy and planning process.
- The wide distribution of informal planning functions.
- Inadequate data bases and informational systems
- Lack of appreciation for the technical capacities and information resident in line agencies and the underutilization of available technical capacities in some instances.
- The misunderstanding of the roles of functionaries in the planning and development process.
- The absence of clearly defined strategic and Sectoral development policies in some instances, to give the planning development activities.
- The absence of National Strategic Development Plans reflecting national aspirations and providing the guiding principle for the preparation of Sectoral development plans.
- The absence of Inter-agency collaboration in policy research, analysis and formulation.
- The general absence of a policy support mechanism to inform the articulation of policies by the Political Directorate.
- The absence of explicitly stated strategic national development policies to guide the planning and development process.
- The general absence of approved Sectoral development plans to guide the development activities of both public and private sectors.

*An Integrated Approach to Development Planning
In the OECS Member States:
A Policy and Administrative Framework.*
*By Dr. Marilyn Morris
OECS NRMU. 1998*
3.2 ECONOMIC CONSIDERATIONS

3.2.3 Background

3.2.3.1 The most obvious factors that promote economic growth in Dominica are:

a) Foreign Exchange Earnings; originally from the Agricultural sector, with Tourism as a potential leading replacement and Manufacturing exports being supportive;

b) Investment expenditures; direct foreign investment and local private sector investments along with the Public Sector Investment Programme (PSIP);

c) Foreign Assistance; currently in terms of budgetary support to the PSIP for infrastructure development and for institutional capacity building.

3.2.3.2 Some of the requirements for sustaining growth in Dominica will include:

a) Education and Health status of the population

b) Human skills development

c) Vibrant domestic demand in construction, personal services, cottage industries

d) Efficient public sector administration

3.2.3.3 The overriding concern in Dominica has been the decline in economic growth. After growing at an average annual rate of 5.28% in 1986-90. The economic growth rate averaged 2.25% in the subsequent five years (1991-1995) In the last five years of the last decade (1996-2000) the average economic growth rate was 1.9%. Recent reports\(^2\) suggest that Dominica had experienced a decline in excess of 4% in real GDP in 2001.

\[\text{The leading Sectors have lost their economic dynamism.}\]

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\(^2\) Economic Stabilisation Programme for Dominica prepared by the Ministry of Finance & Planning, ECCB and CDB, March 2002. p.4
3.2.3.4 The traditional dynamism in the leading sectors has been significantly tempered. The Agricultural Sector, which has fuelled economic growth through the export of bananas, has been reduced from 38% of GDP in 1977 to 17.4% of GDP in 2001. The manufacturing sector makes a valuable contribution although based on the performance of one company. The Tourism sector weakened in 2000 (2% decline) and 2001 (1.3% decline) and for the first time in at least a decade, the number of stay-over visitors declined\(^3\). (Figure 2)

3.2.3.5 Central Government continues to experience difficulties in financing its recurrent expenditures, even in maintaining its past level of public investment. The overall deficit in the Government’s balance sheet stood at EC $62.4 million in 2001, which is the equivalent to 8.9% of GDP. Indeed, not only has the Government financial operations been in deficit since FY 1992/93, but external budgetary grants have become a part of financing recurrent expenditures since 2000. This has severely handicapped the ability of the country to promote economic growth.

3.2.3.6 From a Planning perspective, the above do not represent the full social and economic challenges facing Dominica. They are simply descriptions of the present-day conditions under which Dominica is forced to operate. To understand the economic and social challenges for Integrated Development Planning, the causes behind the fiscal deficits, stagnant growth potential, the fallout from the decline in bananas, and the need for a new planning approach would have to be analyzed.

### 3.2.4 Fiscal Adjustment

3.2.4.1 One of the central themes of the IDP approach is that fiscal adjustments must be accompanied by economic growth in order to be successful. There is an abundance of evidence to support this position. A most recent study\(^4\) confirming this strong link between public expenditure reform and growth concludes:

- Fiscal consolidation tends to have the most positive effects on growth when it leads to a reduction in domestic borrowing requirements of the government;
- When public investment is also protected, the positive effect of fiscal adjustment on growth is further accentuated;
- Fiscal adjustments that protect capital outlays are also more sustainable, that is, less likely to be aborted;
- The Fiscal adjustment-growth nexus is also influenced by a country’s initial fiscal conditions – in particular, whether a country has reached a certain degree of macroeconomic stability or not.

---

\(^3\) Comparison of Stay over visitors Jan – Sept indicate 51,714 in 2001 compared with 52,207 in 2000.

3.2.4.2 Before developing a strategy for economic growth the history of fiscal consolidations need to be understood. Economists usually speak of the Fiscal Policy Stance of the Government. This is measured by the overall budget balance (Total Revenues minus Total Expenditures) on a cash basis. A positive change in the budget balance is interpreted as a Consolidation and a negative change as an Expansionary Fiscal Policy Stance.

3.2.4.3 Having examined the status of the overall Budget Balance over the period 1981 to 2001 it was observed that in 17 of those years (80%), the political administration of that day ran a budgetary deficit. Budgetary deficits have increased from EC$3.5 million (FY82/83) to EC$19.5 million (FY90/91), to EC$60.0 million (FY00/01). There were only four (4) years in which the overall budgetary balance was positive. (Figure 3)

3.2.4.4 However, this simple approach would lead to the erroneous conclusion that there had not been any periods of successes at budget consolidation. The problem is that budget consolidation is a phenomenon that is defined in relative terms. Given the difficulty in closing the fiscal gap (stagnant revenue collection versus unyielding expenditures), specific rules have had to be introduced, in order to evaluate the experience at budget consolidation. For this purpose, a successful budget consolidation period in Dominica’s economic history has been defined by the Consultancy as one in which:

- The budget deficit is less than 2% of GDP or
- The budget deficit has been reduced by 1.5 percentage points from its previous level.

![Figure 3: Budget Consolidation: Success & Failures](source: CSO Statistics adjusted by TDI budget consolidation rules)
3.2.4.5 Using these rules, a clearer picture is obtained of the experience of Governments at budget consolidation, and surprisingly it does show some signs of success. An extended period of consolidation during the 1986-88, and then some attempts in 1992-93 and 1996-97, which appeared to have been abruptly aborted.

3.2.4.6 Examination of the reasons for the apparent aborting of the Fiscal consolidation stance reveals that a major factor has been that economic growth was not sustained during the period. This is the lesson for the future.

3.2.4.7 The real challenge is how to institute Fiscal Adjustment measures and at the same time promote economic growth. The theoretical framework for the present approach is simple. It is that all fiscal adjustment measures will affect short-run growth prospects through:
- Its effects on private sector behaviour and.
- Its direct impact on human and physical capital formation.

