

**St. Vincent and the Grenadines – European Community**

**Country Strategy Paper**

**and National Indicative Programme**

**for the period 2002 - 2007**

The Government of St. Vincent and the Grenadines and the European Commission hereby agree as follows:

- (1) The Government of St. Vincent and the Grenadines, represented by National Authorising Officer Mrs. Laura Anthony BROWNE, and the European Commission, represented by Mr. John CALOGHIROU, Head of the European Commission Delegation in Barbados, hereinafter referred to as the Parties, held discussions in St. Vincent and the Grenadines and Barbados from October 2000 to August 2001 with a view to determining the general orientations for co-operation for the period 2001 – 2007. Mr. Stephen McCARTHY represented the European Investment Bank at these discussions.

During these discussions, the Country Support Strategy and an Indicative Programme of Community Aid in favour of St. Vincent and the Grenadines were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000. These discussions complete the programming process in St. Vincent and the Grenadines.

The Country Strategy Paper and the Indicative Programme are annexed to the present document.

- (2) As regards the indicative programmable financial resources which the Community envisages to make available to St. Vincent and the Grenadines for the period 2001-2007, an amount of € 5 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). The amount for the (B-allocation) referred to in Article 3.2 (b) is € 16 million. These allocations are not entitlements and may be revised by the Community, following the completion of mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects in support of the focal or non-focal areas of Community Assistance. The indicative programme under chapter VI concerns the resources of the A-allocation as well as uncommitted balances of former EDFs, for which no projects and programmes have been identified under the respective National Indicative Programmes (NIPs). It also takes into consideration financing from which St. Vincent and the Grenadines benefits or could benefit under other Community resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings, the B-allocation shall be triggered according to specific mechanisms and procedures and does therefore not yet constitute a part of the indicative programme.
- (5) Pending the entry into force of the Financial Protocol of the ACP-EC Partnership and within the framework of the present Country Strategy Paper and Indicative Programme, financing decisions for projects and programmes can be taken by the Commission at the request of the Government of St. Vincent and the Grenadines, within the limits of the A- and B-allocations referred to in this document and under the condition that sufficient resources are available under the general reserve of the eighth EDF. The respective projects and programmes shall be implemented according to the rules and procedures of the eight EDF until entry into force of the Financial Protocol for the Ninth European Development Fund. Corresponding amounts shall be provided as a supplementary allocation to the eighth EDF
- (6) The European Investment Bank may contribute to the implementation of the present Country Strategy Paper by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 3 (a) and 4 of the Financial Protocol of the ACP-EC Partnership Agreement.

- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Authorising Officer and the Head of Delegation shall annually undertake an operational review of the Indicative Programme and undertake a mid-term review and an end-of-term review of the Country Support Strategy and the Indicative Programme in the light of current needs and performance.

The mid-term review shall be undertaken within two years and the end-of term review shall be undertaken within four years from the date of signature of the Country Support Strategy and the National Indicative Programme. Following the completion of the mid- and end-of-term reviews, the Community may revise the resource allocation in light of current needs and performance.

- (8) The agreement of the two parties on this Country Strategy Paper and the National Indicative Programme, subject to the ratification and entry into force of the ACP-EC Partnership Agreement, will be regarded as definitive within eight weeks of the date of the signature, unless either party communicate the contrary before the end of this period.

Signatures

For the Government of St. Vincent and the Grenadines

For the Commission

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## ACROYNMYS

ACP	-	Africa Caribbean Pacific
ACS	-	Association of Caribbean States
CARIBCAN	-	Caribbean-Canada Trade Agreement
CARICOM	-	Caribbean Community
CARIFORUM	-	Caribbean Forum of ACP States
CBI	-	Caribbean Basin Initiative
CDB	-	Caribbean Development Bank
CDE	-	Centre for the Development of Enterprise
CET	-	Common External Tariff
CGCED	-	Caribbean Group for Co-operation and Economic Development
CIDA	-	Canadian International Development Agency
CSME	-	Caribbean Single Market and Economy
CSS	-	Country Support Strategy
DFID	-	Department for International Development
ECCB	-	Eastern Caribbean Central Bank
EC	-	European Commission
EDF	-	European Development Fund
EIB	-	European Investment Bank
EPA	-	Economic Partnership Agreement
EU	-	European Union
FAO	-	Food and Agricultural Organisation
FATF	-	Financial Action Task Force
FTAA	-	Free Trade Area of the Americas
GDP	-	Gross Domestic Product
GIP	-	General Import Programme
GNP	-	Gross National Product
IFAD	-	International Fund for Agricultural Development
KFAED	-	Kuwait Fund for Arab Economic Development
MTEs	-	Medium Term Economic Strategy
NAO	-	National Authorising Officer
NAFTA	-	North American Free Trade Agreement
NGO	-	Non-Governmental Organisation
OECD	-	Organisation for Economic Co-operation and Development
OECS	-	Organisation of Eastern Caribbean States
PAHO	-	Pan-American Health Organisation
PSIP	-	Public Sector Investment Programme
RNM	-	Regional Negotiating Machinery
ROC	-	Republic of China
WHO	-	World Health Organisation
WTO	-	World Trade Organisation

**PART A**

**Country Support Strategy**

## Executive Summary

The purpose of this Country Support Strategy paper is to provide a framework for EU assistance programmes under the 9<sup>th</sup> EDF. The framework is based on EU/ACP co-operation objectives, St. Vincent and the Grenadines's own policy agenda, an assessment of the situation in St. Vincent and the Grenadines, and the activities of other major donors in St. Vincent and the Grenadines. The framework concludes with the proposed EU response strategy and an Indicative work programme.

St. Vincent and the Grenadines, an archipelago in the Eastern Caribbean, consists of a string of small islands stretching southwards from St. Vincent for about 130 kilometres towards Grenada. St. Vincent and the Grenadines attained political independence from Great Britain on October 27, 1979.

<b>Population</b>	115,461 (July 2000)	<b>Population growth</b>	0.43%
<b>GDP per capita</b>	US \$ 2.600 (1999)	<b>Real GDP growth</b>	2 % (2000)
<b>Total landmass</b>	389 sq.km	<b>Unemployment</b>	22%

St. Vincent and the Grenadines is a small open economy, highly susceptible to exogenous shocks. Production is focussed on a narrow range of goods and services, most of which are exported while the country relies heavily on imports to satisfy demand for consumer and producer goods. The banana industry had been the main contributor to the economy with bananas being exported to Europe under preferential arrangements. Changes in the international trade milieu, globalisation, trade liberalisation, erosion of market preferences and shares, have all had a disproportionate impact on the local economy. Significant shifts in the domestic economy have occurred with agriculture, dominated by the banana industry, going through a period of restructuring.

The country's economic performance has been relatively good over the past decade with satisfactory economic growth, low inflation and an improved balance of payments situation. Growth however slowed in 2000 and 2001 largely as a result of the decline in revenue from tourism, manufacturing and construction activities.

### The EC Response

It is proposed that education should be the focal sector for its National Indicative Programme under the 9<sup>th</sup> EDF and in particular, support will be provided to secondary level education as follows:

**The 9th EDF A envelope -allocation € 5 million** is destined to cover the long-term development activities identified in the context of the response strategy, namely in the secondary education sector while 10% of the allocation is to be used for studies, audits and technical support in the area of regional integration, disaster prevention and monitoring.

**The 9th EDF B envelope -allocation € 16 million** is to be used for unforeseen needs such as emergency assistance where support cannot be financed from the Community budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse affects of instability in export earnings.

## **1 EU/EC CO-OPERATION OBJECTIVES**

In accordance with Article 177 of the Treaty Establishing the European Community, community policy in the sphere of development co-operation shall foster:

- The sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
- The smooth and gradual integration of the developing countries into the world economy;
- The campaign against poverty in the developing countries.

These objectives have been confirmed and reinforced in Article 1 of the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, which puts the main emphasis on the objective of reducing and eventually eradicating poverty. Co-operation between the Community and St. Vincent and the Grenadines shall pursue these objectives, taking into account fundamental principles laid down in Article 2 of the Agreement – especially the principle of encouragement of the development strategies by the countries and populations concerned - and essential and fundamental elements as defined in Article 9.

In their Statement on the European Community's Development Policy of 10 November 2000, the Council of the European Union and the European Commission determined a limited number of areas selected on the basis of their contribution towards reducing poverty and for which Community action provides added value: link between trade and development; support for regional integration and co-operation; support for macro-economic policies; transport; food security and sustainable rural development; institutional capacity-building, particularly in the area of good governance and the rule of law. The Statement also specifies that in line with the macro-economic framework, the Community must also continue its support in the social sectors (health and education), particularly with a view to ensuring equitable access to social services.

The Treaty establishing the European Community foresees that the Community and the Member States shall co-ordinate their policies on development co-operation and shall consult each other on their aid programmes, including in international organisations and during international conferences. Efforts must be made to ensure that Community development policy objectives are taken into account in the formulation and implementation of other policies affecting the developing countries. Furthermore, as laid down in Article 20 of the Agreement, systematic account shall be taken in mainstreaming into all areas of co-operation the following thematic or cross-cutting themes: gender issues, environmental issues and institutional development and capacity building.

The above objectives and principles and the national policy agenda presented in the next chapter constitute the starting point for the formulation of the present Country Strategy Paper, in accordance with the principle of national ownership of development strategies.

## **2 THE GOVERNMENT'S POLICY AGENDA**

The objectives of the new Government of St. Vincent and the Grenadines elected in March 2001, as stated in the 2002 budget address in November 2001, is to maximise the economic potential of the country in an effort to deliver higher and sustainable growth, eradicate poverty and reduce unemployment, and improve the general welfare of the population, within a framework of enhancing good governance. In an effort to adapt the country's small open economy so as to prepare for the challenges and opportunities arising from trade liberalisation and globalisation, the policy objectives in the medium term focus on accelerating the economic diversification process, increasing the level of exports and building the human capital by raising the educational attainment of the population. The education sector has been accorded a central role in the programme of development for St. Vincent and the Grenadines, which is seen as essential for the creation of the climate necessary to achieve higher levels of growth, thereby contributing to poverty reduction. Public sector reform is seen as an integral component of the medium term development strategy.

The Public Sector Investment Programme (PSIP) is the major policy instrument used by Government to achieve its economic development objectives. During the 1995-1999 period, actual expenditure on the PSIP ranged from a low of 3.7% of GDP to a high of 12.1%, with an implementation rate averaging 48%. In an effort to improve the implementation rate the Government, together with the OECS, is working on the implementation of an Economic and Social Policy Planning Programme. Of the €164.7 million Government programme planned for the 2002 fiscal period, €45 million is for the capital programme, of which, education absorbs 21.5%.

### **3 ASSESSMENT OF THE POLITICAL, ECONOMIC AND SOCIAL SITUATION**

#### **3.1 Political Situation**

St. Vincent and the Grenadines, an archipelago in the Eastern Caribbean, consists of a string of small islands stretching southwards from St. Vincent for about 130 kilometers towards Grenada. The country comprises of the largest island, St. Vincent, and 34 other smaller islands and cays. The main islands in this chain are Bequia, Mustique, Mayreau, Canouan, Union Island, Palm Island and Petit St. Vincent. St. Vincent and the Grenadines attained political independence from Great Britain on October 27, 1979 and inherited a Westminster Parliamentary Democracy system of government. Although the nation incorporates the mainland and 34 smaller islands, the system of Government is unitary. Local Government laws do exist. However, these systems are inactive and there are no provisions for local councils in the Grenadines.

The Head of State is Queen Elizabeth II, as represented by a Governor General. The Prime Minister, Dr. the Hon. Ralph Gonsalves, head of the Unity Labour Party (ULP) took power from the New Democratic Party (NDP) which had ruled for seventeen years, in the March 2001 elections. The ULP was formed through a coalition of the St. Vincent Labour Party (SVLP) and the Movement for National Unity (MNU). The main opposition party is the New Democratic Party (NDP). The unicameral House of Assembly has 21 members, with 15 elected representatives and 6 appointed senators. The Cabinet is appointed by the Governor General on the advice of the Prime Minister. Elections are held every five years.

St. Vincent is not considered to have significant problems with human rights or the protection of civil liberties, and freedom of speech and freedom of press is maintained. St. Vincent is a signatory to the Universal declaration of Rights; the International Convention on the Elimination of all forms of discrimination against women and the American Convention on Human Rights. Recourse to the death penalty still exists in St. Vincent though it is not frequently used. The Legal system is based on English common law as exercised by the Eastern Caribbean Supreme Court (based in Saint Lucia); two judges of the Supreme Court reside in St. Vincent. Provision is made for appeal to the Privy Council in London. However, a Caribbean Court of Justice (CCJ) is being proposed, and is intended to replace the function of the Privy Council. The CCJ is not expected to be operational before 2003. St. Vincent and the Grenadines does not support the abolition of the Privy Council at this time. It thus has joined the CCJ in its original jurisdiction for the CARICOM Common Single Market and Economy (CSME). St. Vincent and the Grenadines is a member of the Organisation of Eastern Caribbean States (OECS) and of the Caribbean Community (CARICOM). It is also one of the 25 members of the Association of Caribbean States (ACS) created in July 1994.

#### **3.2 Economic overview**

##### **3.2.1 Economic Structure**

St. Vincent and the Grenadines is a small open economy, highly susceptible to both external economic shocks and natural disasters. Agriculture, dominated by banana production, is the most important sector of this lower-middle-income economy. The services sector, largely based on a growing tourism industry, is also important. The government has been relatively unsuccessful at introducing new industries, and a high unemployment rate persists. The continuing dependence on a single crop, bananas, represents the biggest obstacle to the islands' development; tropical storms wiped out substantial portions of crops in both 1994 and 1995. Recent growth has been stimulated by strong activity in the construction sector and an improvement in tourism. There is a small

manufacturing sector and a small offshore financial sector, the laws governing which have caused some international concern. The agricultural sector accounts for approximately 12% of GDP, wholesale and retail trade 17.7%, Government services 15.4%, and manufacturing 6.2% (2000 figures). In 1998 St. Vincent and the Grenadines received €50.7 million in economic aid of which, €36.8 million was from the European Union.

### 3.2.2 Trade

St. Vincent and the Grenadines' main export partners are the Caricom countries (49%), UK (16%), and US (10%) while its main import partners are the US (36%), Caricom countries (28%), and the UK (13%). In 2001 exports to EU countries amounted to € 153 million and imports from EU countries to € 123 million. The principal products for export are bananas (39%), eddoes and dasheen (taro) and arrowroot starch. In 2001 Bananas represented 14% of its total exports to the EU. St. Vincent and the Grenadines' main imports are foodstuffs, machinery and equipment, chemicals and fertilisers, minerals and fuels. In 1998 exports accounted for €1 million and imports €92 million.

### 3.2.3 Recent Economic Performance

The economy of St Vincent and the Grenadines grew by 2.9% per annum on average during the 1990-1999 period with a high of 5.5% experienced in four of those years, attributable to increases in agricultural output (bananas), expansion in construction and combined services sector. Over the past decade, banking and public utilities have showed above average growth rates, followed by the hotel and restaurant sub-sector. In 2000, economic performance, as measured by real GDP growth, was 2%, reflecting a general economic slowdown and a contraction in the construction sector as major public sector projects were completed. Preliminary data indicate that growth increased marginally in 2001 with real GDP estimated to be 0.2 per cent. This reflects the impact of a severe drought on agriculture and the drop off in tourism, which partly resulted from the events of September 11.

