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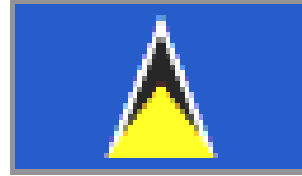
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**2007 Annual Operational Review**

***SAINT LUCIA***

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Document 1: Joint Annual Report (final draft) taking into account  
NAO's written comments



**DELEGATION OF THE EUROPEAN COMMISSION  
IN  
BARBADOS AND THE EASTERN CARIBBEAN  
OFFICE OF THE NATIONAL AUTHORISING OFFICER  
IN  
ST. LUCIA**

**COOPERATION  
between  
THE EUROPEAN UNION  
and  
ST. LUCIA**

**JOINT ANNUAL REPORT 2006**

In conformity with Article 81 of  
The Cotonou Agreement

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## 1. Update on the political, economic and social situation

### 1.1 Update of the political situation

#### Synopsis

2006 was marked by the run-up to the general elections expected by year end. The issue of rising crime was prominent in the political debate throughout the year.

- Overview

In the December 11 general election, the ruling St. Lucia Labour Party (SLP) headed by Dr. Kenny Anthony suffered a shock defeat after two opinion polls had predicted victory for the SLP. The SLP's defeat returned 82 year old Sir John Compton, who led the country into independence from Britain in 1970, for his third stint as Prime Minister. Sir John United Workers' Party (UWP) won eleven of the 17 seats, a reversal of the 13-4 outcome in favour of the SLP in the 2001 poll.

The election campaign was said to be the most intense in the country's history, with unprecedented levels of political advertising. The main issues of the campaign were: rising crime, economic diversification and personal leadership. The opposition argued in favour of balancing the economic development (especially in favour of the agriculture and banana producers) and criticised the rising crime rate and the various financial scandals that had erupted during the 10 years of SLP government. Following the election, the Organisation of American States' electoral observation mission to St. Lucia expressed satisfaction with the conduct of the poll but said there was need for improving the accuracy of the voter lists (despite a significant effort to clean up the rolls before these elections) and more adequate campaign financing regulations in the Caribbean.

A by-election in March 2006 to contest the Central Castries constituency produced the first political surprise, as independent candidate Richard Frederick defeated the then Attorney General, Victor la Corbiniere. The by-election was made possible with the resignation from Parliament in January of former SLP Health Minister, Sarah Flood-Beaubrun who had left the Kenny Anthony cabinet in 2004. Flood-Beaubrun had formed her own political party, the Organisation for National Empowerment, which she said was being denied appropriate participation in the on-going electoral enumeration exercise. This, she said, prompted her resignation from Parliament. Following the UWP's victory in the December election, Mrs. Flood-Beaubrun was named Speaker of the House of Parliament.

- Regional Integration developments

At a meeting of the CARICOM Council for Trade and Economic Development (COTED) following the entry into force of the CSM on 1 January, St. Lucia along with other members of the Organisation of Eastern Caribbean States vowed to fully accede to the CSM as a block by 31 March 2006. This deadline was later pushed back to 30 June. Their participation was linked to the finalisation of necessary legislative and administrative arrangements and the resolution of outstanding issues related to the Regional development Fund and Special and Differential Treatment for CARICOM's Less Developed Countries.

At the 27<sup>th</sup> Annual CARICOM Heads of Government summit leaders agreed to expand the categories of workers eligible to move freely throughout the region to nurses and teachers (with hospitality and domestic workers and artisans expected to follow in early 2007). The Summit also formally endorsed the formula for financing the US\$250 million Regional Development Fund (RDF), which should be fully operational by July 2007.

During celebrations to mark the 25 Anniversary of the OECS in June a draft of the OECS Economic Union Treaty was circulated as the Heads signed a declaration of intent affirming their commitment to the establishment of the OECS Economic Union by July 2007.