3.2.4.8 This means a change in the role of Government intervention in economic matters. Government has to show an explicit concern for the status of both the “Fiscal Balance Sheet” and the “Private Sector Balance Sheet”. So while the Fiscal Adjustment measures would require a reduction in the level of public sector intervention (reduced expenditures/increased taxes), Government also has to demonstrate sound management of the economy through policies to increase local business competitiveness and establish private sector priorities in the national agenda. The IDP seeks to provide a framework to integrate both of these approaches. (Figure 4)
3.2.5 Economic Growth

3.2.5.1 The impetus for growth in the economy has come from foreign exchange earnings, from exports and from national and foreign savings used as investment funds. Total domestic exports rose from EC$135 million in 1996 to EC$170.4 million in 1998. Thereafter, exports declined in absolute value to EC$123.57 million in 2001. To look at it another way, the export capacity of the economy in 2001 is at the 1987 level while the economy is 31% larger than in 1987. If Dominica had maintained the relationship between exports and the size of the economy, exports in 2001 should have been EC$161 million. Stimulating exports of goods and services through increased competitiveness of local production becomes a growth imperative.\(^5\)

3.2.5.2 The evidence is clear that the major sectors of Agriculture, Tourism and Manufacturing have not been providing very much “export-driven” growth incentives. Bananas, which has been the mainstay of agricultural exports, fell from $45.5 million in 1996 to EC$21.04 million in 2001. The main source of manufacturing exports, soap production had declined by 15.1% by 3\(^{rd}\) Quarter 2001 due to a fall in demand. In the Tourism sector, visitor expenditure was reported at EC$98.8 million in 1996 moving up to EC$112.3 million in 1999.\(^5\)

However, there is express concern for the fact that stay-over arrival, which accounts for about 86% of visitor expenditures, were running close to 1% lower by September 2001 as compared with the position in September 2000.

**Interpretational Issue: Savings**

3.2.5.3 However, before concluding that there should be an exclusive on stimulating exports, other sources of growth, and investment funds need to be examined. The savings-investment balance in the economy is another source of concern. The conclusion here is that foreign savings have played a more important part in funding investments than domestic savings and more reliance has been placed on Public Investment rather than Private Investment.

3.2.5.4 Foreign savings, as a percent of GDP, increased from 6% in 1998 to 11% in 1999 and to 20% in 2000. This means that foreign resources, whether obtained through bilateral aid and/or external sources of loans, are becoming by default a critical factor in economic recovery. Hence the importance of a clear and well-defined “Country Strategy”.

![Chart 1: Savings as a % of GDP](image)

**Interpretational Issue: Structure of Investment**

3.2.5.5 The structure of investments has also changed. Private investment declined from 24% of GDP in 1997 to 16.3% in 2000. Public investment increased from 6.6% of GDP in 1997 to 13% in 2000. The concern is that an increasing portion of the burden of investment for renewed growth is being shifted onto the public sector when the Government is finding it very difficult to raise investment funds.

3.2.5.6 If economic growth is truly a fundamental of the stabilization programme, then the programme cannot be based on foreign savings and public sector investments.

---

6 Central Statistical Office, Quarterly Economic Indicators, Third Quarter 2001.
3.2.6 Economic Planning

3.2.6.1 While Fiscal Adjustment is a clear-cut policy action, the actions to stimulate economic growth are not. Increasing private savings and decisions to invest are all endogenous outcomes of the optimizing behaviour of individuals. They decide, on the basis of their interpretation of the changes in the macro-economy, when and how to utilize their private resources in the pursuit of “growth objectives”. It is

---

7 The IDP identifies ten “extra-budgetary” programmes such as the Basic Needs Trust Fund, Banana Trust Fund, Social Recovery Strategy, Dominica Rural Enterprise Project (DREP), etc.
important that the planning and budget preparation process recognize this phenomenon.

3.2.6.2 The theoretical underpinnings of the Economic Planning are based on three principles that become even more acute in the light of recent experiences involving the lack of attention to the stipulation of public accountability: (Figure 7)

a) Transparency: particularly in expenditure policy and expenditure-control policy

b) Accountability: particularly in budgetary allocations

c) Inclusiveness: sharing information to ensure that all major economic actions form a coherent approach

3.2.6.3 The theory assumes that a coherence can be achieved between public sector investment and private sector initiatives when two conditions hold:

a) Public Sector initiatives (including the corporate plans of Ministries) find their justification in an integrated development plan which defines national priorities

b) The expectations upon which the private sector makes its investment decisions, are based on predictable public sector instruments and results.

FIGURE 7: SHARING OF RESPONSIBILITY FOR ECONOMIC PLANNING & THE BUDGET

THE SHIFTING PARADIGM

TRANSPARENCY
Expenditure Policy, Expenditure Control Policy

SEEKING JUSTIFICATION IN AN INTEGRATED DEVELOPMENT PLAN WHICH DEFINES NATIONAL PRIORITIES

PSIP

PREDICTABILITY IN INSTRUMENTS AND IN RESULTS

INCLUSIVENESS
Information Sharing: Are we all on the same page?

FINANCIAL TRANS-MEDIATION

ACCOUNTABILITY
Budget Accountability vs. Budget Accounting

ECONOMIC Stabilization

DEBT Management

CORPORATE PLANS OF MINISTRIES

TDI-IDP Project
3.3 SOCIAL CONSIDERATIONS

3.3.1.1 The social challenge of reducing the incidence of inter-generational poverty\(^8\) has taken on a new dimension with the fallout from the Banana Industry. During the period 1990 – 2000, 4,265 farmers ceased to earn income from the Banana Industry. The accumulated loss of income from the seven (7) production divisions throughout the country was EC$29.188 million (Table 2). The impact of this loss in banana farmers is estimated at 14,000 farm work opportunities\(^9\). This is not just a loss to the rural economy, agricultural workers and rural family households. It is also a loss to the national economy in terms of domestic demand.

3.3.1.2 What has been witnessed as a result of the banana industry decline is a situation in which upwards of 20% of the population, who previously were not poor, are now being pushed into consumption poverty by income losses and declining economic opportunities. (Refer to Annex A-6)

<table>
<thead>
<tr>
<th>Production Districts</th>
<th>1990</th>
<th>2000</th>
<th>Income Loss</th>
<th>%Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portsmouth/Blenheim</td>
<td>$4,901,498</td>
<td>$1,353,322</td>
<td>-$3,548,176</td>
<td>-72%</td>
</tr>
<tr>
<td>Calibishie/Woodford Hill</td>
<td>$6,369,661</td>
<td>$4,018,061</td>
<td>-$2,351,590</td>
<td>-49%</td>
</tr>
<tr>
<td>Wesley/Marigot N&amp;S</td>
<td>$8,081,904</td>
<td>$4,018,061</td>
<td>-$4,063,843</td>
<td>-50%</td>
</tr>
<tr>
<td>Carib Reserve/Castlebruce</td>
<td>$4,974,869</td>
<td>$2,277,056</td>
<td>-$2,697,813</td>
<td>-54%</td>
</tr>
<tr>
<td>Rosalie/ La Plaine</td>
<td>$5,860,118</td>
<td>$3,171,780</td>
<td>-$2,688,338</td>
<td>-46%</td>
</tr>
<tr>
<td>Belles/Layou/Carholme</td>
<td>$11,051,783</td>
<td>$2,761,912</td>
<td>-$8,289,871</td>
<td>-75%</td>
</tr>
<tr>
<td>Salisbury/Roseau/Grandbay</td>
<td>$5,801,863</td>
<td>$1,039,434</td>
<td>-$4,762,429</td>
<td>-82%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$47,041,696</td>
<td>$17,852,886</td>
<td>-$29,188,809</td>
<td>-62%</td>
</tr>
</tbody>
</table>

Source: Annual Reports 1990, 2000 and DBMC Production Statistics

3.3.1.3 Viewed from the level of the individual households, personal coping measures and informal risk management instruments will tend to break down, once this large adverse shock hits entire rural communities and remains unchecked. The threat of destitution and low-level survival, which the Social Impact Assessment Survey identified, forces us to interpret the fall-out from the current banana crisis as a catastrophe that can only be termed a financial/income meltdown (Annex A-5).