Inflation has been well under control at less than 2% in 2000 and 2001. The competitiveness of the economy however has deteriorated, particularly in relation to the European Union, as a result of exchange rate developments.

Savings generated on the current account will be used to complement funds from other sources to finance the Public sector Investment Programme (PSIP). The PSIP will continue to be the means by which Government will set the framework for private sector development. Public sector savings are projected to be between 8-10% of GDP in the medium term, generated largely by continued fiscal prudence by Central Government, strengthened administrations in the major revenue collecting departments, improved efficiency in the operation of state enterprises and increased economic activity. In 2001 the PSIP was estimated at €23.8million. Preliminary indications are that the PSIP will increase to €36.9million in 2002, largely on account of major public sector investments in the transport and communications, energy and social services sectors.

### 3.2.4 Fiscal Performance

Central Government's fiscal operations weakened in 2000 as a result of the slowdown in economic activity. Public Sector current Savings declined from 6% of GDP in 1999 to 5% of GDP in 2000 but are estimated to have recovered to 6.1% in 2001. Central government savings declined by 1.3% of GDP in 2000 to 2.2% of GDP and were expected to remain relatively unchanged in 2001 as a result of expenditure restraint and revenue enhancement measures. The shortfall of savings for both the Central Government and the Consolidated Public Sector is estimated to be about 0.5% for 2001. Central government current expenditures rose by almost 2½ percentage points of GDP over the 1999 to 2001 period to nearly 28% of GDP, whilst revenue rose by 1½ % over the same period. Total public sector debt is estimated to have risen from 68% of GDP in 2000 to 73% of GDP in 2001, the increase being linked to the conversion of bank overdrafts into longer-term government guaranteed debt. Public and publicly guaranteed debt is projected to increase over the medium term by 9.1%.

This is largely due to borrowing by Central Government for airport development on mainland St. Vincent and water improvement on the Windward side of the island.

### 3.2.5 Monetary Performance

Monetary policy in the Eastern Caribbean is centralised under the Eastern Caribbean Central Bank (ECCB) where the focus of the policy is to maintain a strong Eastern Caribbean dollar so as to provide a degree of certainty to the economic policy environment. The Eastern Caribbean dollar has been pegged to the U.S. dollar at the rate of EC\$2.70 since July 1976. The Eastern Caribbean Securities Market (ECSM) was launched in October 2001. It is expected to concentrate on the development and delivery of aspects of the Money and Capital Markets Development Programme, a joint undertaking between the ECCB and Member Governments of the Bank.

The liquidity position of the commercial banks has remained more or less unchanged. Reduced activity in the productive sectors and an increase in the Net Foreign Assets position in the country have led to the weak demand for credit.

### 3.2.6 Balance of Payments

The deficit on the current account of the Balance of Payments was 8% of GDP in 2000, as compared with 22% in 1999. This reflected the drop in construction related imports as activity in the construction sector slowed by 9.9%. The current account deficit is however expected to rise again in 2001 to 16½ % of GDP as a result of the sharp decline in banana export volumes, a recovery in imports, lower tourist receipts and lower remittances owing to the recession in North America. The improvement of the balance of payments over the medium term will depend on the exports situation, in particular, bananas, agro-processed manufactured goods, and tourism

## 3.3 Sector Priorities

### 3.3.1 Agriculture

Agriculture, and predominantly the banana industry, has been and continues to be the leading sector in the economy and is a significant source of income and employment generation, particularly in rural communities. The contribution of the sector to GDP is approximately 10.6%. The banana industry, benefiting from preferential trading status in the European Market, provide significant value added. In 2000, agriculture registered an increase of 6.6% as compared with a 3.8% decline in 1999. Growth was fuelled by an increase in banana output and an increase in the production of fruits, vegetables and root crops. In 2001 however, the country suffered from severe drought, leading to a consequent drop in banana exports. The overall decline in agriculture over the past decade has led to an increase in unemployment and poverty and has exacerbated other social problems associated with rural migration. The emphasis on banana commercialisation and agricultural diversification is thus greater than ever.

St. Vincent and the Grenadines has little option but to restructure its banana industry in an effort to streamline the operations of the Banana Growers Association (BGA) and WIBDECO (Windward Islands Banana Development and Exporting Company) in an effort to increase operational efficiency, reduce costs, meet market requirements and deliver improved prices directly to the growers. The Banana Industry restructuring Bill, approved in October 2001, goes some way towards meeting these objectives by providing incentives to farmers to increase productivity and product quality. Additional measures include on-going projects such as the national irrigation project funded by the EU.

Non-banana agricultural production has increased with St. Vincent and the Grenadines becoming the main supplier of arrowroot flour to Canada and the US while the export of dasheen and eddoes has also been on the

increase. In 1998, earnings from this sector increased by 6.3% to € 13.9 million. There is to be continued focus on the improvement of market access and feeder roads in an effort to enhance the fruits, vegetable and crop sector.

In the fisheries sector, value added has increased with fish landings averaging approximately 906,000 kg. A recent mission from the EU to inspect the conditions of the St. Vincent and the Grenadines Fish Market led to an unfavourable assessment for failing to meet EU health requirements. The Government has undertaken to address the physical and institutional infrastructure so as to meet some of the shortcomings highlighted by the EU inspection team.

### 3.3.2 Services

Tourism, as measured by the hotels and restaurant sub-sector, accounts for approximately 2.4% of GDP, growing by 6.3% in 2000, as compared with 9.1% in 1999. Additionally it is a substantial employer of labour and contributes significantly to Government revenue. It is estimated that tourism, in value added directly and indirectly, contributes about 25% of GDP. Tourism is highly vulnerable to political and socio-economic conditions in both the source and host countries and in the first nine months of 2001 visitor arrivals had declined by 5.7%, compared with the same period the previous year, attributed to the unfavourable economic climate globally. The Government intends to actively promote and develop the tourism sector whilst creating linkages with other sectors including environment and agriculture. A Tourism Development Plan has been established for the development of the tourism industry over the coming five-year period.

In the services sector, higher growth rates in value added were recorded for the communications sector (8.2%), electricity and water services (7.5%), and government services (4.1%) in 1998. Increasing attention is being devoted to the development of the informatics sector.

### 3.3.3 International Financial Services

The financial services sector was identified as one of the key elements in the economic diversification strategy of St. Vincent and the Grenadines. The sector suffered a serious set back however when in 1998 the OECD listed St. Vincent and the Grenadines as one of the countries engaged in Harmful Tax Practices. In a further OECD report presented in 2000 St. Vincent and the Grenadines was identified as an uncooperative jurisdiction. In particular St. Vincent and the Grenadines was identified as having a low quality of supervision and a low level of cooperation with other jurisdictions. St. Vincent and the Grenadines has since introduced legislation to improve the Offshore Authority's regulatory and supervisory framework and is currently engaged in the IMF/World Bank Financial Sector Assessment Program (FSAP) whilst the Eastern Caribbean Central Bank (ECCB) has been enlisted to monitor its offshore banking sector. The Government has ratified the relevant international conventions including the convention on the suppression of the financing of terrorism and is expected to introduce the legislation necessary to give effect to these conventions. In February 2002, following the latest assessment by the Financial Action Task Force (FATF), St. Vincent and the Grenadines was removed from the list of uncooperative countries. At the end of 2001, St. Vincent and the Grenadines had registered 10,075 international business corporations, 896 trusts, 38 banks, 35 registered agents, 5 mutual funds and 1 insurance company.

### 3.3.4 Private Sector Investment

In an effort to stimulate private sector investment, many changes were made to the Incentive and Regulatory regime, which include the liberalisation of the exchange and trade regimes, fiscal incentives, and a revised tax system.

#### *Manufacturing & Processing*

The manufacturing sector, dominated by the production of milled rice, flour and animal feeds, experienced its fourth year of decline in 2000 falling by 14.1%. The sector's contribution to GDP now stands at 5.8% of GDP as compared with 8.2% in 1995. The emergence of the North American Free Trade Agreement (NAFTA) and the prospective Free Trade Area of the Americas (FTAA) are expected to place additional pressures on the sector as Caribbean Basin Initiative (CBI) advantages disappear. In an effort to boost the sector, the Government has established a Small and Medium Enterprise Development Unit and a financial facility for micro-enterprises has been provided through the National Commercial Bank, intended to supplement funds available from the National Development Foundation (NDF).

### **3.4 Social Sector**

St. Vincent and the Grenadines is the poorest country in the Eastern Caribbean with a poverty headcount index of about 37.5% and an estimated unemployment rate of 22%. According to the UNDP Human Development Report for 1998, St. Vincent and the Grenadines is ranked 79 out of 174 countries on the basis of literacy, school enrolment, life expectancy at birth, and per capita GDP. Being one of the major growers of marijuana in the OECS, illegal drug and substance abuse and production are an important issue.

#### **3.4.1 Poverty Reduction**

A Caribbean Development Bank funded poverty assessment, completed in 1996, revealed that 37.5% of the population were poor while 25.7% of the population were indigent<sup>1</sup>, the percentages being higher in rural areas. In general, in households estimated to be poor, more heads of household were female. These households displayed lower levels of education and training, particularly in the higher levels, with less than 20% of the lowest quintile achieving higher than primary level education as compared with 50% of the highest quintile. It was also found that rural communities are less well provided for with secondary education facilities than were urban communities. Economic stress and poverty conditions have led to an increase in the informal sector and to the sharing of employment resulting in a situation of under-employment rather than unemployment. It is estimated that three out of every ten workers are engaged in informal sector activity. Remittances continue to have major importance in the country with 17% of poor households receiving regular contributions either in cash or in kind from persons outside the country. 43.8% of households reported recent migrations among members of the household.

Since its appointment, the new Government has created a Ministry of Social Development and Family and a Social Recovery Programme is currently being devised in conjunction with the EC and the OECS. Other programmes aimed at tackling poverty in St. Vincent and the Grenadines included the Basic Needs Trust Fund (CDB), the Youth Empowerment Programme, the Social Outreach Programme and the Poverty Alleviation Fund. It is estimated that the Government will spend €61.5million on measures designed to reduce poverty.

#### **3.4.2 Health**

The health situation in St. Vincent and the Grenadines is good as reflected by a life expectancy of 73.4 and a low level and declining infant mortality rate. Communicable childhood diseases have been virtually eliminated by a comprehensive immunisation programme and improved access of the population to sanitation and the provision of safe water. The last few years however have seen an increase in the number of cases of lifestyle related diseases, including HIV/AIDS. The reported level of HIV/AIDS is low. On a regional level however, the HIV/AIDS epidemic is spreading alarmingly. Consequently a key objective for St. Vincent is to put in place more effective HIV/AIDS prevention programmes. There is a good system of primary health care with 39 health centres servicing approximately 3,000 persons and 5 small rural hospitals. The health centres are linked to the

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<sup>1</sup> The study used the approach to the measurement of poverty employed by the World Bank, which imputes for non-food elements by taking the average spent by the poorest 40% of the population on these items. The sum of the values of the minimum foods requirements and non-food elements constitute the poverty line.

Kingstown General Hospital, the centre for secondary health care. Even though family planning services are widely available, teenage pregnancy remains high. Budgetary provision for health is about 12% of recurrent expenditure, with one-third of this allocated to the Kingstown General Hospital. Government are currently looking at the possibility of introducing a national health insurance scheme.

### 3.4.3 Education

There exist sixty-five primary schools, of which four are private. At secondary level ten of twenty-one schools are totally Government operated with the remainder run mainly by religious denominations and receiving financial assistance from Government. Tertiary technical and vocational education is provided at the St Vincent technical College and the Technical Education Center. There are five Multi-Purpose Centers designed to cater for children who do not enter secondary school. Adult literacy at 96% is relatively high. In the past much Government attention has focussed on primary schools. The emphasis is shifting to the provision of places at secondary schools as only 44% of primary schools students are being absorbed into the secondary school system. Teacher training remains an important issue.

In the 2002 estimates, the Government has allocated 21% of the capital budget to education whilst over 20% of the recurrent budget is expected to go towards education. This reflects a 3% increase in both budgets over the 2001 figures. The Government has acknowledged the sizeable outlays made in the education sector in the past have not always been commensurate with returns. This is something the Government is expected to address in the immediate future.

### 3.4.4 Gender

National data reveals that there are significant gender differences across the entire country with the participation rates for women lower than that for men. Women constitute approximately 17.5% of the economically active population. Households headed by women constitute nearly 40% of the total and are among the poorest of the population. The unemployment rate among women is considerably higher than that for males. Participation of women tends to be limited to the traditionally female service and commercial sectors of the economy such as trading. As with other countries in the Caribbean however, female participation in the education system has been increasing with females displaying higher success rates than males.

The Government of St. Vincent and the Grenadines ratified the 1979 UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). A Women's Desk was established in 1984, which was later upgraded to a Department of Women's Affairs. The Department is closely associated with the National Council of Women and many non-governmental organisations which work with women. Among the Department's priorities are the education and training of women, a reduction in teenage pregnancy, an improvement in the status of women in agriculture and an increase on the involvement of women in politics. The civil service in St. Vincent and the Grenadines is predominantly male. There are sixteen civil servants at the level of permanent secretary and above, six of whom are women while at a Cabinet level there are three women.

## 3.5 Environment

The Government of St. Vincent and the Grenadines acknowledges that the preservation of the environment is necessary for sustainable development, through the effective management and utilisation of scarce resources. During the 1998-2000 period, the draft National Physical Development Plan was completed. This, together with the National Environmental Action Plan, which is currently being updated, is expected to provide the foundation for environmental planning and management. Among the main environmental issues facing St. Vincent and the Grenadines are solid waste management, drainage and lack of adequate toilet facilities especially in the poorer communities, land use planning, reforestation, water shed management, squatter settlement control and protection of agricultural lands. Of the 14 water sources in the island, only 5 are in excellent condition, while 6 are in unsatisfactory condition. Nine of the catchment areas are threatened by agro-chemicals, and eight by erosion resulting from improper land use practices. In an effort to address these some of these issues, a solid

waste management project (part of which is the finalisation of the National Solid Waste Management Plan) and a water treatment project began in the 1998-2000 period and a coastal resources mapping project and community based watershed management project were completed.

Energy: In November 2001 St. Vincent and the Grenadines signed the Caracas Energy Agreement under which the Venezuelan Government offer concessionary financing for fuel purchases.

### **3.6 External Environment including Regional Co-operation Arrangements**

#### **3.6.1 International Context**

The Caribbean region is currently facing huge challenges on the external front as it grapples with the effects of globalisation and international trade commitments under the World Trade Organisation (WTO) alongside pressures arising from economic groupings such as the North American Free Trade Agreement (NAFTA). Following the adoption of the Doha Development Agenda (DDA), in November 2001, the European Commission will increase Trade Related Development Assistance and Capacity Building to developing countries. The European Commission is committed to conclude the DDA trade round by the end of 2004. The system of preferences enjoyed by Caribbean bananas in the EU market has been successfully challenged by the United States and is to be replaced while further access by Latin American countries to North American markets through the establishment of the Free Trade Area of the Americas (FTAA) promises to erode even further, preferences from the CBI (Caribbean Basin Initiative) and CARIBCAN (the trade agreement between the Caribbean and Canada). Preferential access of the commodities produced by the ACP countries to the EU will be restructured in the context of the WTO-compatible ACP-EU Economic Partnership Agreements envisaged under the Cotonou Agreement, which will progressively eliminate barriers to trade between the parties and enhance cooperation in all areas relevant to trade. Negotiations on the Economic Partnership Agreements are expected to commence in September 2002.