The WTO General Council endorsed an OECS package of proposals that sought to accommodate the needs of small states in implementing their WTO obligations. An OECS official said this provides legal certainty

to donors, that where practicable, multilateral agencies could target regional bodies for the disbursement of technical and financial assistance.

The 58<sup>th</sup> Annual Meeting of the International Whaling Commission was held in St. Kitts, resulting in the adoption of the St. Kitts Declaration, which speaks against the (whale hunting) moratorium and in favour of restoring the IWC to its original whale stocks management mandate. The Declaration was sponsored by all of the OECS independent states.

### International Relations

#### **United States of America**

CARICOM Foreign Ministers met with United States Secretary of State, Dr. Condoleezza Rice, in the Bahamas on 21 and 22 March. Issues discussed included: Haiti; CARICOM integration, including the establishment of the CSME; the link between development and democracy; trade cooperation issues as well as security and law enforcement. It was the first substantive session the United States had had with all CARICOM Foreign Ministers in four years. The two sides also proposed a reconfigured US-CARICOM Trade and Investment Council. A Caribbean/US heads of state summit is planned in Washington in June 2007. These meetings have been interpreted by some as a gesture of renewed US involvement in the region.

On 4 October United States President, George .W. Bush signed into law the Western Hemisphere Travel Initiative, which requires all United States Citizens returning to the US by air after 8 January 2007 to have a valid passport. This created some concern from the tourism industry, ahead of the peak tourism season.

The US State Department issued a travel advisory following growing crime in the country throughout the year.

#### **China**

The main focus of support from the People's Republic of China lay in the construction of the new psychiatric Hospital. Immediately after the elections there was uncertainty regarding the possible switch to establishing diplomatic relations with Taiwan, on the basis of previous links with the United Workers Party.

#### **Venezuela**

Venezuela continued to pursue its strategic foreign policy towards the region through a series of political, commercial, cultural and social initiatives. St. Lucia is said to have reached an Agreement with Venezuela over the Petro Caribe initiative, under which Venezuela offers some CARICOM members petroleum products on preferential terms, cutting out third parties. Countries are also allowed to pay for oil in goods and are offered preferential financing modalities. Petroleos de Venezuela SA, South America's largest oil company, in 2006 secured an agreement with Hess Oil (St. Lucia) Ltd. to provide the island with approximately 1,700 barrels of oil products per day. This represents 62% of St. Lucia's total consumption. However, it appears that the agreement has not yet come effectively into practice.

## **1.2 Update of the economic situation<sup>1</sup>**

### • Overview

Spurred on by a strong performance in construction and to a lesser extent agriculture, real economic activity in St. Lucia expanded in 2006. The construction-led growth however, is estimated to have exacerbated macroeconomic imbalances, as both the external current account and overall fiscal deficit widened during the year. Construction activity was boosted in large measure by preparations for ICC CWC 2007, as work proceeded on infrastructural upgrades and hotel-related renovation and expansion. Tourism, the main-stay of the economy, contracted during the year amidst heightened regional and international competition.

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<sup>1</sup> This section is based on the 2006 CDB Annual Economic Review as well as Public Finance Management Assessment (PFM) Saint Lucia completed in 10/2006

- Macroeconomic changes and structural reforms

The rise in real GDP also led to an increase in fiscal savings, as improved government revenue collections were able to offset higher recurrent expenditures as a result of retroactive payment of salaries. However, GOSL's expanded capital works programme in preparation for CWC 2007 as well as ongoing infrastructural improvements, led to a widening in the overall fiscal deficit. On the external account, the rise in exports [what does "domestic exports" mean?] was offset by a higher import bill, partly reflective of higher construction activity. These developments, coupled with a decline in tourism receipts, led to a widening in the external current account deficit and a small reserve loss for the year.