---

\(^8\) The persistence of poor living conditions through generations of siblings.

\(^9\) The Social Impact Assessment Survey reported that the 1995 ratio employment opportunities (temporary and permanent) per banana farmer is reported at 3.45
Interpretational Issue: Economic Exclusion

3.3.1.4 Economic exclusion becomes a challenge if the replacement-leading sector (Tourism) does not hold out the hope of involving such a large volume of citizens. When Banana was at its peak over 8,000 farmers enjoyed the surplus generated from that industry.

3.3.1.5 Simple statements about the expectations of economic growth will not combat economic exclusion. Agriculture must remain at the forefront of this battle to combat economic exclusion, because the greatest percentage of the people are involved in land-based activities. Thus an imperative of the IDP must be to restore Agriculture to its primary purpose, i.e., involving the ingenuity and innovation of its operators in producing healthy food for domestic consumption as well as for export. (Refer to Annex A-15)

3.3.1.6 However, there must be direct intervention to capture the benefits of growth by groups who may otherwise be left outside of the unfolding events. This is achievable by promoting job creation in both Agriculture and Tourism sectors, sustaining Domestic demand in rural area, promoting local area planning and rational Land utilization and supporting programmes aimed at reducing inter-generational poverty through skills acquisition and local economic opportunities. (Refer to Annex A-2, 9,10)
Final Report
On
THE DEFINITION & ESTABLISHMENT OF AN
INTEGRATED DEVELOPMENT PLAN
AND
PLANNING PROCESS

CHAPTER 4
SITUATION ANALYSIS

JANUARY 23, 2003
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*IDP Final Report submitted by The Development Institute:*

Volume 1

Chapter 4 – Situation Analysis
4.1 REVIEW OF THE ECONOMY

4.1.1 Performance of the Economy

4.1.1.1 In the last four (4) years, Dominica has experienced a continuous decline in the performance of the economy. In the 1986-90 period, the economy grew at an average rate of 5.28%. The average growth rate for the next five (5) years (1991-1995) was 2.25%. In the last five years (1997-2001) the average economic growth was 0.37%. The decline is steep and started in the last four (4) years:

- 2.77% in 1998
- 1.63% in 1999
- 0.17% in 2000
- -4.68% in 2001

4.1.1.2 All of the major productive sectors of the economy (Agriculture, Manufacturing, Construction, Distributive Trades, Tourism and Transportation) were in full decline by the beginning of 2002. The 3rd Quarter 2001 Economic Indicators of the Central Statistical Office confirmed the widespread nature of the contraction of value-added: in Agriculture had declined by 7.6% in 2001; revenue from bananas had declined by 31.7% over the corresponding period in 2000 and, total domestic exports registered a drop of 19.4%.

4.1.1.3 Manufacturing and Tourism also had declined: value-added in Manufacturing declined by 8.9% as soap production declined by 15.1%; Tourism value-added declined by 3% in 2000 and a further 1.3% in 2001. The number and value of construction starts decreased by 13.2% (2000) and 48.1% (2001) respectively, and the importation of construction material fell by 34.7% over the corresponding period.

4.1.1.4 It is not unreasonable to expect that Central Government operations would be seriously affected in a shrinking economy. Government expenditures tend to look like options when they are increasing and like entitlements when they are called upon to decline. This phenomenon is vividly reflected in the increase in the deficit on current account. In 1999, the current account deficit stood at

---

1 Table 1: Economic Stabilization Programme for Dominica, March 2002
2 Third Quarter 2001, Quarterly Economic Indicators, Central Statistical Office.
EC$6.4m, about 0.9% of GDP. In the subsequent year, 2000, this deficit increased to 2% of GDP (EC$14.3m), and continued to spiral upwards to 4.5% of GDP (EC$32.0m) in 2001. This implies an extremely tight cash crunch. The overall deficit in the Government’s balance sheet stood at EC $62.4 million in 2001, which is equivalent to 8.9% of GDP. This meant that external budgetary grants were not only financing capital expenditures, but were also needed to finance part of recurrent expenditures.

4.1.2 Fiscal Situation

The fiscal situation has deteriorated significantly over the last two years. Recurrent revenues declined from EC$211.5 million in FY99/00 to EC$204.2 million in FY00/01. At the same time, recurrent expenditures soared from EC$218.9 million in FY99/00 to EC$237.2 million in FY00/01. As a result, the current deficit on Government operations increased significantly from EC$7.4 million in FY99/00 to EC$33.0 million in FY00/01. (Figure 8)

![Figure 8: THE WIDENING GAP BETWEEN CURRENT REVENUES AND CURRENT EXPENDITURES BECAME A MATTER OF SERIOUS CONCERN](image)

4.1.2.1 There are two major concerns in the current fiscal crisis. The first is the composition of expenditure. The expenditure components of Government which attract attention are the fact that wages and salaries continue to exceed 50% of current expenditures; interest payments on both domestic and foreign debt continued to rise, from an average of EC$18 million annually over the period 1996-1999, to EC$41.478 million in 2000; and capital expenditures have all been largely funded from external grants. Resolving the issues of the composition of expenditures is essentially the matter of having the political will.
to enforce adjustments in the line-item expenditures and the administrative capacity to manage these adjustments.

4.1.2.2 The second concern is the erosion of confidence in the ability of Government to manage its debt obligations. The Conventional External Debt ranged between 43.7% of GDP (1997) to 46.8% of GDP (2001-September). However, new external debt in the form of Trinidad-bond type external debts (which are more costly) increased from 0.8% of GDP (1997) to 22.5% GDP (2001). When these are added, the ratio of External Debt/GDP rises from 52% in 1996 to 71% in 2001 (September).

4.1.2.3 The Conventional Domestic Debt ranged between 23% of GDP (1996) and 21% of GDP (2001-September). However Debt from arrears and overdraft has more than doubled in the same period, 7.2% of GDP (1996) to 18.7% of GDP (2001-September). When these are added the ratio of Domestic Debt/GDP increases from 30.5% of GDP in 1996 to 40% of GDP in 2001 (September). The result is that the burden of debt management almost doubled between 1999 and 2001.