#### **3.6.2 Regional Co-operation**

On the regional front, St. Vincent and the Grenadines is a member of the OECS (Organisation of Eastern Caribbean States), CARICOM (the Caribbean Community) and the Association of Caribbean States (ACS). CARICOM members are in the process of establishing a Common Single Market and Economy (CSME) that will include not only a fully functioning common market, but also the harmonisation of macroeconomic policies and eventual monetary integration. The new regional trade arrangements are expected to be finally in place by 2005 alongside those of the FTAA and WTO. The ACS, established as a mechanism for consultation, cooperation and concerted action, brings together all the countries of the Caribbean Basin (the sovereign states of Central America, CARICOM, Cuba, Colombia, Mexico and Venezuela) with an overall population of some 200 million. Together they have pledged their commitment to strengthen cooperation in trade, tourism, transport, the environment, language training, and cultural cooperation.

Within the context of liberalisation, St. Vincent and the Grenadines' national trade policy, largely guided by that of CARICOM and the OECS, focuses on forward looking, outward oriented trade policy reform programmes geared towards the gradual removal of protectionist measures. The government has made considerable progress in liberalising its trade regime by reducing both tariff and non-tariff barriers. In keeping with its obligation to CARICOM, the government has implemented the final phase of the Common External Tariff (CET). This measure will bring the Customs tariff down to a maximum of 20% for all imported goods.

In order to secure markets for its exports the Government's strategy is to negotiate CSME/WTO compatible agreements with its trading partners. Towards this end, the Government is highly supportive of, and actively participates in the work of the RNM (Regional Negotiating Machinery) a body financed by Caribbean governments to help them prepare for the various trade negotiations.

### **3.7 Future Challenges and Prospects**

The medium term challenges facing St. Vincent and the Grenadines is to generate faster economic growth to reduce poverty and unemployment, improve the efficiency of the implementation of the Public Sector Investment Programme and to increase the level of private sector investments. Growth prospects of the country shall depend on the acceleration of the economic diversification process through an increase in agricultural output, continued expansion in the tourism industry and other service sectors, and an increase in manufacturing output, with special emphasis on small businesses.

In 2000, the economic performance of St. Vincent and the Grenadines was relatively poor with real GDP growing at a rate of 2.1% as compare with the 4% growth realised in 1999. It is projected that real GDP growth will have declined again in 2001 but is expected to pick up in 2002. The areas fuelling the growth in 2002 are expected to be agriculture, construction, manufacturing and tourism and other services.

One of the greatest inequalities, which currently exist in St. Vincent, is that of access to secondary school as determined by the low number of places available. Those who fail the Common Entrance Exam (CEE) are left in the senior class of primary schools where they are neither considered as, nor referred to as secondary school students and are perceived as failures. Further, parents tend to lose hope in their child's education if they fail the CEE. Inordinately high proportions of children who pass the CEE have the synergistic advantages of coming from families with higher incomes and a history of success in education. The number of secondary school places increased from 6,822 in 1989 to 7,775 in 1998, still accounting only for 44% of primary school students. For this reason the Government has committed itself to the attainment of Universal Secondary education while in the meantime further resources are to be given to senior classes of primary schools, particularly for relevant vocational education and training (see also Annex IV).

## **4 OVERVIEW OF PAST AND ONGOING EC CO-OPERATION**

St. Vincent and the Grenadines signed the first Lomé Convention in 1975. The total amount of European Community aid given to St. Vincent since 1975 is estimated to be more than € 135 million of which approximately €35 million is channelled through the National Indicative Programme.

### **4.1 European Development Fund**

St. Vincent and the Grenadines's first four NIPs (Lomé I, II, III, IV) were devoted to social infrastructure, agricultural diversification and rural development, transport and communications (airport, roads). The overall programme objective under the NIPs was to improve the living conditions of the rural population and achieve a more equitable distribution of wealth, in particular by enhancing conditions for agricultural production, transportation and marketing, mainly by small farmers and their families. Under the ambit of social infrastructure, the health sector has received significant support with the construction of two rural health centres (Georgetown and Union Island) and the redevelopment of the General Hospital in Kingstown.

The 8<sup>th</sup> EDF NIP (Lomé IV.bis) for St. Vincent and the Grenadines amounts to €6 million. The focal sector is Human Resources Development, with some funding set aside for projects in the drugs sector. The main project under the human resources development component is the development of the Community College. This project is Phase II of an overall Community College Development project which begun under the Regional OECS Tertiary Level Education Project. A scholarships programme was also funded using the 8<sup>th</sup> EDF allocation.

### **4.2 STABEX and the Special Framework Assistance to Banana Growers (SFA)**

When the preferential trade arrangements traditionally enjoyed by the ACP banana producers were found incompatible with WTO rules, a Special Framework of Assistance (SFA) was established in 1999 [for a period not exceeding ten years], in order to assist the twelve ACP traditional banana suppliers to adapt to the new

market conditions. Out of an amount stemming from the Community yearly budget, the individual country allocations are calculated each year on the basis of EUROSTAT data, by applying two criteria, namely the competitiveness of the banana industry and its importance in the country concerned. For the period 1999-2001 under the SFA St. Vincent and the Grenadines has received support corresponding to approximately €18,950 m.

Along with funds from the SFA St. Vincent and the Grenadines has benefited from the Stabex export receipts guarantee mechanism for its banana sector. The Stabex allocations to St. Vincent and the Grenadines in the 1993 - 1997 application year period amounted to €60.1 million. Accrued interest brings this figure to €65.2 million. There were no allocations for 1998 and 1999. However, under the Stabex Repayment Agreement Article 195(a) St. Vincent and the Grenadines is to receive a further sum of €3,503,427.

The funds made available under the Stabex and the SFA are being used by St. Vincent to support a major reform of the banana industry in parallel with the efforts undertaken to diversify both agriculture and the economy as a whole as well as support for social development. Three SFA programmes have been approved by the EDF Committee since 1999, but no funds have been engaged or expended so far. Support is to be focussed on measures designed to encourage agricultural and economic diversification. Activities programmed for the 1999 SFA for St. Vincent are listed in Annex 2 of this document along with the financial breakdown for both the SFA and Stabex.

### **4.3 Regional Programmes**

As a member of the OECS, CARIFORUM and CARICOM, St. Vincent and the Grenadines, in addition to the EDF, Stabex and SFA funds, also benefits from a wide range of regional programmes. Regional projects from which St. Vincent and the Grenadines have directly benefited include support to the Eastern Caribbean States Export Development Agency (CEDA), the Automated Systems for Customs Data programme (ASYCUDA), the OECS Tertiary Education programme, the Caribbean Agricultural Research and Development Institute (CARDI), and the OECS Regional Tourism and Caribbean Regional Tourism Development Programmes are among some of the many programmes from which the country benefits. More specifically St. Vincent and the Grenadines benefited from the reconstruction of the airport on the island of Bequia through the regional programme. The airport has provided new airlinks in the sub-region between the Grenadines, the Eastern Caribbean and, to and from Barbados, Martinique and Guadeloupe.

The focal sectors for Community aid under the 7th EDF Regional Indicative Programme for which a global envelope of € 105 million was made available were agriculture/fisheries, trade, tourism, human resources development, environment and telecommunications. The 8th EDF Regional Programme had € 90 million available to it for activities in support of regional economic integration and co-operation, and human development, institutional strengthening and capacity building. Within these priorities special attention is given to the enhancement of the region's competitiveness and to private sector development. Outside the focal sectors, priority programmes include decentralised co-operation, regional disaster preparedness and the Caribbean action plan for drug control. Further funds have been made available to the OECS as a whole through the Centre for Industrial Development (CDE) whose aim it is to strengthen industrial enterprises in the ACP countries. The CDE antenna in St. Vincent and the Grenadines is the Development Corporation (DEVCO).

### **4.4 European Investment Bank (EIB)**

European Investment Bank (EIB) assistance to St. Vincent and the Grenadines has largely focussed on the improvement of electricity generation through loans to the national electricity company, VINLEC (€10.9million under Lomé II and III and IV.bis) and the promotion of small and medium sized enterprises in the industrial, agro-industrial and tourism sectors. The EIB's partners for these projects were DEVCO and the Caribbean Financial Services Corporation. In addition, a € 5 million loan was made available under Lomé IV for the Kingstown Port Development project.

#### **4.5 Past Experiences of Community Aid**

The EU is currently engaged in a number of projects in the education sector in St. Vincent and the Grenadines. Stabex funds were used to renovate the seventy-two state-owned educational institutions (primary and secondary) over the eight-week period in July and August 2001. Through utilising a labour intensive approach, eleven hundred persons were employed on this project, thereby creating jobs for many persons, particularly from rural areas affected by the decline in the banana industry.

At the Post Secondary level, the 7<sup>th</sup> Regional Indicative Programme and 8<sup>th</sup> National Indicative Programme are intended to support the integrated development plan for the Community College which is currently expanding its structure and programme offering. 7<sup>th</sup> EDF funds were used to build the A-level College and plans are afoot for the construction of a Learning Resource Centre, which is expected to commence construction in the latter part of 2002. Through the Stabex funded Technical and Vocational Education and Training Project (STATVET) support has been provided for the training of teachers and in 2001, twelve training awards were made. At the tertiary level, Stabex funds have been used to fund a rolling scholarship programme in an effort to provide tertiary training opportunities for more students.

An independent evaluation of EU cooperation with St. Vincent and the Grenadines conducted in March 1995 concluded that EU assistance to St. Vincent and the Grenadines was highly responsive to the crucial needs of St. Vincent and the Grenadines and in particular has contributed effectively to the creation of conditions for development in rural areas whilst the guaranteed and privileged access for ACP banana to the European market has been a vital complement to the investment support provided. It was held that implementation under Lomé IV and IV.bis has been somewhat slow, largely resulting from problems in coordinating external factors including the inputs of other donors in the case of a number of projects.

In terms of lessons learned and the sustainability of existing projects, it was indicated that future EC cooperation should focus support on marginal farmers that are being pushed out of the banana industry and need to be guided to alternative sources of income. Assistance should also target the enhancement of human resources development in an effort to address the shortage of qualified manpower, specific groups affected by the high unemployment level, improvement of accessibility of the country in support of the agricultural, manufacturing and tourism sectors, and strengthening the Governments' capacity in the tourism sector.

With the introduction of budgetary support under the Stabex instrument it was intended to accelerate the disbursement of funds through the internalising of approval and implementation procedures and to increase ownership of the development agenda. Under this mechanism, funds are targeted to specific capital investments within the overall national Public Sector Investment Programme (PSIP) aimed at the promotion of economic growth and the reduction of poverty. The monitoring missions on the implementation of Stabex 1995 and 1996/97 transfers conducted by the Netherlands Economic Institute have noted the slow implementation of Stabex PSIP funds. This has been attributed to delays at all stages of the project cycle, with difficulties in identifying, formulating and executing projects whilst occasional delays on the side of the European Commission have not ameliorated the situation.

#### **4.6 Programmes of EU Member States and other Donors**

Apart from the EU, the principal donors are the Caribbean Development Bank (CDB), UN agencies, UK (DFID), France, Canada (CIDA), USAID, the Republic of China (ROC), Japan, and the World Bank. Donor coordination plays an important role in the programming of Stabex and the SFAs with regular donor meetings to discuss the difficulties being experienced in the banana sector and the appropriate response of donors to this ever-evolving situation. Donor coordination mechanisms are also in place in the following sectors: drugs, education, environment, governance and disaster management, while consultations are held in other areas of common interest. The Government channels most donor assistance through the Public Sector Investment Programme. In 2001, 71% of the capital programme was financed externally comprising mainly of the European Union, the Republic of China, and the Caribbean Development Bank.

#### 4.6.1 Programmes of EU Member States

Member states active in St. Vincent and the Grenadines include France and the UK (DFID) whilst Germany via GTZ has provided technical assistance to the OECS secretariat in St Lucia for the strengthening of technical/vocational training, the Natural Resources Monitoring Unit (NRMU) and the CARICOM sub-organisation CEHI (Caribbean Health Institute). AFD are providing support for enhancement of the tourism product and the improvement of the water supply and quality on St. Vincent.

#### 4.6.2 Programmes of other Donors

Activities of CIDA, DFID, UN agencies, USAID and the World Bank in the Eastern Caribbean are increasingly conducted on the basis of sub-regional strategies. The principal areas receiving support from these agencies are regional strategic objectives such as institutional support, including support to the Regional Negotiating Machinery (RNM) which is charged with the responsibility of representing the members of CARICOM in international trade and financial negotiations, implementation of the Common Single Market and Economy (CSME), HIV/AIDS programmes, environment programmes, social recovery through economic diversification and job creation, emergency reconstruction and disaster mitigation, increased efficiency and fairness of legal systems, telecom reform, and the development of primary and secondary education.

The Caribbean Development Bank (CDB) is a significant donor to St. Vincent and the Grenadines and has approved loans of US\$28.15m, with emphasis on such sectors as infrastructure development and rehabilitation and solid waste management. Of the total amount US\$9.76 million allocated for the basic education project (construction of schools, teacher training and curriculum development), the Grenadines multi-purpose project III (aimed at the tourist sector in the Grenadines) and the solid waste management improvement project, remain undisbursed.

Funding has been received from Japan for the construction of fishing facilities whilst in the 2000-2005 period the Republic of China is expected to allocate EC\$75.560m for a schools computerisation programme and support for the rehabilitation of the airport and road infrastructure.

The funding distribution of the donors is included in the attached matrix, Annex I.

## 5 RESPONSE STRATEGY

### 5.1 Principal Elements

As indicated in the country analysis and the past performance and result of EU cooperation, the following elements are the principal factors for consideration in the EC response strategy:

- The challenges and opportunities presented by globalisation and trade liberalisation and the need to adapt a country of limited resources to these new realities;
- The key role of the banana industry in the St. Vincent and the Grenadines' economy, the challenge it faces as a result of globalisation and the need to diversify it and adapt it to the existing and forthcoming constraints;
- The possible impact of the restructuring of the banana industry on the socio-economic conditions, in particular on the most vulnerable part of the population;
- The need to foster macroeconomic stability and growth and in particular to increase the level of savings so as to sustain investment spending in key areas;
- The implementation of a medium-term strategy by the Government of St. Vincent and the Grenadines in which tourism, agriculture, private sector development, the offshore financial services sector, and human resources development constitute the core sectors.

## **5.2 The EC Support Strategy**

The proposed strategy takes into account the different financial instruments available and activities being carried out using these funds, and includes existing uncommitted funds. The main pillars of EC support are as follows:

1. Support to agricultural diversification, and the restructuring and commercialisation of the Banana Industry through the Stabex and SFA instruments;
2. Support to the social sectors, as facilitated by Stabex and the SFA instruments;
3. Support for economic diversification, including tourism, agriculture, private sector development and human resources development through the Stabex and SFA instruments;
4. Support to the enhancement of human resources by improving the quality and accessibility of secondary education using EDF resources.