The general price level is estimated to have declined by 1.7% over January to September after rising by 1.69% for the corresponding period a year earlier. While the relatively high price of oil exerted some upward pressure on prices as evidenced by a 6.4% rise in the fuel and light category, this was more than offset by a 4.7% decline in the food sub-index on account of lower prices of fish and vegetables.

- Integration into the world economy

St. Lucia is a middle-income country in the Eastern Caribbean, it a small open economy vulnerable to both external shocks and natural disasters. St. Lucia is a member of the Eastern Caribbean Currency Union (ECCU) and uses, therefore, the EC\$ as its currency. The Eastern Caribbean Central Bank (ECCB) also manages monetary policy, and regulates and supervises commercial banking activities in its member countries. St. Lucia is a participating partner in the OECD Global Forum on Taxation, which aims at eliminating harmful tax regimes and implementing the principles of transparency and exchange of information for tax purpose.

- Negotiation positions with regard to the EPA

The third phase of the EC-CARIFORUM EPA negotiations ended on November 30, 2006 with the conclusion of the 3<sup>rd</sup> Ministerial meeting in Brussels. This phase, which was launched in September 2005, involved the actual framing of the EPA, with the objective of drafting consensus text.

Six technical negotiating sessions were convened during 2006 – in February in Brussels; March in Barbados; May in Brussels; July in Jamaica; September in the Dominican Republic; and in November in Brussels. Three sessions at the level of Principal Negotiators were held, following the respective technical sessions in March, September and November.

Negotiations took place in four separate areas (Market Access, Services and Investment, Trade Related Issues, Legal and Institutional Issues) and ended up at an advanced stage. The EPA review carried out in September 2006 as provided for by Article 37.4 of the Cotonou Agreement, found that progress had been made, although there were still unresolved issues. There was also a shared perception on the part of the EC and CARIFORUM that negotiations could be completed in the scheduled timeframe of December 2007 set by the WTO waiver.

Nevertheless, there were three major negotiating challenges remaining at the end of the third phase: the nature of commitments within the EPA (region-wide or at the level of the individual CARIFORUM States); the negotiation of tariff liberalization for goods; and the design and operationalization of the cooperation activities in effective and timely support of EPA implementation.

With respect to development cooperation linked to the implementation of the EPA, the Regional Preparatory Task Force at their 6<sup>th</sup> Meeting in November 2006, decided to advance work in collaboration with negotiators from both sides, by using agreed areas of EPA negotiations as the basis for identifying actions and interventions to promote development.

The EU-CARIFORUM EPA negotiations will enter their final phase, Phase Four, which should run until December 2007 with the objective of finalizing the EPA so it can start functioning in 2008, when the Cotonou waiver under the World Trade Organisation expires. A significant offer with respect to Market

Access was unveiled on April 4, with a proposal by the European Commission to remove all remaining quota and tariff limitations on access to the EU market for all ACP regions as part of the EPA negotiations. The offer covers all products, with a phase-in period for rice and sugar.

- Quality management in public finances and budgetary expenses

The Government of Saint Lucia (GOSL) is generally progressing in strengthening public financial management (PFM) under the leadership of the Ministry of Finance, International Financial Services and Economic Affairs (MOF). The current PFM system supports the maintenance of aggregate fiscal discipline and displays some functioning tools to support strategic resource allocation. The main deficiencies in the system are in the areas of procurement, internal audit, preparation of annual financial statements, the timeliness of reports prepared by the Audit Office, and the lack of legislative oversight provided by the Public Accounts Committee. These deficiencies indicate that the current PFM system does not ensure efficiency in service delivery. MOF is taking steps to remedy the deficiencies: e.g. preparation of procurement legislation, project to introduce a modern-style internal audit function, and a project to finalise annual financial statements covering the last several years.