(Figure 9)

---

3 All of the data on the Public Debt was obtained from the excellent work done by Alan Roe “Analysis of Public Debt” October, 2001
4.1.3 **Lagging Domestic Demand**

4.1.3.1 While the leading export sectors had begun to show some weakness in performance prior to 2000, by 2001 the problem had become evident even in those sectors that have been very sensitive to domestic demand. These sectors, Communications, Banking & Insurance, Wholesale and Retail Trade, Transport and Electricity & Water have usually shown some resilience to changes in GDP growth. During the periods 1977 – 1995 these sectors have remained relatively strong while national growth rates have fluctuated. In the period 1996-2000 these sectors began to show some weakness. They all recorded their lowest 5-year average growth rate over 23 years, with the exception of Electricity & Water. By 2001 all of these sectors, which are essentially supported by domestic demand, were in decline with the exception again of Electricity & Water. (Table 3)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total GDP</td>
<td>3.28</td>
<td>5.25</td>
<td>2.10</td>
<td>1.90</td>
<td>-4.68</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-0.89</td>
<td>3.69</td>
<td>-1.80</td>
<td>-0.17</td>
<td>-7.53</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.00</td>
<td>5.88</td>
<td>1.17</td>
<td>4.58</td>
<td>-8.98</td>
</tr>
<tr>
<td>Hotels &amp; Restaurants</td>
<td>-0.75</td>
<td>16.12</td>
<td>9.05</td>
<td>-1.10</td>
<td>-0.91</td>
</tr>
<tr>
<td>Government Services</td>
<td>4.50</td>
<td>2.18</td>
<td>0.60</td>
<td>2.53</td>
<td>0.56</td>
</tr>
<tr>
<td>Construction</td>
<td>8.44</td>
<td>9.93</td>
<td>5.59</td>
<td>0.41</td>
<td>-2.04</td>
</tr>
<tr>
<td>Communications</td>
<td>11.26</td>
<td>14.98</td>
<td>10.39</td>
<td>6.35</td>
<td>-1.97</td>
</tr>
<tr>
<td>Banks &amp; Insurance</td>
<td>6.91</td>
<td>6.08</td>
<td>5.47</td>
<td>2.14</td>
<td>-4.99</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
<td>4.37</td>
<td>8.56</td>
<td>4.32</td>
<td>2.92</td>
<td>-10.07</td>
</tr>
<tr>
<td>Transport</td>
<td>3.94</td>
<td>8.04</td>
<td>2.47</td>
<td>1.20</td>
<td>-11.00</td>
</tr>
<tr>
<td>Electricity &amp; Water</td>
<td>3.04</td>
<td>8.17</td>
<td>5.35</td>
<td>6.22</td>
<td>3.08</td>
</tr>
</tbody>
</table>

Source: CSO, Ministry of Finance 2001

4.1.3.2 This weakness in domestic demand has serious implications for Government’s Stabilization Programme. The Stabilization Programme of the Ministry of Finance & Planning observed that “Despite an increase in sales tax rate from 3.0 percent to 5.0 percent, revenue from sales tax grew by only 33.4 percent during the first nine months of 2001, which was below the projections made based on the increased rates”\(^4\). The document also states “there was a fall in imports and declines in the yields from import duties and consumption tax”\(^5\).

\(^4\) “Economic Stabilisation Programme for Dominica” prepared by The Ministry of Finance & Planning, ECCB and CDB. p.6

\(^5\) Ibid., p. 6
4.2 SOCIAL INFRASTRUCTURE

4.2.1 Public Investments

4.2.1.1 The population profile of Dominica suggests a population with a significant level of unmet basic needs and a high degree of mobility. According to the 1991 Census 37% of households relied on public standpipes for water, 25% had no toilet facility and 18% used kerosene for lighting. Migration between the two-census periods was estimated at 15,000 (Table 4).

Table 4: Social Profile of the Population

<table>
<thead>
<tr>
<th></th>
<th>1991</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>71,000</td>
<td>71,242</td>
</tr>
<tr>
<td>Households</td>
<td>20,000</td>
<td>24,041</td>
</tr>
<tr>
<td>Average Household Size</td>
<td>3.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Intercensal Migration</td>
<td>15,000</td>
<td>9,000</td>
</tr>
<tr>
<td>One Person Households</td>
<td>25%</td>
<td>N/A</td>
</tr>
<tr>
<td>Female-Headed Households</td>
<td>37%</td>
<td>N/A</td>
</tr>
<tr>
<td>Households relying on public Stand pipes</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Household with no toilet facility</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Household using Kerosene for lighting</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Poverty Assessment Report, Ministry of Health

4.2.1.2 The Government of Dominica has struggled to maintain a budgetary commitment to the social sector in excess of 11% of Central Government Current Expenditures. In the 2000/01 budgetary allocations, the share of Education was targeted at 16.1% and Health at 13% (Table 5).

Table 5: Share of Education and Health in Central Government Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FMO Target</th>
<th>1997/98</th>
<th>1998/99</th>
<th>1999/00</th>
<th>2000/01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education as % of Central Gov't Exp.</td>
<td>13.07</td>
<td>13.9</td>
<td>16.5</td>
<td>17.6</td>
<td>16.1</td>
</tr>
<tr>
<td>Health as % of Central Gov't Exp.</td>
<td>11.95</td>
<td>11.0</td>
<td>12.3</td>
<td>11.1</td>
<td>13.0</td>
</tr>
</tbody>
</table>
4.2.1.3 In terms of public investment in social infrastructure, this has been volatile due to the fact that the source of these funds has to a large extent been, from Foreign Assistance (Table 6).

Table 6: Public Investment in Social Infrastructure (US$ million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>$2.2</td>
<td>$7.7</td>
<td>$5.3</td>
<td>$14.6</td>
<td>$14.4</td>
</tr>
<tr>
<td>Health</td>
<td>$3.2</td>
<td>$3.7</td>
<td>$0.8</td>
<td>$2.6</td>
<td>$2.9</td>
</tr>
<tr>
<td>Community Development</td>
<td>$1.2</td>
<td>$2.4</td>
<td>$3.7</td>
<td>$3.6</td>
<td>$4.9</td>
</tr>
<tr>
<td>Housing &amp; Settlement</td>
<td>$2.9</td>
<td>$2.5</td>
<td>$2.1</td>
<td>$17.9</td>
<td>$7.1</td>
</tr>
<tr>
<td>Sports &amp; Recreation</td>
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<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1.3</td>
</tr>
<tr>
<td><strong>Total Social Infrastructure</strong></td>
<td>$9.5</td>
<td>$16.3</td>
<td>$11.9</td>
<td>$38.7</td>
<td>$30.6</td>
</tr>
<tr>
<td><strong>Total Public Investment</strong></td>
<td>$69.0</td>
<td>$39.2</td>
<td>$31.9</td>
<td>$74.4</td>
<td>$93.8</td>
</tr>
<tr>
<td>% of Public Investment</td>
<td>14%</td>
<td>42%</td>
<td>37%</td>
<td>52%</td>
<td>33%</td>
</tr>
</tbody>
</table>

4.2.1.4 In spite of the social expenditures in Health, Education and Public Utilities the consensus is that there still exists a great deal of poverty in many communities in Dominica. A study by Bonnerjea and Weir, while based largely on anecdotal evidence did identify several types/incidences of poverty. These included:

- Urban squatter poverty;
- Landless poor (30% of the households of Dubique are without any discernable source of income;
- Seasonal poverty in fishing villages;
- Depressed banana prices affecting farmer incomes;
- Small farmers moving out of the cash economy to the “food only” economy;
- Poverty in the Carib Territory.