## **5.3 Proposed Focal Sector for EC Support**

It is proposed to concentrate 90% of the A envelop on the education sector and in particular the development the EC intervention will focus on improving the quality of secondary level education and supporting sectoral reforms, in an effort to assist the Government of St. Vincent and the Grenadines in achieving universal comprehensive five year secondary education with 75% access by 2010.

With an emphasis being placed on improving the quality of, and access to secondary education, the following are the immediate objectives to be achieved:

- Expand the number of places in the five-year cycle of secondary education and make provision for the incorporation of the senior primary school into this level,
- Review the criteria and level of assistance to secondary schools,
- Identify methods for ensuring a more equitable distribution of resources (human, material and financial),
- Establish facilities to allow students from outlying areas to access quality secondary education,
- Ensure that learning opportunities are made accessible to the broadest clientele, catering for varied learning abilities. These include high achievers, physically and mentally handicapped, and high risk children,
- Ensure learning opportunities include relevant adequate curricula, essential materials, supplies and support services such as counselling and health care.

Even if the conditions for a sector wide support are not met yet, it is hoped that the Government will progressively put in place the necessary institutional and budget reforms to allow for a sustainable education plan as a basis for future donor support.

## **5.4 Consistency with Government Policy**

In his budget address in November 2001, the Prime Minister of St. Vincent and the Grenadines placed the education system at the centre of the country's development programme. Government recognises that education is a significant determinant in the successful implementation of plans and programmes for development. Government policy in education is thus to develop the human resource capacity so as to respond effectively to national development needs including the attracting of foreign direct investment to the country. In order to do so, issues of accessibility, quality and management of education must be addressed.

To this end the Government in conjunction with DFID has prepared the Education Sector Strategy Plan (ESSP) which sets out the mission, direction and priorities to continue and sustain educational development in St. Vincent and the Grenadines until 2010. The primary objective is to raise levels of achievement for all learners to enable them to benefit as individuals and also to contribute to national and regional socio-economic development. The ESSP covers the whole of the education sector from pre-school through to tertiary. It also

focuses on technical and vocational education and training, including information technology, and adult literacy, as one aspect of adult and continuing education. It takes account of national and regional policy objectives and the management capacity to achieve them. Costing of the plan reveals that implementation will require efficiency savings and re-distribution of existing finances, a phased increase in both capital and revenue expenditure in the education budget to secure improvements in the primary and secondary sectors, as well as a major contribution from external funds. The Government accepts secondary education as an integral part of basic education and as such wishes to introduce a phased move towards Universal Secondary Education.

## **5.5 Involvement of Non-State Actors**

In devising the Education Sector Strategy Plan (ESSP), extensive discussions and consultations were held with a wide range of stakeholders in St. Vincent and the Grenadines. The initial consultation process involved principals, teachers, officers, NGOs and members of industry and commerce in a series of workshops to review current provisions and envision the direction for the education sector for the next ten years. The first draft of the ESSP was revised by a Task Group, which comprised of a group of persons from across the education sector and business community. Media consultations were held and stakeholder meetings took place at selected schools to enable parents, teachers, students and others to make a contribution to the plan. Questions of gender and the involvement on non-State actors will be taken into account during the implementation of activities related to the 9<sup>th</sup> EDF.

## **5.6 Activities of other Donors in the Sector**

The ESSP was prepared with a team of DFID consultants and in addition to consultations with relevant stakeholders in the country, discussions on the draft were also held with donors active in the region. The ESSP is expected to form the basis for development in the sector. The Caribbean Development Bank and the European Commission are expected to be among the chief sources of financing for initiatives to be undertaken in the sector. In so far as the 9<sup>th</sup> EDF project is concerned, the World Bank and DFID have expressed an interest in working together with the EC and the Government of SVG in meeting the objectives of the Government in the secondary education sector.

Access to secondary education on the windward side of the country has recently been enhanced through the completion of the DFID funded Georgetown Secondary School whilst Denmark is providing assistance for the extension of programme offerings at Richmond Vale Academy.

## **5.7 Non-Focal Sector, Coherence and Complementarity: Regional Integration**

In a joint declaration of the European Commission and Member States in the Development Council in November 2000 concerning the Community's development cooperation policy, it was stated that education remains a priority for the programming of Community aid to developing countries because of its impact on the overall objective of poverty reduction and re-directing the marginalized in society.

Coherence between development co-operation policy and other EC policies (trade, fisheries, agriculture, environment etc.) relevant for St. Vincent and the Grenadines will be assessed on a permanent basis. In this context NIP resources may be used to complement resources from the RIP, Stabex, budget lines and trade specific operations, according to needs and availability of funds. In particular, this may refer to support for efforts by Government departments and non-state actors to prepare for the establishment of a coherent trade policy framework with emphasis on preparations for the EPA and WTO undertakings, capacity building for conducting negotiations on a regional and multilateral context, and assistance in implementing the accompanying trade policy and structural reforms, including fiscal reform.

The Government of St. Vincent and the Grenadines is working closely with regional organisations such as the Organisation of Eastern Caribbean States, the Caribbean Tourism Organisation, Caribbean Hotel Association, the Caribbean Development Bank and the Caribbean Conservation Association in an effort to ensure that St.

Vincent and the Grenadines derives the maximum benefit from the grants and technical assistance that are available from external agencies.

Wherever relevant, EC policies in crosscutting issues such as human rights and democratisation, gender and environment have been taken into account. This includes building strategic and operational links between related development aspects.

## **5.8 The European Investment Bank**

Under the Investment Facility of the 9th EDF the EIB intends to expand the network of financial intermediaries through which it works. This shall be done through the establishment of lines of credit, for financing of investments made by SMEs active in core sectors of the economy, accessible through banks meeting the financial and operational requirements of the Bank. Financing under this facility may, where appropriate, be combined with the business advisory services proposed by the Commission. The facility features will depend on requirements identified and market conditions and may include equity/quasi-equity in addition to loans. In addition to this the Bank will continue to provide direct financing to larger projects considered to be financially viable and of economic priority to St. Vincent and the Grenadines, preferably within the private sector. The exact size, timing and sectors for such interventions will be determined by when and where the need arises.

**PART B**

**Indicative Work Programme**

## 6 The National Indicative Programme (NIP)

### 6.1 Introduction

Within the general framework of the present Country Support Strategy and based on the analysis and strategies described in the preceding chapters, the Parties have agreed on the main priorities for their cooperation and the sectors in which the support of the European Community shall be concentrated. A detailed indicative programme is presented in this chapter based on the resources of the A allocation of the EDF, and, subject to the outcome of the mid-term review and emerging needs as covered by the relevant regulations, the B-allocation.

### 6.2 Financing Instruments

The implementation of the response strategy of the EC will be financed through a number of different financing instruments, which in addition to the Special Framework of Assistance (SFA) and existing Stabex balances, include the following:

#### 6.2.1 9th EDF A-allocation EUR 5 million:

This allocation is destined to cover the long-term development activities identified in the context of the response strategy, namely in the education sector while 10% of the allocation is to be used for studies, audits and technical support in the area of regional integration, disaster prevention and monitoring.

#### 6.2.2 9th EDF B-allocation EUR 16 million:

This allocation is to be used for unforeseen needs such as emergency assistance where support cannot be financed from the Community budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse affects of instability in export earnings.

#### 6.2.3 Other Sources of Financing

**Investment Facility:** Apart from the above-mentioned financial instruments, of which the A-envelope is the main programmable basis for the Indicative Programme, the 9th EDF includes also the "Investment Facility" as a financing instrument managed by the European Investment Bank (see details in Part A, chapter 5). The Investment Facility does not form part of the Indicative Programme.

**Centre for the Development of Enterprise (CDE):** Support for enterprises in St. Vincent and the Grenadines in the field of non-financial services to the private sector is available through CDE.

**Budget lines of the Community:** Specific activities can be supported through the various Community budget lines, including, inter alia, NGO co-financing, decentralised cooperation, European Initiative for Democracy and Human Rights, food security and disaster prevention. Humanitarian and emergency assistance shall be accorded to the population of St. Vincent and the Grenadines concerned in case of serious economic and social difficulties resulting from natural disasters or man-made crises. Approval of proposals and implementation of support measures under the available budget lines will be decided in accordance with the procedures in place for each respective financing instrument.

### 6.3 Focal Sector

The concentration sector is Education to which 90% of the A allocation of the 9th EDF amounting to €4.5 million shall be allocated. Part of the allocation may be utilised for accompanying measures under the reform process initiated by the government in the sector.

### 6.3.1 Overall Objective

The overall objective of the EC intervention is to support the sustainable development of human resources in St. Vincent and the Grenadines, through the provision of learning opportunities to all persons in the State so as to equip them with the required values, skills, attitude and knowledge necessary for creating and maintaining a productive, innovative and harmonious society.

### 6.3.2 Specific Actions

In particular, the EC intervention will focus on improving the quality of secondary level education and supporting sectoral reforms, in an effort to assist the Government of St. Vincent and the Grenadines in achieving universal comprehensive five year secondary education with 75% access by 2010 (from the current level of 44%). The EC shall work together with the Government and other donors towards the achievement of this objective.

With an emphasis being placed on improving the quality of, and access to secondary education, the following are the immediate objectives to be achieved:

- Expand the number of places in the five-year cycle of secondary education and make provision for the incorporation of the senior primary school into this level,
- Review the criteria and level of assistance to secondary schools,
- Identify methods for ensuring a more equitable distribution of resources (human, material and financial),
- Establish facilities to allow students from outlying areas to access quality secondary education,
- Ensure that learning opportunities are made accessible to the broadest clientele, catering for varied learning abilities. These include high achievers, physically and mentally handicapped, and high risk children,
- Learning opportunities will include a point of contact, relevant adequate curricula, essential materials, supplies and support services such as counselling and health care.

### 6.3.3 Expected Result and Results indicators

- Increase enrolment in secondary schools to 75% between the period 2001-2015
- Reduce drop-out rate at the Secondary level by 90%
- 90% passes in GCE and CXC Exams.
- Increased number persons with Secondary and Tertiary Education in the Labour Force.
- Increase GCE and CXC passes by 45% in rural Secondary Schools.
- Physical and operational environment of the 21 secondary schools greatly improved.
- Design life of school building extended.
- 100% trained professional secondary teaching force

### 6.3.4 Government Commitments

Government is expected to have adopted the Education Sector Strategy Plan in 2002.

Government commitments in secondary education and the broader education environment to ensure the success of the secondary education sector are as follows:

- Strengthen the capacity of the Ministry of Education to implement the Education Sector Strategy Plan (EDP) in administrative, management and development terms by increasing and training staff, and improving the efficiency of systems and structures.
- Maintain its budgetary commitments for the education sector.
- Increase access and quality of pre-school provision through the establishment of a National Council, which will work in partnership with the community and private sector.
- Ensure that minimum educational standards are met in pre-school, primary and secondary education offered through private, assisted and government schools. This includes a review of education at the primary level, and in particular, the school leaving examination, in an effort to increase access to secondary education.
- Improve equity, efficiency and effectiveness in the distribution and use of resources.
- Reduce overcrowding in schools.
- Review and renew the secondary curriculum to ensure broad balance, relevance, and the inclusion of life skills.
- Implement a common syllabus for lower secondary forms.
- Increase levels of literacy, numeracy, and skills of information technology of all learners.
- Begin to decentralise the education system with the establishment of school boards empowered to draft school improvement plans, and with delegated programme budgets.
- Improve the learning environments of all schools.
- Ensure appropriate access to special education across the state.
- Continue to work towards a fully qualified teaching force.
- Implement the policy document between the MOE and assisted schools
- Adopt and adapt CARICOM recommendations and practice in respect of vocational and technical education.
- Increase access, relevant programmes and upgrade facilities in the tertiary sector through an Integrated Community College.
- Provide a comprehensive and relevant programme of adult education.

An Education Development Programme Steering Committee is to be established to oversee the plan and in particular to offer operational and policy guidelines on implementation. It will be chaired by the Education Officer and serviced by the Senior Education Officer (EPPIU). Membership will be drawn from each of the sub-sectors and will include representatives from schools/college, teacher union as well as officers of the Ministry of Education.

It is intended that the education policies of the Government be aligned to the OECS Education Reform Strategy. Among its priorities are; knowledge management, effective development, incorporation of IT into education, and reduction of inequity and mitigation of poverty in the education system.

#### **6.4 Action outside the area of concentration**

10% of the indicative programme (€0.5) will be earmarked for studies, audits and technical support in the area of regional integration, disaster mitigation and monitoring. In coherence with the regional support strategy, actions may be initiated to facilitate and strengthen regional integration through CARICOM and ensure the necessary complementarity between regional and national EC support.

## 6.5 Intervention Framework

Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
<p><b>Overall objectives.</b></p> <p>To improve the human resource capacity of the labour force.</p>	<ul style="list-style-type: none"> <li>◆ Increasing the pool of qualified persons for the labour market.</li> </ul>	<ul style="list-style-type: none"> <li>• MoE Reports,</li> <li>• Statistical Office Reports,</li> <li>• Exam Results,</li> <li>• NIS Reports,</li> <li>• National Census</li> </ul>	<p>Project resources are mobilised for the implementation of the project</p> <p>Under Education, the Secondary Sector remains the target for funds identified</p>
<p><b>Programme purpose:</b></p> <p>To improve quantitatively and qualitatively the access to Secondary Education.</p>	<ul style="list-style-type: none"> <li>• Provide universal access to 5 years of comprehensive education,</li> <li>• Improve the learning and teaching environment at the Secondary level.</li> <li>• Increase the number of persons having access to Secondary level education within the Country.</li> </ul>	<ul style="list-style-type: none"> <li>• MoE Statistical Reports</li> <li>• MTWH Reports</li>   <li>• MoE Statistical Reports,</li> <li>• Statistical Office.</li> </ul>	<p>Sound logistical planning allows for programme implementation</p> <p>Sufficient financial and human resources are made available for the development of education</p> <p>A cadre of trained teachers is available to train Persons at the secondary school level.</p>
<p><b>Results:</b></p> <p>Increased Enrolment at Secondary Schools in the Country.</p> <p>Raised Achievement levels of all students.</p> <p>Reduction in the performance gaps between the Urban and Rural Schools.</p> <p>Expansion and physical improvement the Secondary schools environment in the Country.</p> <p>Implementation of a system for the effective and efficient management of schools</p> <p>Review and renew the secondary curriculum</p> <p>Increase the number of trained teachers in the Rural Secondary Schools.</p>	<ul style="list-style-type: none"> <li>◆ Increase enrolment to 75% between the period 2001-2010</li> <li>◆ Reduce drop-out rate at the Secondary level by 90%</li> <li>◆ 90% passes in GCE and CXC Exams.</li> <li>◆ Increased number persons with Secondary and Tertiary Education in the Labour Force.</li> <li>◆ Increase GCE and CXC passes by 45% in rural Secondary Schools.</li> <li>• 21 Secondary Schools physical and operational environment greatly improve.</li> <li>• Design life of school building extended.</li> <li>• 100 % trained Professional Secondary Teaching force</li> </ul>	<ul style="list-style-type: none"> <li>• MoE Reports,</li> <li>• Statistical Office Reports,</li>   <li>• MoE Reports,</li> <li>• Statistical Office Reports,</li>   <li>• MoE Reports, NIS Reports</li> <li>• Statistical Office Reports,</li> <li>• MoE Reports</li>   <li>• MoE Reports,</li> <li>• Statistical Office Reports,</li>   <li>• MoE Reports,</li> <li>• MTWH Reports</li>   <li>• Service Commission Record</li> <li>• MoE Reports,</li> <li>• Statistical Office Reports, NIS Reports</li> </ul>	<p>Government commitments in the education sector and the secondary education sector in particular are met.</p> <p>That the capacity of schools are increased to accommodate the additional secondary school entrants</p> <p>Sufficient resources are allocated for the expansion and proper maintenance and of all Secondary Schools</p>