Improving budgetary outcomes in recent years indicate GOSL's commitment to aggregate fiscal discipline. Of concern, however, is the increase in the budget deficit programmed in the budget for 2006/07, financed by increased borrowing. This is explained by the Minister of Finance in his Budget Address in terms of the investments necessary to ensure the success of the Cricket World Cup events in Saint Lucia in 2007. The Minister has indicated the imperative need for fiscal sustainability and that the trend towards lower budget deficits in support of fiscal sustainability would continue after 2006/07. Maintenance of aggregate fiscal discipline is critical to the overall robustness of the PFM system.

- Table with key economic data (2000-2006) and forecasts (2007-2008)

The key economic data on St. Lucia is represented in the Annex I, "Country at a glance".

### **1.3 Update of the social situation**

- Poverty

According to the UNDP Human Development Report for 2006, St Lucia is ranked 71 among 177 countries (76 out of 177 in 2005) on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita Gross Domestic Product (GDP). The country enjoys a relatively high index of human development (0.772 in 2002), however with considerable existence of social gaps and deficiencies, one of the most important being a high level of poverty linked to a high unemployment rate. In 1995 the Country Poverty Assessment reported that 25.1% of the population was poor and 7.1% indigent. In 2005/06, the Country Poverty Assessment reported 28.8% and 1.6% respectively. This seems to suggest that less people have access to basic necessities. The latest assessment reported an improvement in access to public goods/physical infrastructure.

Latest data also reiterates that poverty in St. Lucia has been primarily a rural phenomenon as predominantly rural areas such as Anse-la-Raye (44.9%), Soufriere (42.4%), Choiseul (38.4%) are amongst those with prevalence rates in excess of 35%. Associations are being made between the poverty levels and trade adjustment in that the western side of the island is beginning to show increases in poverty similar to the experience of the eastern banana producing areas.

The establishment of a Gender Relations Department has significantly influenced the promotion of gender equality in St. Lucia. This is evidenced by female parliamentarians and a number of women who serve in the upper levels of the teaching and public service. This provides a general idea of the country's performance in promoting gender equality and women's empowerment (MDG 3).

Other areas of concern in social development include: domestic and gender-based violence, and other forms of violence and conflict; high incidence of crime; high rates of adolescent pregnancies; chronic non-communicable diseases with the proliferation of unhealthy lifestyles, particularly those that involve substance abuse, inappropriate eating habits, and risky sexual behaviour; increases in the importance of vagrancy and the HIV/AIDS pandemic that has reached critical proportions, with potentially devastating impacts on society and economy.

A draft Social Policy for Human Development (SPHD) in St. Lucia, which endorses the MDGs and has adapted them to the Saint Lucian context, was expected to be approved by Cabinet but was suspended pending the integration of specific issues related to child welfare emanating from the 2006 Country Poverty Assessment. An interim Poverty Reduction Strategy Paper is also to be developed into a full Poverty Reduction Strategy based on the country poverty assessment results.

- Education

In terms of achieving universal primary education (MDG 2), St. Lucia has long achieved universal primary education and is well on the way to achieving universal secondary education. Secondary level places are expected to be offered to 100% of students who sit the common entrance examination. Approximately 76% of the 12-17 age cohorts attended secondary schools in academic year 2002/03. With respect to the third MDG – the promotion of gender equality and empowerment of women, access to primary and secondary education is practically equal among girls and boys. Further, the Government of St. Lucia is aiming to achieve universal secondary education by 2006 and is committed to broadening access to and the scope of tertiary and adult educational opportunities available. Education is provided free to students at the primary and secondary levels.

An Education Sector Development Plan 2000-05 was developed to guide the development of the sector. There are still significant resource gaps to support further desired qualitative and quantitative enhancements in the sector, including the need for major rehabilitation to several primary and secondary schools, support for numeracy and literacy projects, and support for the Millennium Project. As unemployment among youth is high in St. Lucia, several programmes targeted at the youth are being implemented including those targeting children at risk within the school system, and sports programmes aimed at helping young persons channel their energies away from negative activities. St Lucia has also placed strong emphasis on skills development through initiatives such as the National Skills Development Centre (NSDC).