4.2.2 The Health Sector

4.2.2.1 The health sector consists of the public sector and the private sector. Private health care services are generally curative in orientation and are largely unregulated except for registration requirements for doctors, nurses, pharmacists, and optometrists. In the private sector, there are also no requirements for the maintenance of quality of care standards. The Public Health sector provides curative, promotive, rehabilitative and preventative services. This sector bears the major costs for the provision of Health Services. (Figure 10)

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*Poverty Assessment, prepared for the Government of the Commonwealth of Dominic by Lucy Bonnerjea and Andrew Weir, Consultants, in collaboration with Mr. Eisenhower Douglas, Mr. Samuel Carrette, Sr. Jean Rufiange and Mr. Michael Murphy, members of the National Poverty Assessment Team. 1995/96*
4.2.2.2 During the period 1982 – 1985, significant reorganization of the health services was implemented with emphasis on the primary health care approach, decentralization, increased coverage of services, a multi-sectoral approach and social participation in health. This added a new dimension to the organization and delivery of services in the Commonwealth of Dominica.

4.2.2.3 This reorganization resulted in the formation of seven health districts each with a defined population, assigned staff and facilities, the formation of multi-Sectoral committees at village, district and programme management levels and increased utilization and coverage rates for all health programmes. These provide the institutional structure for effective participation of local communities and groups in the delivery of health services. Over the years there has been decline in functioning village health committees, but social participation in health has been maintained through various mechanisms such as district AIDS committees, village improvement committees, and healthy community programs.

4.2.2.4 The overall objective of the Health Sector is to promote wellness as an important resource for living and for full, effective participation in the economic and social life of the society. In terms of comparative health indicators, Dominica’s health system has done relatively well. In this respect however, there are some emerging social conditions that are making the IDP approach to Health more urgent. These include poverty and its attendant deprivation, the high rate of unemployment, particularly among youth, and female-headed households, drug abuse, alcoholism, suicides, homicides, domestic violence and societal violence. Important also, is the incidence of HIV/AIDS among the working population. (Figure 11) The emergence of chronic non-communicable diseases as major causes of mortality and morbidity has severely impacted the well-being of individuals and presented a challenge for the reorientation of health services, financing of health care and the empowering of individuals and the community to effect the necessary lifestyle changes.
4.2.2.5 The financing and delivery of health services are also of concern. The operations of the Ministry of Health require an annual budgetary contribution of approximately EC$30 million which is about 13% of total recurrent expenditures and some 5% of GDP. Government has attempted to utilize “user fees” to address the issue of cost recovery. In FY99/00 this effort yielded $1.6 million, not an impressive alternative to budgetary financing.

4.2.2.6 In spite of the fiscal implications, the strategic issues to be addressed in the Health sector are identified as:

- A greater emphasis on outreach and education consistent with the need to empower individuals for the adoption of healthy lifestyles.
- The consolidation of the performance of the primary health care system;
- The reorientation of health services, and restructuring of service delivery and improve the quality of care;
- A stronger emphasis on high risk groups like the elderly, adolescents and the pockets of poor under-served communities.

4.2.2.7 With the declining economic situation, the level of financing available to health has also been reduced (Table 6). When this situation is coupled with rising demands, the public sector’s ability to provide quality health services is severely compromised. The continued reliance on external funding sources for capital investments in health suggest the need for more effective mechanisms for greater cost sharing in health and the increased participation of all other stakeholders in the delivery of health care, including promotive and preventative services.

4.2.3 The Education Sector

4.2.3.1 Education commands about 11% of total expenditures in the national budget. In FY99/00 this amounted to approximately EC$39.9 million (Table 6). These are
expenditures on personnel, equipment and physical structures. A well thought-out Education Plan has been formulated. The plan also incorporates a series of key targets and goals for early childhood education; primary education; secondary education; tertiary and continuing education; library and information services; teacher education; and science and technology.

Education Requirements for the 21st Century:

The Education Plan provides several prescriptions to address the objective of producing citizens capable of an internationally acceptable level of performance in the 21st Century. This requires urgent attention to be given to the curriculum. Some of the key components of this theme of providing students with world-class knowledge can be summarized as follows:

- Technology to be used effectively to support student learning;
- The development of citizens with a strong sense of social responsibility underpinned by spiritual growth to be nurtured throughout the education system;
- A sense of empowerment through opportunities to adjust the local school curriculum to reflect the human resource needs of the specific area.

4.2.3.2 Education and youth skill development are a critical part of social development. Dominica suffers from a scarcity of trained teachers. Some 60% of teachers in primary schools and 64% in secondary schools are reported to be untrained. Also of interest is the observation that there exists a lower percentage of boys than girls in secondary schools. It was noted that policy for the sector is hindered by limited empirical research exploring links between gender-sensitive situations and performance at school as well as, post-secondary performance.

4.2.3.3 The strategic issues to be addressed in the Education sector include:

- Improving the quality of the teaching staff;
- Improving the achievement of students;
- Universal access to secondary education;
- Increased access to tertiary education;
- The consolidation and strengthening of tertiary education as represented by the State College.

4.2.3.4 The next level of concern has to do with the schools themselves. The priorities articulated are based on the need for schools to acquire increased autonomy and flexibility. The consequences of this for the Ministry of Education include releasing schools from the excessive supervision at central level and providing
them with strong supervision and support at district level. Once this feature is in place, it could provide the space for local communities to become involved in making adjustments to the local curriculum. Thus for instance, the Carib Community may be able to have Carib History and Carib architecture introduced into the schools in their community, without making such an adjustment system wide.

4.2.4 Housing and Settlement

4.2.4.1 The approach to shelter has always been viewed as the provision of housing. Budgetary constraints have effectively curtailed the desire for the public housing projects of the 70s and 80s. Housing is now treated as a private investment option and even this has been in decline in the recent past. In the last two years Dominica has witnessed the contraction of the construction sector. The number of construction starts in the 3rd Quarter of 2001 declined by 30.3% and the value of construction starts decreased by 83% over the corresponding period (3rd Quarter 2000).7

4.2.4.2 When shelter or housing is placed in the context of human settlements it opens up new opportunities for broader participation in the solution. Human settlement is one of the most difficult cross-cutting issues to address and remains largely unattended as resources for housing still do not automatically involve investments in health, employment, food security, disaster mitigation and social and economic risk management etc. It is also evident that insufficient attention is given to how these issues are treated at the local community and individual level as the planning concepts in this area do not necessarily revolve around issues of social and economic sustainability.