<p><b>Activities:</b></p> <p>2. Secondary School Curricula Development. (2002 – 2007)</p> <p>3. Implement Repair/Refurbishment Programme. (2002 – 2007)</p> <p>4. Institutional Strengthening of Ministry of Educational. (2002 – 2007)</p> <p>5. Expand the use of Modern methods of instruction - use of relevant technologies methodologies. (2002 – 2007)</p> <p>6. Provide adequate material and supplies to facilitate the teacher/ learning process. (2002 – 2007)</p> <p>7. Implement Training Programme for Secondary School Teachers. (2002 – 2007)</p> <p>8. Employ an adequate cadre of experienced and trained personnel to meeting the needs of the sector. (2002 – 2007)</p>	<p><b>Means EDF</b></p>	<p><b>EUR 4.5 million</b></p>	<p>Government <b>has approved</b> the Final draft of ESSP</p> <p>Government commitments in the education sector and the secondary education sector in particular are met.</p> <p>That there continue to be a cadre of trained teachers in the Country.</p>
	<p><b>TOTAL BUDGET (XCD) 11.5M</b></p>		
	<p><b>TOTAL BUDGET</b></p>	<p><b>(EUR) 4.5M</b></p>	

## 6.6 Activities/Commitments Timetable

	Indicative total EUR million	Consumption of commitments (all amounts in EUR million)									
		2002/1	2002/2	2003/1	2003/2	2004/1	2004/2	2005/1	2005/2	2006/1	2006/2
NIP 7 <sup>th</sup> /8 <sup>th</sup>	7.8		1.5	0.5	3.0	1.0	0.8	0.5	0.5		
STABEX	38.6	3	3	6	6	5	5	3.6	3	2	2
<b>NIP 9<sup>th</sup> Co-operation</b>	<b>5.0</b>										
Education	4.5			0.2	0.8	1.0	0.5	0.5	0.5	0.5	0.5
<b>Non-Focal Sectors</b>											
Studies, audits, monitoring, contingencies	0.5			0.1	0.05	0.1	0.05	0.1	0.05	0.05	
<b>TOTAL 9<sup>th</sup> EDF</b>	<b>5.0</b>			<b>0.3</b>	<b>0.85</b>	<b>1.1</b>	0.55	0.6	0.55	0.55	0.5
SFA 1999,2000,2001	18.7	0	0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	1.2
<b>GRAND TOTAL</b>	<b>70.1</b>	<b>3.0</b>	<b>4.5</b>	<b>9.3</b>	<b>12.35</b>	<b>9.6</b>	<b>8.85</b>	<b>7.2</b>	<b>6.55</b>	<b>5.05</b>	<b>3.7</b>

## 7 Annex 1 Donor Matrix

	7.1 Project Title	7.2 Description	Cost (EUR)
<b>Agriculture</b>			
SBX 93	Banana Industry Development Programme	To increase production and quality of bananas and make the industry more efficient (Project implemented 97 –2001, now complete)	€5.6m
SBX 94	Banana Emergency Irrigation Project	To make the St. Vincent Banana industry competitive on the world market 1999 – 2000 (completed)	€1.9m
SBX 94	Fast Track Banana Irrigation Project	To improve competitiveness in the Banana Industry. This project is still being implemented with the third phase. A final phase is planned during 2003.	€6.7m
SBX 94	Production Recovery Plan Improvement and Certification Loan	To enable core farmers in the banana industry to improve productivity on their farms. This focussed on the certification, and was aimed at targeting the more productive farmers. The project is completed	€1.24m
STABEX 95/96	Agricultural Diversification	To accelerate economic diversification by supporting market driven agricultural diversification. This project has been redesigned to respond to current situation and should be implemented over the period 2002 - 2005	€4.0m
7.2.1.1.1.1	Reception and Palletisation Centre	To support the improvement in Banana Productivity by installing a Reception and Palletisation Centre in irrigated areas. A second Rapcen should be completed during 2003	€1.3m
7.2.1.1.1.2	Agricultural Diversification	To improve conditions for the packaging and export of fresh coconuts. This is an on-going project, aimed especially at improving income in rural communities	€0.2m
<b>Trade, Tourism &amp; the Environment</b>			
7.2.1.2 Tourism			
<b>French</b>	Tourism Improvement Project	To construct landing platform at the Falls of Baliene	€0.05m
7.2.1.2.1.1			
Stabex	Tourism Development Plan	7.2.1.3 To develop a comprehensive tourism strategy for the tourism industry . Implementation of activities under the plan during 2002 - 2005	€0.32m
7.2.1.3.1.1 Trade & the Environment			
7.2.1.3.1.2	STABEX 1995/ PSIP	Small Enterprise Development Project to increase economic growth and create employment 2000 - 2004	€0.75m
<b>8 Transport, Education &amp; Health</b>			
<b>8.1.1.1 Engineering</b>			
CDB	Grenadines Multi project	To construct and upgrade various infrastructure in the Grenadines. Final stage of project to be completed in 2003	€3.0m
CDB	Central Leeward Highway	Rehabilitation of the Central Leeward Highway. Completed	€5.0m

8.1.1.1.1	Support for airport rehabilitation and various other minor roads	To upgrade the E T Joshua airport and other road infrastructure. Project scheduled to commence in 2003	€10.0m	
8.1.1.1.2				
8.1.1.2	World Bank	Emergency Recovery and Disaster Mgmt.	Programme for physical prevention and mitigation measures; strengthening of the office of Disaster Management; development of an effective early warning system; community based disaster management training and institutional strengthening to build state and private sector capacity to identify hazards likely to impact on or influenced by future national investments. Implementation commenced in June 2002 with the approval of Loan and satisfaction of conditions precedent. Project due for completion in 2005	€5.0m
8.1.1.2.1				
8.1.1.2.1.2	Design of Labour Based Road Improvement Project	To design a programme that would improve the road infrastructure, utilising intensive labour. completed	€0.05m	
8.1.1.2.1.3	Technical Assistance Project	To provide technical assistance to assist in the implementation of the Labour based road improvement programme	€0.09m	
8.1.1.2.1.4	Windward Highway Rehabilitation Project	To improve road conditions along the windward highway. Construction to commence in 2003.	€8.0m	
8.1.1.2.1.5				
8.1.1.2.1.6	Labour Intensive road Improvement Programme	To implement a programme of rehabilitation and maintenance for the minor road network in the country. Project completed	€1.5m	
<b>8.1.1.2.2 Education</b>				
8.1.1.2.2.1	Basic Education Reform Project	Designed to strengthen the institutional capacity of the Ministry of Education to guide and carry out the long term development of the education sector; to enhance the quality of basic education and expand secondary education. Commencement scheduled for 2003	€5.1m	

8.1.1.2.2.2	Computerisation of Schools	To provide computers in all schools throughout the state. Project on-going, scheduled for completion in 2004	€2.0m
8.1.1.2.2.3			
8.1.1.2.2.4	Technical Vocational Education Training Programme	To increase economic competitiveness by providing a better-trained and educated work force. On-going, scheduled for completion in 2003	€4.0m
8.1.1.2.2.5	Community College Phase 11	To continue to expand access to secondary and tertiary education in the state. On-going, scheduled for completion in 2005	€3.0m
8.1.1.2.2.6	Learning Resource Centre	To construct a learning resource centre at the Community College Tenders being evaluated. Construction to commence in September for 72 weeks.	€1.5m
8.1.1.2.2.7	Multi annual training programme	Provision of scholarships for training in various priority areas. On going,	€0.7m
<b>8.1.1.2.2.8 Health</b>			
8.1.1.2.2.9	Solid Waste Management	Improvement of solid waste disposal in the island . Near completion	€1.4m
8.1.1.2.2.10	Dalaway Water Project	To improve the water supply and quality on mainland St. Vincent . Recently completed	€5.0m
8.1.1.2.2.11	Solid Waste Management	Improvement of solid waste disposal in the island by funding facilities for the reception of Ship generated waste	€1.6m
8.1.1.2.2.12	Grenadines Solid Waste Management Study	To assess the overall potential for waste avoidance and minimisation. Completed	€0.07m

8.1.1.2.2.13	Grenadines Solid Waste Management Project	To protect public health, the environment and economic activity in the Grenadines through improving domestic solid waste systems, facilities and services. Preliminary activities on going	€2.0m
8.1.1.2.2.14	Water Resources Assessment	To assess the availability of water resources in the country	€0.5m
8.1.1.2.2.15	Drug Demand Reduction	To reduce the demand for illegal drugs in the country. Projected to be amalgamated within the framework of a regional project	€0.2m
8.1.1.2.2.16			
8.1.1.2.2.17	SBX95/PSIP	Skills Train/SME Dev./Com. Facilities	
8.1.1.2.2.18	Hospital Redevelopment Project	To rehabilitate and upgrade the facilities of the main hospital in Kingstown. Completed 2002	€2.0m
8.1.1.2.2.19	Primary Health Care Renewal Programme	To improve access to primary health care in rural communities. Construction of two clinics on the way	€0.9m
8.1.1.2.2.20 Civil Society/NGOs			

8.1.1.2.2.21			
8.1.1.2.2.22	National Development Foundation	To provide ready access to credit and technical assistance for small and micro business in St. Vincent and the Grenadines	€1.9m
SBX95	Marion House Support Programme	To provide disadvantage young people with literacy programmes, employment training and family life education, and parenting skills. To fund consultancy services for design and supervision of new Marion House Building. On-going	€0.55m
SBX94	Vinsave Early Childhood Education Training	To train students teachers in childcare development. To ensure the necessary monitoring of teachers in schools. On-going	€0.08m
SBX94	Adult Literacy Pilot Project	To provide increased opportunities for improving literacy and numeracy skills among the adult population in areas affected by the fall out of the banana industry. Project to be reexamined	€0.3m
SBX95/96	Study on the Socio-economic impact of the restructuring of the Banana industry	To design and conduct household level field work to obtain detailed information on banana farmer's current production practices and on their future intentions, and also to make recommendations for future interventions	€0.15m
SBX95	Institutional Strengthening of the Chamber of Industry & commerce	To make the Chamber of industry, and the private sector in general more effective by providing institutional support for the Chamber. Completed	€0.2m
<b>Planning &amp; Economic Development</b>			

8.1.1.2.2.23			
8.1.1.2.2.24	Institutional Strengthening of various ministries and Departments	To improve the capacity of various ministries and departments. Completed	€0.7m
8.1.1.2.2.25	Support Services to NAO	To assist the NAO to achieve the efficient and effective programming and disbursement of financial and technical resources provided by the European Community to the Government of St. Vincent and the Grenadines	€2.0m
8.1.1.2.2.26	Netherlands Economic Institute Monitors	To monitor the implementation of SBX 95, and 96/97.	

## Annex II Overview of EC Funding

### NIP

NIP	€Million	Sector
5 <sup>th</sup> EDF	3.7	Health / Rural Development
6 <sup>th</sup> EDF	7.0	Health / rural Development / Infrastructure
7 <sup>th</sup> EDF	5.4	Rural Development
8 <sup>th</sup> EDF	6.0	HRD
9 <sup>th</sup> EDF	5.0	HRD

### Stabex

Stabex year	Indicative allocation
Stabex '93 (+ SSA)	€5,870,000
Stabex '94	€25,724,865
Satbex '95	€13,481,457
Stabex '96/'97	€14,817,698
Stabex repayment art 195 2000	€ 3,503,427
<b>Total</b>	<b>€63,397,477</b>

The sectors to receive support under the Stabex allocation for each year are as follows:

STABEX year	Support	Amount in €
<b>8.1.1.2.3</b>	Banana Productivity Improvement	4,361,822
	Income support distribution	1,090,455
	STABEX 1993 Addendum	222,542
	<i>Total</i>	<b>€5,674,819</b>
<b>8.1.1.2.4</b>	Banana Productivity Improvement	6,000,000
	Agricultural Diversification	6,000,000
	Diversification of the Economy	8,000,000
	Social Safety Nets	1,000,000
	Programme Management	2,000,000
	Monitoring and Evaluation	1,000,000
	Reserve	1,724,865
	FMO top-up Art 195a	173,908
	<i>Total</i>	<b>€25,898,773</b>
<b>1995 STABEX FMO</b>	Banana Productivity Support	1,000,000
	Agricultural Diversification	2,500,000
	Social Development	1,400,000
	Promotion of Economic Diversification	7,200,000
	Strengthening of Public Institutions	750,000
	Management, Monitoring and Evaluation	631,457
	<i>Total</i>	<b>€13,481,457</b>
<b>Stabex 1996/97</b>	Diversification of the Economy	1,000,000
	8.1.1.2.4.1	5,300,000
	8.1.1.2.4.2	1,800,000
	8.1.1.2.4.3	1,000,000
	8.1.1.2.4.4	817,698
	8.1.1.2.4.5	€14,817,698
<b>STABEX repayment art 195 2000</b>	8.1.1.2.4.6	€3,503,427

### Special Framework of Assistance

SFA year	Project	Amount in EUR
<b>SFA 1999</b>	Establishment of a Reception and Palletisation Centre	810,000
	Agro and Economic Diversification	4,400,000
	Regional Technical Assistance (share)	400,000
	Contingencies	490,000
	<i>Total</i>	<b>€6,100,000</b>
<b>SFA 2000</b>	Banana commercialisation	600,000
	Agro and Economic Diversification	5,200,000
	Regional Technical Assistance	400,000
	<i>Total</i>	<b>€6,200,000</b>
<b>SFA 2001</b>	<i>Total</i>	<b>€6,400,000</b>
<b>SFA</b>	Total up to end 2001	<b>€18,700,000</b>

## Annex III Key Economic and Social Indicators

### St. Vincent and the Grenadines - Key Economic Indicators

Indicator	Actual			Estimate			Projected			
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>National accounts (as % of GDP)</b>										
Gross domestic product <sup>a</sup>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	12.5	10.1	10.8	10.4	10.0	9.5	9.2	9.0	9.1	9.2
Industry	24.3	26.6	26.9	25.8	26.0	26.2	26.1	25.9	25.5	24.8
Services	63.1	63.3	62.3	63.8	64.0	64.3	64.7	65.1	65.4	66.0
Total Consumption	81.9	88.6	89.3	86.1	83.2	82.9	82.7	82.3	82.0	81.9
Gross domestic fixed investment	28.3	29.7	31.8	32.6	28.6	29.3	29.5	30.1	30.6	31.2
Government investment	6.9	12.2	13.8	13.8	9.6	10.6	10.7	10.7	10.8	10.8
Private investment	21.4	17.5	18.1	18.8	19.0	18.7	18.8	19.4	19.8	20.4
Exports (GNFS) <sup>b</sup>	53.3	49.4	50.1	54.6	58.5	57.5	57.4	57.1	56.7	56.7
Imports (GNFS)	63.8	70.4	73.2	73.4	70.3	69.9	69.7	69.5	69.3	69.0
Gross domestic savings	18.1	11.4	10.7	13.9	16.8	17.1	17.3	17.7	18.0	18.1
Gross national savings <sup>c</sup>	18.5	11.6	10.7	12.5	15.5	15.5	15.5	15.9	16.3	16.3
<i>Memorandum items</i>										
Gross domestic product (US\$ million at current prices)	278.4	293.8	316.4	328.6	332.9	352.5	375.2	400.0	427.4	456.3
GNP per capita (US\$, Atlas method)	2,440	2,480	2,570	2,620	2,690	2,827	2,986	3,159	3,349	3,548
Real annual growth rates (% , calculated from 1990 prices)										
Gross domestic product at factor cost	1.2	3.1	5.7	4.0	3.7	3.7	3.9	4.1	4.3	4.4
Gross Domestic Income	3.6	3.7	5.7	4.0	3.5	3.5	3.5	3.7	3.6	3.7
Real annual per capita growth rates (% , calculated from 1990 prices)										
Gross domestic product at market prices	3.0	3.0	5.0	3.2	2.9	2.9	3.2	3.4	3.7	3.8
Total consumption	2.0	14.8	0.8	-0.3	-0.6	2.6	2.9	2.9	3.2	3.7
Private consumption	1.6	20.8	-0.2	-0.7	1.0	2.8	3.0	3.2	3.4	3.7
<b>Balance of Payments (US\$ millions)</b>										
Exports (GNFS) <sup>b</sup>	148.4	145.1	158.5	179.4	194.7	202.7	215.4	228.4	242.3	258.7
Merchandise FOB	52.6	47.4	50.0	49.6	54.8	55.2	58.5	61.9	65.2	68.1
Imports (GNFS) <sup>b</sup>	177.6	206.8	231.6	241.2	234.0	246.4	261.5	278.0	296.2	314.8
Merchandise FOB	127.8	152.6	170.0	177.0	170.4	178.9	190.0	203.0	217.0	232.2
Resource balance	-29.2	-61.7	-73.1	-61.8	-39.3	-43.7	-46.1	-49.6	-53.9	-56.1
Net current transfers	11.9	13.7	14.1	15.6	16.3	16.7	17.0	17.8	18.1	18.5
Current account balance	-27.8	-61.1	-73.3	-65.2	-43.7	-49.7	-52.5	-56.8	-61.5	-67.1
Net private foreign direct investment	42.6	55.2	61.5	44.4	36.3	37.4	37.7	38.4	39.1	39.8
Long-term loans (net)	0.7	5.9	13.7	3.0	7.8	8.5	8.3	8.2	6.7	6.6
Official	0.3	4.5	14.3	0.6	1.3	-0.6	-4.0	-6.0	1.0	2.0
Private	0.4	1.4	-0.6	2.4	6.5	9.1	12.3	14.2	5.7	4.6
Other capital (net, incl. errors & omissions)	-15.9	-1.1	-9.3	10.8	-3.6	-1.2	1.4	7.2	13.7	19.7
Change in reserves <sup>d</sup>	0.4	1.1	7.4	7.0	3.2	5.0	5.2	3.0	2.0	1.0
<i>Memorandum items</i>										
Resource balance (% of GDP)	-10.5	-21.0	-23.1	-18.8	-11.8	-12.4	-12.3	-12.4	-12.6	-12.3
Real annual growth rates (YR87 prices)										
Merchandise exports (FOB)	-16.3	-12.9	-1.1	8.3	5.1	2.9	3.8	4.0	4.1	4.1
Merchandise imports (CIF)	2.8	27.7	19.3	10.5	1.0	3.3	3.8	4.2	4.3	4.5

(Continued)

**St. Vincent and the Grenadines - Key Economic Indicators**  
(Continued)

Indicator	Actual			Estimate			Projected			
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Public finance (as % of GDP at market prices)<sup>e</sup></b>										
Current revenues	28.2	28.5	29.0	28.5	28.8	28.4	28.4	28.3	28.4	28.3
Current expenditures	24.2	24.2	23.2	24.2	25.8	25.5	25.1	24.7	24.5	24.1
Current account surplus (+) or deficit (-)	4.0	4.3	5.8	4.3	3.0	2.9	3.3	3.6	3.9	4.2
Capital expenditure	4.7	10.3	12.1	7.0	7.3	7.5	7.6	7.7	7.5	7.5
Foreign financing	-0.6	1.7	3.7	0.6	1.2	1.4	1.3	1.0	1.2	1.0
<b>Monetary indicators</b>										
M2/GDP	52.0	56.1	60.4	65.5	71.1	73.9	74.0	74.0	74.1	74.2
Growth of M2 (%)	4.4	13.8	16.0	12.6	10.1	10.0	6.6	6.6	7.0	6.9
Private sector credit growth / total credit growth (%)	145.7	127.6	154.5	113.8	272.0	117.1	113.0	112.7	119.2	117.6
<b>Price indices (YR95 =100)</b>										
Merchandise export price index	101.0	104.5	111.4	102.1	107.3	105.0	107.2	109.0	110.4	110.9
Merchandise import price index	99.0	92.6	86.5	81.6	77.7	79.0	80.9	82.9	84.9	87.0
Merchandise terms of trade index	98.2	97.9	100.0	98.3	95.5	96.3	96.1	95.3	94.1	92.3
Real exchange rate (US\$/LCU) <sup>f</sup>	103.0	110.0	108.7	108.6	110.1	110.0	109.1	108.3	107.4	106.6
<b>Real interest rates</b>										
Consumer price index (% change)	4.4	0.5	2.1	1.0	0.6	2.1	2.8	2.8	2.8	2.8
GDP deflator (% change)	4.0	1.8	2.3	2.5	0.8	1.4	2.5	2.8	2.8	2.8

a. GDP at factor cost

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

c. Includes net unrequited transfers excluding official capital grants.

d. Includes use of IMF resources.

e. Consolidated central government.

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

## St. Vincent and the Grenadines Social Indicators

	Latest single year			Same region/income group	
	1970-75	1980-85	1993-99	Latin America & Carib.	Lower-middle-income
<b>POPULATION</b>					
Total population, mid-year ( <i>millions</i> )	0.1	0.1	0.1	508.2	2,093.0
Growth rate (% <i>annual average for period</i> )	1.1	0.9	0.7	1.6	1.1
Urban population (% <i>of population</i> )	20.6	33.6	53.5	74.9	42.9
Total fertility rate ( <i>births per woman</i> )	..	..	..	2.6	2.1
<b>POVERTY</b>					
<i>(% of population)</i>					
National headcount index	..	..	..	..	..
Urban headcount index	..	..	..	..	..
Rural headcount index	..	..	..	..	..
<b>INCOME</b>					
GNP per capita ( <i>US\$</i> )	630	1,050	2,620	3,800	1,200
Consumer price index ( <i>1995=100</i> )	31	74	106	140	137
Food price index ( <i>1995=100</i> )	..	..	..	..	..
<b>INCOME/CONSUMPTION DISTRIBUTION</b>					
Gini index	..	..	..	..	..
Lowest quintile (% <i>of income or consumption</i> )	..	..	..	..	..
Highest quintile (% <i>of income or consumption</i> )	..	..	..	..	..
<b>SOCIAL INDICATORS</b>					
<b>Public expenditure</b>					
Health (% <i>of GDP</i> )	..	..	..	3.4	2.7
Education (% <i>of GNP</i> )	..	..	..	3.6	4.8
Social security and welfare (% <i>of GDP</i> )	..	..	..	7.4	..
<b>Net primary school enrollment rate</b>					
<i>(% of age group)</i>					
Total	..	..	..	91	99
Male	..	..	..	..	100
Female	..	..	..	..	99
<b>Access to an improved water source</b>					
<i>(% of population)</i>					
Total	..	75	93	85	80
Urban	..	..	..	93	94
Rural	..	..	..	62	69
<b>Immunization rate</b>					
<i>(% under 12 months)</i>					
Measles	..	..	..	90	87
DPT	..	..	..	87	87
Child malnutrition (% <i>under 5 years</i> )	20	..	..	9	9
<b>Life expectancy at birth</b>					
<i>(years)</i>					
Total	63	69	73	70	69
Male	..	..	..	67	67
Female	..	..	..	73	72
<b>Mortality</b>					
Infant ( <i>per thousand live births</i> )	..	26	20	30	32
Under 5 ( <i>per thousand live births</i> )	..	..	..	38	40
<b>Adult (15-59)</b>					
Male ( <i>per 1,000 population</i> )	..	..	..	207	191
Female ( <i>per 1,000 population</i> )	..	..	..	122	133
Maternal ( <i>per 100,000 live births</i> )	..	..	..	..	..
Births attended by skilled health staff (%)	..	..	..	..	..

CAS Annex B5. This table was produced from the CMU LDB system.

5/8/2001

Note: 0 or 0.0 means zero or less than half the unit shown. Net enrollment ratios exceeding 100 indicate discrepancies between the estimates of school-age population and reported enrollment data. Latest year for access to an improved water source data is 2000.

Source: World Bank

## Annex IV Overview of the Education Sector

The education system in St Vincent and the Grenadines is regulated by the Education Act 1992. An education policy paper was drafted in 1995 setting out the broad education policy objectives. The draft education sector strategic plan 1999-2010 is currently before cabinet for approval.

**Pre-Primary:** approximately 112 schools with an age range from 2 to 4+. All schools are private (Church organisations, NGOs, VINSAVE and private initiatives) but have government financial support via an annual subvention. In 1997/8 government support to pre-schools totalled EC\$22,000. In 1997/98, approximately 3000 children between the ages of 3 and 5 were enrolled in a pre-primary school. This number is an estimated two-thirds of all children in the pre-school age group thus leaving one third of the population outside of available services. A set of regulations for all pre-schools was drafted and has been submitted to the Ministry of Education. 202 teachers work in pre-schools. Approximately 80% of these have received training with VINSAVE providing the majority of this training while some training is also provided by the Pre-School Services Committee and Servol in Trinidad and Tobago.

Access and Equity: Currently the geographic spread of pre-schools is not sufficient for one to be within reach of all pre-school aged children. Areas where no school exist are often those where poorer families live and where children may suffer other disadvantages. All schools have fees to cover the cost of teachers' salaries. These fees vary from EC\$20 to EC\$265,000 per month.

**Primary (Age 5 – 12/13):** 23 schools of which 4 are private. **Primary (Age 5 – 15):** 42 schools.

The number of primary age students decline from 25,078 in 1988/9 to 21,347 in 1998. This trend is expected to continue in the near future. Access to primary education is almost universal but not compulsory. The Education Act, which makes provision for compulsory education, has yet to be enacted. Enrolment in 1997/8 was approximately 96%. The distribution of population and urban drift has however resulted in over crowded schools in the capital and other towns with smaller schools in the country. These are generally staffed with a teacher per grade even where classes are small. The gross pupil teacher ratio in 1998 was 1:21, however the ratio for trained teachers was 1:36, indicating that 40% of primary schools teachers are untrained. On the whole school attendance is high however a worrying feature is the degree of teacher absenteeism. Common Entrance Exam (CEE) results indicate low levels of achievement and wide disparities in achievement between districts. Girls outperform boys in all subjects of the CEE (by nearly 50% in 1995) and the percentage of boys passing the CEE is significantly and consistently below that of girls. Students who fail to pass the CEE continue education in the senior section of the Primary all-age schools. At 15 these students sit the school leaving examination, however there is a low pass rate (less than 10%). Students who pass this examination are entitled to attend a secondary school while those who fail leave school without accreditation.

### Primary level teaching force

There are currently 1,007 primary teachers, of which 40% are untrained. Of the total number of teachers only 30% are male. Currently 40-50 primary teachers are being trained per year, all of whom are employed as teachers prior to training. Entry qualifications for training courses are 'O' levels or CXE. The pupil teacher ratios (PTRs) in primary school varies from district to district with 1:18.8 in the Grenadines and in the Georgetown area to 1:26.4 in the Barrouallie area. The PTRs of qualified primary teachers is 1:27 in the South and 1:60 in the Grenadines. There is a correlation between the schools with high PTRs and low CEE performance.

### Secondary Schools

21 schools with an age range of 13 to 18+ in Forms 1 to 5. Of this number, eight are private Government assisted schools. The secondary sector refers to a five year programme in a designated secondary school and does not include Forms 1 and 2 in the all-age primary schools. As mentioned elsewhere in the document, currently 44% of primary students are allocated a secondary school place based on passing the CEE. Access in the Windward side of the country has been enhanced with the completion of the DFID funded Georgetown secondary school. Access to government secondary schools on the leeward side of the island is also made

available to students who fail to pass the CEE when there is space available. Places are also made available at some of the private assisted secondary schools on a fee paying basis for those who fail the CEE but can afford the fees. There are also a number of private unregistered secondary schools in Kingstown.

In so far as the physical plant of schools is concerned many are small and therefore have difficulties in delivering a full curriculum in a cost effective manner. The average size of schools is 360 pupils with three schools under 200 pupils and a further three under 300. Management structures of the schools are underdeveloped usually comprising only of a principal and vice principal.

### **Secondary level teaching force**

There are 379 secondary teachers, of which 78% are untrained. 58% of the total are female. A new two-year programme for training secondary non-graduates has begun. A target of training 80 secondary teachers per year would lead to a fully trained teaching force by 2006/7. The requirement to hold 2 'A' levels must however be relaxed to enable teachers to access training. The PTRs for qualified secondary teachers indicate wide disparities between schools from 1:45 to 1:366. There is a correlation between these ratios and school CXC performance.

### **Tertiary Level**

It is the intention of the Government to integrate tertiary level education and training within the concept of an Integrated Community College as encapsulated in the Institutional Master Plan. Assistance towards this end has been provided by the EC through the EDF. The first phase of the plan was completed in 1996 with the construction of a new facility to house 'A' level programmes (the Community College). The second phase includes the establishment of a learning resource centre, relocation of the Teachers College, the establishment of links with other institutions, upgrading and expansion of programmes and access and the facilitation of integration.

The Community College was constructed to contain 300 students. The numbers in 1999 were 582 (182 male and 400 female). There is a teaching staff of fourteen, six of whom are female. Students at the college are prepared for Cambridge 'A' level papers. Of the 300 students who graduated in 1998 over 50% gained matriculation level results, but only about fifty of this number succeeded in obtaining university places. Of this fifty many received scholarships from the Government of Cuba to facilitate their studies whilst the Government of St Vincent provides four national scholarships. On average less than 20% of all graduates go on to university education.