4.2.4.3 In the context of human settlements, a multi-disciplinary approach to data gathering and management will require attention if hazard vulnerability assessments and risk reduction strategies are to be incorporated into development planning decisions and into investment decisions by both public and private sectors. As such, vulnerability assessments and mapping for landslide, flood, storm surge/coastal risk are not yet available in a form that allows investors in tourism, agriculture and housing, to select sites, technology, materials and management systems. In general, planners, developers, homeowners as well as public sector managers do not have the skills needed to apply volcanic hazard vulnerability information to decisions on major infrastructure in the high impact zone in the South of the island. (Refer to Annex A-2,9)

7 Central Statistical Office, Quarterly Economic Indicators, Third Quarter 2001
4.3 INCOME AND WEALTH

4.3.1 Employment & Incomes

4.3.1.1 Employment and incomes not only reflect the status of the economy, but also demonstrate how such a status is translated in human conditions (Annex A-15). The latest Labour Force Survey (November 1997) puts the total labour force at 33,418 out of a population of 72,099. Out of this labour force 25,694 (14,560 males, 11,134 females) employed. This puts the unemployment rate at 23.1% and the dependency ratio at about 3. There are immediate planning implications in the labour statistics:

- Persons with primary education accounted for almost 66% of the employed while those with secondary education accounted for 17%;
- Almost half (49.6%) of employed persons had no occupational training;
- Most of the employed were in the private sector 44.3% and engaged in self-employment 31.9%;
- Overall, the highest portion of persons was employed in Agriculture (23.4%), with Wholesale and Retail in second place at (15.8%).

4.3.1.2 These statistics have implications for policy on higher education, strategies for skills acquisition, enterprise development and personal coping schemes. (Refer to Annex A-2)

4.3.1.3 The distribution of opportunities for employment within communities differs vastly. For instance, it has to be a concern to the people of the Parish of St. Patrick that the unemployment rate in that Parish is 45.9%, almost twice the national rate. There is also the more general concern that among the youth (15-24) the unemployment rate was 65%.

4.3.1.4 There is also the concern about the effects of the banana industry on employment and incomes in the rural areas. During the period 1990 – 2000, 4,265 farmers ceased to earn income from the Banana Industry. The accumulated loss of income from the seven (7) production divisions throughout the country was EC$29.188 million. The impact of this loss in banana farmers is estimated at 14,000 farm work opportunities. This is not just a loss to the rural economy, agricultural workers and rural family households. It is also a loss to the national economy in terms of domestic demand.

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8 The Social Impact Assessment Survey reported that the 1995 ratio employment opportunities (temporary and permanent) per banana farmer is reported at 3.45
4.3.2 Financial Services

4.3.2.1 The Financial sector has become one of the largest contributors to the GDP in Dominica with the comparative advantage of a better structure and more developed regulatory controls than the rest of the private sector. The main financial intermediaries vary in size, business diversity, sophistication and technology-intensity. The sector comprises mainly:

- Ministry of Finance (regulatory & Borrower)
- Central Bank (regulatory)- ECCB
- Chartered commercial Bank – Foreign branches (4) and indigenous (1)
- Development Banks (1)
- Finance Companies (1)
- Unit Trust (Mutual Funds) – Dominica Unit Trust Cooperation
- Hire Purchase Firms (Courts D/ca Ltd, J. Astaphans & Co. Ltd, Cimpex
- Pension Fund (Dominica Social Security)
- Insurance Companies (Life, General, Agents, Brokers)
- Credit Unions
- Micro business Lenders (National Development Foundation of Dominica)
- Eastern Caribbean Stock Exchange

4.3.2.2 The largest asset holders in the country, commercial banks, supply mainly short-term credit for trade and government, and mortgage lending. While banking and other institutions supply some other forms of credit, financing is especially lacking in two areas, term financing for all business, and financing for small business. The insurance companies have not made significant productive investment except for Government securities and bank deposits. ECCB has recently started an equity market with few listed companies and trading volumes are very low. Development of capital markets could improve the options for savers and investors although macroeconomic stability and safety of the banking system should continue to be ensured.

4.3.2.3 There has been some movement to liberalize financial systems. Protocol II, which amends the treaty establishing the Caribbean Community in the areas of rights of establishment, provision of services and movement of capital within CARICOM, has been signed by all member countries except The Bahamas, and Montserrat. This Protocol addresses the problem of Alien Landholding legislation and thus, when implemented, would open the door for the free movement of capital within the region, an important determinant of an integrated financial market. The changing global environment and the imminence of the Single Market and Economy call for an unleashing of competitive abilities along with technical and professional competencies to successfully overcome the challenges and take advantage of unfolding opportunities.
4.3.2.4 There is recognition of the complaints of the private sector companies concerning the lack of adequate corporate finance that is essential to doing business and investing for the future, including partnership with foreign interests. There is also concern regarding the banks' interest margin. To influence the market rate, ECCB announced a reduction in minimum interest rates on savings to 3% from 4% and its discount rate to 7% down from 10% effective September 1, 2002.

4.3.2.5 There are many challenges to accessing financing such as macroeconomic instability, weak legal, judicial and administrative frameworks and, limited client readiness to meet conditions for accessing finance. In effect, debt collection procedures and laws that obstruct foreclosure, with the intent to protect borrowers, actually hinder firms from getting credit and increasing cost. Small business and poverty-affected segments of the economy not only face these hurdles but banks have avoided lending to this group especially for productive purposes. However, the micro credit enterprise has been well served by NDFD, the Credit Union and specialized programmes of the EU and other donors.

4.3.2.6 The establishment of a Bankers' Association could constitute a platform for discussions about financial issues, the organization of activities of common interest to all members of the financial community and to enhance dialogue with the monetary authorities, public sector, private sector and wider society on financial sector-related policies and strategies. Financial institutions can enhance their contacts with capital providers such as EU’s financial support organizations, IFC and EIB. Linkages with other professional organizations within the industry such as DALU, Insurance Companies Association, CU League and the wider public institutions would also be considered necessary. (Refer to Annex A-12)

4.4 PLANNING INFRASTRUCTURE

4.4.1 Stakeholders-Public Sector

4.4.1.1 Surveys were conducted with the objective of canvassing the general public and the Public Service in connection with the following:

- Inter-ministerial cooperation
- The main customers served by selected Departments
- The perception by the general public of the Civil Service
- The perception by the Public Service of its role
- Participatory planning
- Relations with Ministers
- Work attitudes
- Suggestions for Departmental improvement
- Suggestions for delegation to local authorities
- Information technology and staff improvement
- Making the Public Service Commission more effective in staff appointments
- Improving Appraisal and assessment of staff performance

4.4.1.2 The results of the Surveys were as follows:

- 41% thought that the quality of their service could be improved, 35% thought it was useful to the public and 13% thought it was efficient;
- 20% perceived their role to be providing support to the general public and private sector, 20% thought it was to fulfill objectives in the mission statement/workplan, 16% thought it was to fulfill the duties of their job description and 12% thought it was to assist the Minister in implementing programs; (Refer to Annex D)
- 22% believed the public thought they had job security, 20% believed the public thought they were lazy and inefficient, 11% thought that the public saw them as being helpful;
- 19% recommended more effective hiring practices, 19% recommended increasing efficiency, 17% suggested computerization and systematization of work and 14% recommended restructuring through contracts instead of “for life” appointments.

4.4.1.3 Several issues of modernization were identified, including:

- Transforming the public service into a customer-driven institution;
- Encouraging innovation and initiative;
- Fostering rewarding careers for Public Servants;
- Greater interaction among departments within the Public Service;
- Civil Society and Private Sector respondents identified the transformation of the Public Service into a customer-driven sector as the key feature of a modern public service. Additionally, the Consultants concluded, based on their assessments, that there was need for greater involvement of staff in the preparation of mission statements, vision statements and corporate plans.

4.4.1.4 The Establishment, Personnel and Training Department through the Reform Management Unit, has spearheaded a number of change initiatives aimed at making improvements in the development of the Public Service. The Chief Personnel Officer and also the staff at the Reform Unit clearly demonstrate that they have the motivation to undertake this task. However, they lack the required equipment, tools, human resources and the authority to discharge their mandate. Also, important to the services of these initiatives, is a greater degree of success in persuading other Departments to undertake the necessary reforms. In this regard, the work of the reform unit represents a vital transition from the present structure of the public service to one, which can respond to the rigorous demand of modern economy and society. (Refer to Annex A-21)
4.4.1.5 The absence of clear and well-defined rules and regulations governing discipline in the Public Service contributes significantly to poor management practices in the Public Service. It is therefore considered of high priority that the draft of the Public Service Legislation and Public Service Regulations that have now been finalized should be promulgated.

4.4.2 Stakeholders—Private Sector

4.4.2.1 Persons in the private sector have identified several areas for urgent attention if that sector is to assume its full responsibility as a partner with the public sector and civil society for development. These are organisational, structural and administrative and include:

- Insufficient coverage and inclusion of private sector enterprises as members of registered organisations, in particular, the absence of agricultural enterprises and small and medium-sized service enterprises;
- The absence of a strategic plan for the sector that has been widely discussed and has broad acceptance and support of members;
- An image and statement of purpose that is unclear to the public;
- Inadequate facilities and expertise needed to maintain vital services to members in the area of information, negotiations and advocacy;
- The absence of institutional partnership management with the public sector and civil society often resulting in responses to national issues that are weak, ill timed or absent;
- An overall inability to influence policies and programmes that have far-reaching effect on the private sector.

4.4.2.2 The development of planning process remains exclusively in the domain of central government and is considered wholly inadequate since it does not satisfy the following:

- The participation of all stakeholders in design and implementation;
- The need to integrate economic, environmental, social, physical planning, spatial and other concerns into the planning process;
- Linking national planning with budgetary allocation system;
- Ensuring greater transparency and good governance;
- Increasing efficiency in use of natural built, financial and human resources;
- Ensuring greater multi-disciplinary and multi-sectoral collaboration.

4.4.2.3 The Private Sector believes that the following factors contribute to reducing the potential for economic development and good governance:

- Unpredictable external factors including challenges from economic globalisation and vulnerability to related external shocks and natural disasters,
The Party political structure and system is not conducive to continuity in development programmes;
- The structure, attitude, legislation and regulations in the public sector seen as a hindrance to effective decision-making;
- The slow pace of decision-making in the public sector, which increases costs and leads to inefficiencies in the production of goods and services by the private sector.

4.4.2.4 The private sector identifies the factors hindering productivity and trade as:
- Lack of knowledge on the part of private enterprises regarding Regional and International trade issues and the lack of involvement of private sector organizations in negotiations of relevant treaties (CARICOM, CET, NAFTA);
- Deficiency in the operationalization of copyright legislation, poor infrastructure and lack of incentive regime for the development of music, entertainment and other art forms as viable enterprises. Notwithstanding the existence of modern copyright legislation, there has been a lack of public education and ineffective enforcement;
- Labour laws that are not relevant to changes in the demands of new service industries. For example, Sundays are declared public holidays and attract overtime payment for work performed;
- Information technology services are being categorized as manufacturing and not service enterprises.

4.4.2.5 The Private Sector also expressed the concern that:
- The Tax system should be effective, transparent and equitable with the phased introduction of VAT after massive public consultation and education to include public-private sector and civil society in an IDP-styled process;
- There is also some degree of “crowding out” of private sector access to finance for investment considering Government’s heavy borrowing from the local financial system;
- General concern for the impact of an IMF structured program on aspects of economic recovery and growth.

4.4.2.6 The Private Sector also expressed concerns with regards to the high cost of services including:
- High port charges associated with excessive labour costs based on contract arrangements with port workers and operational inefficiencies of management systems;
- Performance indicators established for Statutory Bodies and Government owned and controlled institutions that do not ensure “level playing field”
treatment accorded to them by such agencies as DOWASCO, DEXIA, NCB, AID Bank, and NDC.

4.4.2.7 The private sector views the benefits from its participation in the planning process as follows:

- An opportunity to inform Government about their development needs;
- An opportunity to co-determine the national development direction;
- A mechanism through which to communicate with the political directorate and the administrative staff in pursuit of greater efficiency and output;
- A mechanism through which they can measure the performance of Government and its machinery can be monitored, evaluated and enhanced.

4.4.3 Stakeholders- Civil Society

4.4.3.1 There are some sixty (60) organizations, which comprise Civil Society groups in Dominica. They can be categorized along the following lines mostly for ease of reference:

- Trade Unions
- Community Based Organizations (CBOs)
- Non-Government Organizations (NGOs)
- Service Groups
- Cultural Groups
- Sporting Groups or Association
- Professional Associations

4.4.3.2 Discussions at District Community Meetings identified the most important development issues as:

- Empowerment of Local Government for more involvement in the development process;
- Sustaining the credibility of the National Integrated Development Planning process;
- Enhancing the efficiency and productivity in the public service as a more customer driven sector;
- Ensuring that people benefit materially from economic growth and development;
- Revitalizing the rural agricultural economy.

4.4.3.3 The Youth held a vision of a Dominica that is transparent, democratic, accountable and proud. They declared themselves as a vehicle and force for change. They saw the need for more consultation, accountability and coordination, while calling for higher, rigorous qualifications for entering Parliament and, closer linkages between people and parliamentary representatives. The youth wanted more practical and job-related education, the
fostering of more positive attitudes to work; implementation of a National Youth Service (see accompanying Project Briefs, Chapter 7), censorship of television in accordance with priceless values of family and community and continuing education after teenage pregnancy, substance abuse, violence, HIV-AIDS, productivity and cooperation. They were concerned about communities providing the right environment for family development.