### **Tertiary Level Institutions and other facilities:**

- A school for children with Special Educational Needs.
- Liberty Lodge: for maladjusted children.
- SVG Technical College
- SVG Community College (Sixth form)
- SVG Teachers College
- SVG School of Nursing
- 5 Multi-purpose TVET Centres
- The Layou Trade School

**Annex V Overview of the banana sector**

**WINDWARDS' PRODUCTION BY ISLAND**

**1980 – 1999**

Year	ISLAND								Total
	Dominica		St Lucia		St Vincent		St Vincent and the Grenadines		Windwards
	Tonnes	%	Tonnes	%	Tonnes	%	Tonnes	%	Tonnes
1980	7,606	11.2	29,462	43.3	18,901	27.8	12,012	17.7	67,980
1981	26,889	24.0	43,720	39.1	29,900	26.7	11,388	10.2	111,896
1982	27,236	25.6	42,923	40.3	26,284	24.7	9,993	9.4	106,437
1983	28,927	24.2	54,338	45.4	27,576	23.1	8,736	7.3	119,577
1984	31,639	22.8	65,610	47.3	33,011	23.8	8,585	6.2	138,844
1985	34,694	21.7	83,533	52.1	41,211	25.7	804	0.5	160,242
1986	51,707	24.5	112,540	53.4	38,450	18.2	7,990	3.8	210,688
1987	65,604	32.2	93,023	45.6	36,581	17.9	8,714	4.3	203,922
1988	74,194	26.3	135,727	48.1	63,072	22.3	9,240	3.3	282,234
1989	50,856	20.2	126,634	50.3	65,663	26.1	8,689	3.5	251,842
1990	57,867	20.5	135,367	48.0	81,155	28.8	7,552	2.7	281,941
1991	55,844	24.3	100,870	43.9	63,407	27.6	9,626	4.2	229,747
1992	59,220	21.2	135,291	48.4	78,779	28.2	6,522	2.3	279,812
1993	55,946	23.1	122,927	50.7	58,688	24.2	4,891	2.0	242,452
1994	43,046	25.4	90,909	53.7	30,925	18.3	4,544	2.7	169,424
1995	33,366	17.2	105,658	54.6	50,083	25.9	4,574	2.4	193,681
1996	39,956	20.9	105,547	55.1	44,038	23.0	1,866	1.0	191,407
1997	34,911	25.4	71,397	52.0	31,021	22.6	102	0.1	137,431
1998	28,640	21.9	73,220	55.9	39,886	30.5	94	0.1	141,839
1999	27,784	21.2	65,196	49.8	37,376	28.5	583	0.4	130,939

Source: Windward Islands Banana Development and Exporting Company (WIBDECO)

The common organisation of the market for bananas was introduced in 1 July 1993 and provided for separate arrangements for imports from the various suppliers: a tariff quota system and special arrangements for imports from traditional ACP suppliers. However, various elements of the regime were successfully challenged in the WTO and the EU banana regime was revised to take their findings into account. New arrangements come into force on 1 January 1999 but are in the process of being further modified by the Understandings reached with both the US and with Ecuador in April 2001. This was a significant step in resolving this long-standing dispute. The understandings provide for a transitional period of tariff quotas before a tariff only system comes into force in 2006.

In a **first phase** starting on 1 July 2001 and ending on 31 December 2001, the tariff quotas (TRQs) will remain at current levels, with an allocation of licences under the historical method. In a **second phase**, from 1 January 2002 to 1 January 2006, one of the quotas is reserved for ACP use only. This is conditional on obtaining an Article XIII waiver in the WTO. On **1 January 2006** at the latest, a tariff-only regime will be introduced. Under the agreement, the ACP will benefit from the reservation of a certain quantity of import for their sole use and the continuation of the historical method for the management of the tariff quotas (compared to the first come, first served licensing method).

It is too early to determine the precise impact of the new arrangements on St. Vincent and the Grenadines as this will depend to a certain extent on traders' commercial decisions, on the management system for the ACP quota under phase II and on the response of the industry to continued competitive pressures. It will be important for St Vincent and the Grenadines to take advantage of the transitional phase before 2006 [to restructure their industry] in order to be able to cope with the new trading environment.

The change in market arrangements for Windward Islands bananas has been accompanied by an increasingly competitive environment in which higher quality, lower cost fruit from Latin America and elsewhere became much more readily available to consumers in the UK. This competitive pressure, together with an increasing volume of fruit have tended to hold prices down and increase the demand for higher quality bananas.

## Annex VI Matrix of Government Policy Objectives

POLICY AREAS AND ISSUES	OBJECTIVES	ACTION PLANS	TIMING
<p><b>(1) <u>SOCIAL SECTORS</u></b></p> <p>Increase efficiency in the delivery of social services in order to improve the general well being of the population.</p> <p><i>(a) <u>Human Resource Development</u></i></p> <p>Develop human resources to respond effectively to national development needs.</p>	<ul style="list-style-type: none"> <li>◆ To improve the quality and delivery of education at all levels.</li> <li>◆ To make the education system more relevant to national development needs.</li> <li>◆ To improve and maintain access at all levels of the education system.</li> <li>◆ To develop an adequately trained work force.</li> <li>◆ To improve the level of literacy.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Construction of the Learning Resource Centre at the Community College.</li> <li>➤ Commence construction of the New Public Library.</li> <li>➤ Restructure the management and resourcing of special education.</li> <li>➤ Review and upgrade Primary and Secondary Schools Curricula in collaboration with CARICOM &amp; OECS.</li> <li>➤ Introduce foreign languages in 75 % of all primary schools.</li> <li>➤ Establish the mechanism for private sector involvement in technical/vocational training.</li> <li>➤ Construction of Primary School at Peruvian Vale.</li> <li>➤ Commencement construction of the Edinboro Primary School.</li> <li>➤ Extension of Owia, Biabou, and Calliaqua primary schools.</li> <li>➤ Facilitate the establishment of preschools with particular emphasis on Dickson, New Prospect and Lowmans Wd primary schools.</li> <li>➤ Increase the access to pre-schools to at least 40%.</li> <li>➤ Continued provision of financial assistance for tertiary training.</li> <li>➤ Commence construction of a secondary school in North Windward.</li> <li>➤ Extend provision to School for Children with Special Needs to receive vocational training.</li> <li>➤ Expand technical-vocational training.</li> <li>➤ Commence reconstruction of Barrouallie Secondary School.</li> <li>➤ Merger of Technical College, Teachers College, School of Nursing with the A-Level College to form the Community College.</li> <li>➤ Implementation of regulation for preschools.</li> <li>➤ Equip all educational institutions with computers and appropriately trained staff.</li> <li>➤ Review and Reform the Text Book Loan Scheme.</li> <li>➤ Begin construction of a science laboratory at the Bequia Community High School.</li> <li>➤ Integrate Information and Communication Technology, to enhance management, teaching and learning.</li> <li>➤ Automate library system for post secondary facilities.</li> <li>➤ Upgrade programmes at the Integrated Community College and Multi-Purpose Centres.</li> <li>➤ Develop a national training plan.</li> <li>➤ Expand adult education programmes and improve delivery.</li> <li>➤ Collaborate with the social partners in the expansion of early childhood and adult education.</li> <li>➤ Implement a national literacy programme.</li> </ul>	<p>2002 – 2004 2004 2003 – 2004 2002 – 2003 2002 – 2004 2003 – 2004 2002 – 2004 2004 2002 – 2004 2002 – 2004 2002 – 2004 2003 – 2004 2003 2002 – 2004 2002 - 2004 2004 2002 – 2004 2002 – 2004 2003 – 2004 2003 2002 – 2004 2002 – 2004 2003 – 2004 2003 – 2004 2002 – 2004 2003 – 2004 2003 – 2004 2002 – 2004 2002-2004 2002 – 2004 2003 - 2004</p>
<p><b>(b) <u>Poverty Eradication</u></b></p> <p>To eradicate poverty.</p>	<ul style="list-style-type: none"> <li>◆ To develop capacity to facilitate poverty eradication initiatives.</li> <li>◆ To improve social safety nets for vulnerable groups.</li> <li>◆ To empower communities to identify ,</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strengthen social planning capacity in the Central Planning Division.</li> <li>➤ Strengthen institutional capacity of the Ministry of Social Development.</li> <li>➤ Implement the programmes of the Social Policy Framework for Poverty Reduction.</li> <li>➤ Expand poverty reduction initiatives in selected communities.</li> <li>➤ Consult with communities to identify income generating projects and requisite</li> </ul>	<p>2003 – 2004 2002 – 2004 2002 – 2004 2002 - 2004 2002 – 2003</p>

	<p>prepare and implement revenue generating projects.</p> <ul style="list-style-type: none"> <li>◆ To encourage greater community participation in promoting national development.</li> </ul>	<p>skills training needs.</p> <ul style="list-style-type: none"> <li>➤ Identify training resources and conduct skills training programmes.</li> <li>➤ Provide financing for selected projects, implement and monitor progress.</li> <li>➤ Prepare a National Poverty Reduction Strategy Paper.</li> <li>➤ Support farmers displaced by the Banana Restructuring Programme.</li> <li>➤ Refurbish and repair 8 resource centres.</li> <li>➤ Establish resource centres in Gomea, Dickson and Vermont community centres.</li> <li>➤ Establish management committees in 18 resource centres.</li> </ul>	<p>2002 – 2003 2002 – 2003 2002 2002 – 2004 2002 – 2004 2002 - 2004 2002 - 2004</p>
<p>(c) <b><u>Health</u></b></p> <p>Promote health and general well being of the population.</p>	<ul style="list-style-type: none"> <li>◆ To upgrade the quality of health care facilities.</li> <li>◆ To improve the delivery of health care.</li> <li>◆ To decentralize the delivery of health services.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Construct Clinics in South Rivers, Evesham and Richland Park.</li> <li>➤ Maintain 100% immunization coverage of the 0 - 5 age group.</li> <li>➤ Continue programme of Primary Health Care.</li> <li>➤ Intensify public education on Drug Abuse, with special emphasis on the school age group.</li> <li>➤ Implement the strategic plan for the prevention of HIV/AIDS and other STD's.</li> <li>➤ Construct a detoxification unit at the Milton Cato Memorial Hospital.</li> <li>➤ Continue to decentralize the delivery of health services through improving the Health Information System, and Quality Assurance in all clinics and rural hospitals.</li> <li>➤ Upgrade and equip rural health centres and clinics.</li> </ul>	<p>2002 – 2004 2002 - 2004</p>
<p>(2) <b><u>FISCAL POLICY</u></b></p> <p>Prudent management of the public finance in order to rebuild public sector savings to help finance a larger PSIP</p> <p>(a) <b><u>Public Finances</u></b></p>	<ul style="list-style-type: none"> <li>◆ To improve the legislative framework for financial management in the public sector.</li> <li>◆ To achieve consolidated public sector savings of 6-8% of GDP.</li> <li>◆ To finance at least 40% of PSIP from domestic resources.</li> <li>◆ Maintain public debt and debt servicing to manageable limits.</li> <li>◆ To strengthen financial controls and improve efficiency of the operations of public enterprises.</li> <li>◆ To enhance the efficiency of the financial management procedures of the Central Government.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Advocate for the passage of the Finance (Administration) and Audit Bills.</li> <li>➤ Streamline the operations of the Government Printery, and the Post Office.</li> <li>➤ Implementation of measures in response to September 11<sup>th</sup>, 2001 events.</li> <li>➤ Continue reduction of discretionary exemptions on import duty and consumption tax.</li> <li>➤ Maintain the external debt ratio to within 50% of GDP and the domestic debt ratio to 20% of GDP.</li> <li>➤ Develop a system to monitor the operations of public enterprises on a regular basis.</li> <li>➤ Continue to review and update charges and fees for Government service.</li> <li>➤ Restructure the operations of the BGA, Marketing Corporation and Arrowroot to make them more financially self-sufficient.</li> </ul>	<p>2002 2002 – 2004 2002 – 2004 2002 – 2004 2002 - 2004 2002 2002 – 2004 2002 – 2004</p>
<p>(b) <b><u>Tax Reform</u></b></p> <p>Widen tax base and simplify the tax system.</p>	<ul style="list-style-type: none"> <li>◆ Improve tax compliance.</li> <li>◆ To remove distortions that create disincentives to investment and productivity.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Institute new system for property tax.</li> <li>➤ Further reduce Income Tax rates.</li> <li>➤ Introduce a VAT or a VAT related tax.</li> <li>➤ Continue to improve tax administration.</li> </ul>	<p>2002 – 2004 2002 – 2004 2002 – 2004 2002 - 2004</p>
<p>(3) <b><u>FINANCIAL POLICY</u></b></p> <p>The Modernisation and development of the Financial Sector.</p>	<ul style="list-style-type: none"> <li>◆ To update the legal and regulatory framework for all financial institutions.</li> <li>◆ To promote the continued development of money and capital markets in conjunction with the ECCB and other OECS Governments.</li> <li>◆ To promote the integrity and soundness of the financial system.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Introduction of a modern Insurance Act and Regulations.</li> <li>➤ Participate in the Regional Government Securities Market (RGSM).</li> <li>➤ Improve regulatory framework for non-bank credit institutions.</li> <li>➤ Enact legislation for the establishment of the <ul style="list-style-type: none"> <li>(i) Eastern Caribbean Unit Trust</li> <li>(ii) Eastern Caribbean Enterprise Development Fund.</li> </ul> </li> <li>➤ Restructure the National Commercial Bank to divest non-banking services.</li> </ul>	<p>2002 2002 – 2004 2002 – 2004 2002 2002 – 2004</p>

<p><b>(5) <u>TRADE POLICY</u></b></p> <p>Enhance the country's competitiveness in order to generate increased earnings.</p>	<ul style="list-style-type: none"> <li>◆ To respond effectively to the requirements of international and regional trading arrangements.</li> <li>◆ To integrate and participate effectively into the CARICOM Single Economy.</li> <li>◆ To improve access to and competitiveness in foreign markets.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Collaborate within the OECS, CARICOM &amp; RNM framework to implement the joint negotiating strategy towards the FTAA, WTO and COTONOU.</li> <li>➤ Provide technical assistance to prepare local industries for the CARICOM Single Market and Economy.</li> <li>➤ Strengthening of institutional capacity of the Trade Department to address trade and development issues.</li> <li>➤ Collaborate with the private sector in mounting trade and investment missions abroad.</li> <li>➤ Provide assistance to manufacturers and agro-processors to attend trade exhibitions.</li> <li>➤ Placement of a Trade and Investment officer in some overseas mission.</li> <li>➤ Expand the operations of the Standards Bureau to be more relevant to the needs of the producers.</li> </ul>	<p>2002 – 2004</p> <p>2002 - 2004</p> <p>2002 - 2004</p>
<p><b>(6) <u>SECTORAL POLICY</u></b></p> <p><b>(I) <u>AGRICULTURE</u></b></p> <p>Facilitate agricultural diversification in order to broaden the economic base.</p>	<ul style="list-style-type: none"> <li>◆ To increase productivity, efficiency and competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Implementation of the Windward Islands Action Plan <ul style="list-style-type: none"> <li>• Certified Farmer Programme</li> <li>• Irrigation and drainage programme</li> <li>• High yielding planting material</li> </ul> </li> <li>➤ Construct a pulverizing plant.</li> <li>➤ Continue the income tax exemption regime for farmers.</li> <li>➤ Construct Palletisation Centres at La Croix.</li> <li>➤ Expansion of banana tissue culture laboratory at Rabacca.</li> <li>➤ Development of feeder roads</li> <li>➤ Facilitation of small farmer production through credit, extension and other support services.</li> <li>➤ Promotion of non-banana agriculture through the Agricultural Diversification Fund.</li> </ul>	<p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 - 2004</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 - 2004</p>
	<ul style="list-style-type: none"> <li>◆ To ensure food security.</li> <li>◆ To enhance the foreign exchange earning capacity of the sector.</li> <li>◆ To promote the sustainable use of forestry and marine resources.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Modernization of the St. Vincent Marketing Corporation.</li> <li>➤ Conduct an inter-censal survey.</li> <li>➤ Commence operations of a poultry breeding unit and hatchery at Peter's Hope.</li> <li>➤ Improve genetic stock for cattle.</li> <li>➤ Continue the programme of fiscal incentives for activities in non-traditional agriculture.</li> <li>➤ Upgrade all fishing centers.</li> <li>➤ Continue the implementation of the Forestry Development and Conservation Plan.</li> <li>➤ Increase surveillance of in- shore fishing.</li> <li>➤ Implement a system for the licensing and registration of fishing vessels.</li> </ul>	<p>2002 – 2004</p> <p>2004</p> <p>2003-2004</p> <p>2003-2004</p> <p>2002-2004</p> <p>2002-2004</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 - 2004</p>
<p><b>(b) <u>Land Use and Land Reform</u></b></p> <p>Promote the sustainable use of the land resources.</p>	<ul style="list-style-type: none"> <li>◆ To provide security of tenure.</li> <li>◆ To ensure optimum utilization of available land.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop and implement programmes to measure soil loss in agricultural districts.</li> <li>➤ Continue the mapping of agricultural lands through the Geographic Information System to determine land use.</li> <li>➤ Development of forestry plantation management and inventory system.</li> </ul>	<p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 - 2004</p>
<p><b>(II) <u>MANUFACTURING</u></b></p> <p>Maximize output for export and create self-employment</p>	<ul style="list-style-type: none"> <li>◆ To promote and develop small manufacturing and agro-based enterprises.</li> <li>◆ To facilitate the development of entrepreneurial skills.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Intensify the “buy local” campaign.</li> <li>➤ Develop additional standards for manufacturing.</li> <li>➤ Provision of credit for small businesses through NDF, NCB and the Development Bank.</li> </ul>	<p>2002 - 2004</p> <p>2002 - 2004</p> <p>2002 – 2004</p>