4.4.3.4 In general, Civil Society groups identified their top priority issues as:

- The lack of mechanisms for sharing information;
- The lack of bottom-up mechanisms for planning, and decision-making, locally and nationally;
- The institutional weaknesses of civil society organizations;
- Financial and organisational sustainability of NGO’s and CBO’s;
- Public Education for IDP;
- The lack of mechanisms for making input to the budget process;
- Maintaining the momentum of the IDP process.

4.4.3.5 Their experiences stress the need for:

- Genuine partnerships and a successful IDP as the inspirational initiative that spurs Civil Society Organizations themselves to higher levels of organization, internal democracy and transparency;
- Institutionalisation of the IDP Process that would offer hope to much of Civil Society as the credibility and momentum of the process is seen as critical to the future of the sector;
- Public Education including the need for a better use of the media and, the development of creative alternative popular forms (of education) all geared at building general awareness about development, and specifically about the importance of participation, self-reliance and the IDP.

4.4.3.6 Both Communities and CBO’s and, to a significant extent, youth considered institutional strengthening of Civil Society and Private Sector organizations as vital to strengthening their capacity to make meaningful contributions to the IDP Process and implementation of the Plan.
4.4.4 Public Sector

Ministry Corporate Plans

4.4.4.1 The Corporate Plans and Mission Statements of the Ministries are an important part of the “Planning Infrastructure”. However, neither the Mission Statements nor the Corporate Plans appear to be well-reflected in the operational practices of Ministries. Effective management of Ministries through their corporate plans should mean three things:

- Effective management of Policy
- Effective management of Personnel
- Effective management of Programmes

4.4.4.2 The four major elements missing from an effective management of Ministries are:

- General Macro-economic Policy Framework;
- Strategic guidance for integrating action plans of different Ministries;
- Timely execution of externally funded programmes;
- Maintenance of a continuing work-plan and medium-term objectives;

**FIGURE 12: Ministerial Corporate Plans:**
*What is Missing from Management*

- Mission Statement
- Ministry CORPORATE PLANS
- Strategic Guidelines for Integrating Action Plans of different Ministries
- General Macro-economic Policy Framework
- Externally Funded Priority Action Plans
- Maintenance of continuing Work Plan and Medium-Term objectives
4.4.4.3 Very few of the Mission Statements and Corporate Plans of the Ministries imply criteria for an interface with other Ministries, the private sector and civil society. (Refer to Annex A-3)

- The social sector Ministries tend to make this more explicit as exemplified by the Ministry of Education. The Ministry of Health has also organized extensive sessions with civil society and to some extent, with the private sector on this basis. The Ministry of Community Development is generally oriented towards external consultations.

- In the case of the Ministry of Communication and Works, with responsibility for infrastructure, telecommunications, and housing, the intervention of the social partners is critical. This is so because the actions of the Ministry in all three areas have direct implications for the quality of life of the citizens of the society by impacting on many routine aspects of daily living.

- The Ministry of Tourism’s Mission Statement also requires review to reflect the significant role of the private sector and civil society in its mission objectives. Private Sector involvement in the crafting of the policy and mission of the Ministry and that of civil society is important. It is recognized that there was a level of engagement and consultation with the civil society in tourism, specifically to do with the Eco-Tourism Development Programme, a critical policy of the Ministry. Nonetheless, the Mission Statement needs to be redesigned to reflect the critical role of the private sector and civil society in the implementation of the activities associated with that programme.

- The new Ministry of Industry Enterprise Development and Physical Planning has not as yet produced its Mission Statement. This provides an excellent opportunity for sessions to be held with the private sector, and civil society, in the formulation of a Mission Statement that recognizes the significant role of the social partners in the design and execution of the portfolio responsibilities of that Ministry. This level of involvement in the planning through this ministry is even more significant in light of the increasing importance of the new services sector to the economy.

- The mission statement of the Ministry of Labour does not include provisions for participatory decision-making, consultation and accountability. Issues of national productivity, consistent work ethics and enterprising work attitudes remain largely unattended.
The Ministry of Finance and Planning does not have a Corporate Plan. From the point of view of “managing policy” this Ministry needs to distinguish its Ministerial plan from the general macro-economic planning function that it routinely undertakes.

4.4.5 Physical Planning

4.4.5.1 Planning for the maintenance of the physical resources is also particularly important for those whose livelihood depends on sectors such as Agriculture, Tourism, Housing.

4.4.5.2 The Commonwealth Secretariat has developed an index of vulnerability which is based on three dependent variables:

- The susceptibility of the major production structures to natural disasters;
- Export dependence;
- UNCTAD’s merchandise export diversification index;
- The overall size of GDP of the country.

4.4.5.3 According to this index, Dominica was ranked 6th out of the 100 countries analyzed in terms of overall Commonwealth Vulnerability Index. This means that Dominica is the most vulnerable state in the Caribbean overall.

4.4.5.4 The vulnerability of Dominica’s economy is constantly changing, reflecting both the longer-term direction of development and capital formation in the island and also the shorter-term shifts in the structure and composition of economic activity. Thus, although it may be argued that the decline in banana production reduces the level of exposure of agriculture to hurricane disasters, the emphasis on tourism increases vulnerability on the other side. This underscores the need for a well-planned and integrated approach to tourism development that would mitigate the vulnerability to disaster.

4.4.5.5 So when Hurricane Lenny tracked in from west to east in 1999, it did little damage to agriculture. However, extensive damage was done to coastal roads and some hotel facilities. In 1995, three storms affected the Eastern Caribbean:

- August 27 Tropical Storm Iris
- September 5, Hurricane Marilyn
- September 18, Hurricane Luis

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4.4.5.6 The accumulated effect of these storms was:

- Crop affected: 98% of bananas, 90% of plantains, 85% of vegetables, 71% of citrus trees, 55% of tree crops in general, 50% of root crops and 33% of coconut trees
- Banana losses valued at EC$64m.
- Root crop losses valued at EC$14.5m.
- There was a 225% decline in crop production and a 20% decline in agricultural output.
- Hurricane Luis alone destroyed 10 fishing boats and set back the completion of the Roseau Fisheries Complex by six months at an additional cost of EC$2m.
- Damage to hotel facilities (estimated at EC$5 million for Hurricane Lenny in 1999)

4.4.5.7 The key aspects for integrating the current Planning for infrastructure are:

- To build in a capacity to respond to cross-cutting and cross Sectoral elements of economic and social objectives in the design and construction of built facilities;
- To maintain a high level of transparency concerning options for integrated planning;
- To establish partnerships between sectors, that ensure safety, affordability and timeliness in developing physical infrastructure;
- To recognize the commitments of all stakeholders to sustaining and enhancing natural resource systems through partnership and decentralization of planning that is consistent with the new IDP process.