opportunities.	<ul style="list-style-type: none"> <li>◆ To promote efficiency and competitiveness within the sector.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strengthening the capability of local agencies to facilitate small business development.</li> <li>➤ Provision of technical support to the small and medium sized entrepreneurs by the Small Enterprise Development Unit.</li> <li>➤ Provision of technical assistance to assist in product development.</li> </ul>	<p>2000 – 2002</p> <p>2002-2004</p> <p>2002 - 2004</p>
<p><b>(III) <u>TOURISM</u></b></p> <p>Promote the sustainable development of the tourism sector to provide the stimulus for economic diversification and sustained growth.</p>	<ul style="list-style-type: none"> <li>◆ To attract investment in high quality plant and facilities.</li> <li>◆ To increase visitor arrivals and earnings.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Revision of the Hotels Aid Act to include incentives to other tourism services.</li> <li>➤ Initiate contacts and commence negotiations with investors on major tourism development projects.</li> <li>➤ Facilitate the introduction of minimum standards in the tourism industry.</li> <li>➤ Establishment of a hubs in Barbados and St Lucia.</li> <li>➤ Accelerate joint promotional efforts in the region with the SVGHTA, particularly for special events, eg. Carnival, Nine Mornings etc.</li> <li>➤ Restructure the cruise ship head tax.</li> <li>➤ Commence preparatory work on the selected option for jet port facilities in the country.</li> </ul>	<p>2003</p> <p>2002-2003</p> <p>2002 – 2003</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2003 - 2004</p>
	<ul style="list-style-type: none"> <li>◆ To develop a supporting public attitude to tourism.</li> <li>◆ To create and develop a diversified tourism product based on sound environmental and social conditions.</li> <li>◆ To forge linkages between tourism and other sectors.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Celebration of the annual tourism month</li> <li>➤ Continue the programme of public awareness seminars and training workshops for industry personnel.</li> <li>➤ Review and update the National Tourism Policy, inclusive of the Cruise/Marine Tourism Policy.</li> <li>➤ Establishment of a marine tourism task force.</li> <li>➤ Preparation and implementation of a master plan for the development of all tourism sites.</li> <li>➤ Development of a master plan for the revitalisation of Kingstown.</li> <li>➤ Enact the National Parks Authority Law and operationalise the Authority.</li> <li>➤ Continue the development of special events such as the Blues Festival.</li> <li>➤ Intensify the “buy local” campaign</li> </ul>	<p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 – 2003</p> <p>2002</p> <p>2002 – 2004</p> <p>2003 – 2004</p> <p>2002 – 2004</p> <p>2002 – 2004</p> <p>2002 - 2004</p>
<p><b>(IV) <u>OTHER SERVICES</u></b></p> <p>Development of the services sector with emphasis on informatics and international financial services.</p> <p>(a) <u>International Financial Services.</u></p> <p>Stabilisation and enhancement of the offshore financial services.</p> <p>(b) <u>Information Technology</u></p>	<ul style="list-style-type: none"> <li>◆ To create a transparent, credible efficient and competitive offshore industry.</li> <li>◆ To assist in the economic diversification thrust.</li> <li>◆ To achieve full liberalisation of the telecommunications sector.</li> <li>◆ To further develop the regulatory framework for the telecommunication sector.</li> <li>◆ To facilitate investment in a liberalised telecommunication sector.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Complete review of the management and operations of the Offshore Finance Sector.</li> <li>➤ Institutional strengthening of the Offshore Finance Authority.</li> <li>➤ Strengthen regulatory framework for offshore financial services.</li> <li>➤ Reform legislation in line with international standards and best practices.</li> <li>➤ Undertake an impact assessment of the Offshore Finance Sector.</li> <li>➤ Continue promotion of the Offshore Finance sector in overseas markets.</li> <li>➤ Provision of fiscal incentives for the Services Sector.</li> <li>➤ Collaborate with other OECS member states to liberalise the telecommunication sector.</li> <li>➤ Establishment of National Institute of Technology.</li> </ul>	<p>2002</p> <p>2002-2004</p> <p>2002-2004</p> <p>2002-2003</p> <p>2002 – 2003</p> <p>2002-2004</p> <p>2002</p> <p>2002 – 2003</p>

	<ul style="list-style-type: none"> <li>◆ Develop human resources pool in the sector</li> </ul>		
<p><b>(7) CONSTRUCTION</b></p> <p>Development of the Construction Sector with the emphasis on Standards and Training.</p>	<ul style="list-style-type: none"> <li>◆ To improve building standards in the construction sector.</li> <li>◆ To promote economic activity and employment.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Approve and implement a National Building Codes and Guidelines.</li> <li>➤ Strengthen the Physical Planning Department to administer the codes and guidelines.</li> <li>➤ Conduct training at all levels of the construction sector in codes and best practices.</li> </ul>	<p>2002 - 2004 2002</p> <p>2003-2004</p>
<p><b>(8) YOUTH AND SPORTS</b></p> <p>Complete integration of youth and sports in the national development process.</p>	<ul style="list-style-type: none"> <li>◆ To promote the general welfare of youths</li> <li>◆ To ensure the complete integration of youth into the National Development Programmes.</li> <li>◆ To provide a framework for the integration of sports into national development.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ratification of the National Youth Policy.</li> <li>➤ Review the Youth Empowerment Service to secure sustainability.</li> <li>➤ Construction of an additional pavilion at the Arnos Vale Playing Field.</li> <li>➤ Continue the programme of construction and lighting of hard courts in rural communities.</li> <li>➤ Introduce physical education in the curriculum for all educational institutions.</li> <li>➤ Commence work on a National Stadium.</li> </ul>	<p>2002 – 2004 2002 – 2004 2002 - 2004</p> <p>2003</p> <p>2003 - 2004</p>
<p><b>(9) PUBLIC ADMINISTRATION</b></p> <p>Strengthening administrative capacity to implement policies and programmes more efficiently.</p>	<ul style="list-style-type: none"> <li>◆ To be more efficient in the delivery of public service.</li> <li>◆ To enhance policy formulation.</li> <li>◆ To implement programmes in support of economic growth and development.</li> <li>◆ To eliminate official corruption in the public service.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Implement the Performance Evaluation System for public officers and link this to salary increases.</li> <li>➤ Complete replication of SIGFIS in other line ministries.</li> <li>➤ Improvement in the compilation and analysis of statistics.</li> <li>➤ Conduct a reclassification exercise for the public service.</li> <li>➤ Introduce the new Finance Administration Act and Regulations.</li> <li>➤ Implement the New Civil Service Orders and Public Service Commissions Regulations.</li> <li>➤ Strengthen the budgetary process by introducing a tri-annual budget.</li> <li>➤ Conduct a diagnostic study for the implementation of an Integrated Project Management System.</li> <li>➤ Introduce the new Audit Act.</li> </ul>	<p>2003 – 2004</p> <p>2002 - 2003 2002 - 2004 2002 - 2003 2002 – 2004 2002</p> <p>2002 2002</p>
<p><b>(10) ENVIRONMENT</b></p> <p>Protect conserve, enhance and restore the natural resources of the country through effective utilization and management, ensuring sustainable development.</p>	<ul style="list-style-type: none"> <li>◆ To manage and utilize natural resources in a way that reduces degradation and promotes preservation.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Implementation of the National Physical Development Plan.</li> <li>➤ Update the National Environment Action Plan.</li> <li>➤ Preparation of Guidelines and Standards for Environmental Impact Studies.</li> <li>➤ Provision of a Solid Waste Disposal Facility for the Grenadines.</li> <li>➤ Establishment of Beaches and Parks Commission legislation to establish national parks and protected areas.</li> <li>➤ Provision of regulations for the various Acts, which relate to environmental management.</li> <li>➤ Develop and sustain public awareness and education programmes on the environment.</li> </ul>	<p>2003 2002 – 2003 2002 – 2004</p> <p>2002 2002 – 2004</p> <p>2002 - 2004</p>
<p><b>(11) PHYSICAL INFRASTRUCTURE AND UTILITIES</b></p> <p>Develop infrastructure to facilitate private sector-led economic activities and to ensure adequate service to the public.</p>	<ul style="list-style-type: none"> <li>◆ To provide support infrastructure for economic development.</li> <li>◆ To enhance air and seaport facilities in order to improve access to St Vincent and the Grenadines and to facilitate exports.</li> <li>◆ To improve quality and access to social services.</li> <li>◆ To improve the road network.</li> <li>◆ To improve traffic flow into, around and out</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improvement to the E.T. Joshua Airport.</li> <li>➤ Rationalize the merger of the Kingstown Port and the Campden Park Container Port.</li> <li>➤ Undertake investments in power generation capacity in St Vincent and the Grenadines.</li> <li>➤ Establishment of a Public Utilities Commission.</li> <li>➤ Improve water supply on the eastern side of St Vincent.</li> <li>➤ Conduct Studies of Water Supply in the Grenadines</li> <li>➤ Conduct a Water Resource Study in St. Vincent.</li> <li>➤ Expand the road/highway rehabilitation and maintenance programme.</li> <li>➤ Complete design and begin construction of the trans-island road.</li> </ul>	<p>2002 – 2004 2002 - 2004</p> <p>2003 – 2004 2004 2002 – 2004 2003-2004 2004</p> <p>2002 – 2004 2002 – 2004</p>

	<ul style="list-style-type: none"> <li>◆ of Kingstown including parking in the city.</li> <li>◆ Improve conditions of public transport.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Upgrade and construct feeder roads throughout the country.</li> <li>➤ Rehabilitation of the Windward Highway I.</li> <li>➤ Conduct a traffic study of Kingstown.</li> <li>➤ Implement the Upper Bay Street Improvement Project.</li> <li>➤ Conduct a study into additional location for a bus terminal in Kingstown.</li> </ul>	<p>2002 - 2004 2002-2004 2002 2003 - 2004 2003</p>
<p><b>(12) PUBLIC SECTOR INVESTMENT PROGRAMME</b> Develop a Public Sector Investment Programme, which is consistent with the country's economic and social development goals.</p>	<ul style="list-style-type: none"> <li>◆ To provide the stimulus for private sector investment and overall economic development.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strengthen implementation capacity in relevant agencies and ministries.</li> <li>➤ Establish a computerised system for project cycle management.</li> <li>➤ Link project identification and selection process to PSIP.</li> <li>➤ Review of the project monitoring and evaluation procedures.</li> </ul>	<p>2002 – 2004  2002 – 2004 2002 – 2004 2002 - 2004</p>
<p><b>(13) DISASTER MITIGATION AND MANAGEMENT</b></p>	<ul style="list-style-type: none"> <li>◆ To mitigate the effects of natural and man-made disasters.</li> <li>◆ To enhance the management capacity of Governmental agencies and non-Governmental organisations to respond to disasters</li> </ul>	<ul style="list-style-type: none"> <li>➤ Creation of the National Hazard Mitigation Council (NHMC)</li> <li>➤ Strengthening river defences.</li> <li>➤ Conduct training and public awareness programmes</li> <li>➤ Conduct study on a Kingstown watershed and drainage.</li> <li>➤ Retrofitting of 5 health centres.</li> <li>➤ Retrofitting of 20 emergency shelters</li> <li>➤ Conduct an integrated coastal zone Management Study.</li> <li>➤ Institutional strengthening of Ministry of Transport Work and Housing.</li> <li>➤ Revision of the National Disaster Plan.</li> <li>➤ Emergency procedures for the Office of Disaster Preparedness early warning agencies.</li> </ul>	<p>2002 2002 – 2004 2002 - 2004 2002 – 2003 2002 – 2003 2002 – 2003 2002 – 2004  2002 – 2004 2002 - 2003</p>
<p><b>(14) HOUSING</b> Facilitate the development of the housing stock.</p>	<ul style="list-style-type: none"> <li>◆ To assist low and middle income earners in obtaining housing.</li> <li>◆ To regularize existing squatter settlement.</li> <li>◆ To regulate and control development of unauthorized housing settlement.</li> </ul>	<ul style="list-style-type: none"> <li>➤ To continue to provide concessionary mortgage financing for low and middle-income earners.</li> <li>➤ Construct low income houses under the housing policy in: Mt. Wynne/Peter's Hope, Green Hill, Petit Bordel, Tourama, Reeves Level, Diamond, Orange Hill &amp; Fancy.</li> <li>➤ Institutional Strengthening of the Housing and Land Development Corporation.</li> <li>➤ Provision of incentives to the private sector for housing development.</li> <li>➤ To facilitate ownership of lands in current squatter settlements.</li> <li>➤ To provide sites and services in existing squatter settlement.</li> </ul>	<p>2002 - 2004  2004  2002-2004 2002-2004 2002-2004 2002 - 2004</p>
<p><b>(15) CULTURE</b> Preserve the cultural heritage and to harness its economic potential.</p>	<ul style="list-style-type: none"> <li>◆ To promote and preserve the nation's cultural heritage.</li> <li>◆ To facilitate the integration of culture into economic development.</li> <li>◆ To develop the entertainment industry and organize performing artistes into a vibrant economic sector.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Operationalise the National Cultural Foundation.</li> <li>➤ Incorporation of the Carnival Development Committee into a legal entity.</li> <li>➤ Implementation of a Garifuna Heritage Retrieval programme.</li> <li>➤ Continue the development and promotion of all national festivals: Carnival, Nine Mornings, drama, dance and folk festivals.</li> <li>➤ Commence construction of a lecture theatre at the National Public Library.</li> <li>➤ Acquisition of properties for the construction of the Centre for the Creative Arts and the National Museum.</li> <li>➤ Preparation and implementation of a training/ unemployment programme for artistes of national prominence.</li> </ul>	<p>2002-2004 2002  2002-2004 2002 – 2004 2003 – 2004  2003 – 2004  2002 - 2004</p>