- Health

In the area of health, widespread immunisation programmes have achieved 100% coverage for immunisation against measles (UNDP reported 98% coverage since 2002). Malaria is no longer endemic to St. Lucia. All other communicable diseases are generally under control due to widespread infant immunisation programmes. St. Lucia was recently reported as having an excessively high prevalence rate for diabetes. Such lifestyle diseases, i.e. chronic non-communicable diseases including heart disease, are notably high.

The health sector is viewed as being responsible for ensuring that the most valuable national resource, the people, will be well enough to allow for maximum human resource development. The Ministry of Health has reaffirmed its commitment to the Primary Health strategy and has defined this strategy as the National Health Development Approach. This approach outlines the main activities for the prevention of diseases, promotion of health and the empowerment of people and communities to take responsibility for their health. This approach will be executed through a network of integrated levels of care comprising general hospitals, rehabilitative institutions, health centres and polyclinics.

In order to ensure the implementation of the health reforms in a logical and coherent manner, the Ministry of Health has undertaken a strategic planning exercise with technical assistance provided by the EU. The Health Sector Strategic Plan represents a comprehensive approach to national health development involving

the activities of regional health services, hospitals and support services in the public and private sector. The Health Strategic Plan was completed in 2005, integration of the plan with Country Regional Plans was accomplished in 2006. The National Health Strategic Plan will inform health institutional plans from the main hospitals and rehabilitation centres. In addition it will incorporate all existing plans, one of which is the National HIV/AIDS Strategic Plan (2004-2009). This plan is presently being implemented with grant and loan funding from the Global Fund and the World Bank, respectively.

Further details on the development of the Health Sector are provided in section 3.1.1.

#### **1.4 Update of the environmental situation**

The natural resources in St. Lucia, as in the other small OECS islands are under pressure caused by economic interests (tourism, agriculture, fisheries and manufacturing) and factors such as concentration of population and high frequency of disasters. Degradation of the natural resources greatly influences the prospects of the country for social and economic development.

Among the several environmental challenges, the need to improve coastal water quality and to protect the marine habitat has become imperative. Although Government established a Coastal Zone Management Unit to address specific issues related to Saint Lucia's coast, coastal water quality and protection of marine habitat will remain a major concern. The effective management of solid waste is critical, in terms of public health and tourism.

The 2006 State of the Environment Report for Saint Lucia reveals that St. Lucia will continue to face future difficulties with water availability and quality if business as usual should continue. Other issues, environmental issues, which pose a challenge to Saint Lucia, include land use and management, chemical use, air and noise pollution and adaptation to climate change. As part of its response to environmental issues, GoSL approved a water policy in 2004, developed a National Implementation Plan for managing Persistent Organic Pollutants (POPs) in 2006, and is implementing its National Climate Change Policy and Adaptation Plan. In an effort to address issues related to land use, a Land Policy is currently in draft and is expected to be approved before the end of 2007. Through the National Environmental Policy and Strategy, Saint Lucia seeks to improve environmental management towards the continuing sustainable development of the country.

## **2. Overview of past and ongoing EC co-operation**

The Country Support Strategy Paper and National Indicative Programme (NIP) under the 9<sup>th</sup> EDF for St. Lucia was signed on 19 March 2003. The focal sector under the 9<sup>th</sup> EDF is Social Infrastructure. The overall objective of the EC intervention under the NIPs is to support the sustainable development of the health sector, through the building of a new hospital and the implementation of health reforms, using cumulative funds from 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> EDFs.

The draft conclusions of the End of Term Review for the 9th EDF propose to maintain the focal sector. The allocation for the A-envelope will be adjusted to €19.052484 million. The amount remaining for the B-envelope will be transferred to the long-term development reserve.

Under the 10<sup>th</sup> EDF, the focal sector will be Private sector development through sector budget support with proposed allocation of €6.48million.

A large part of EU support to Saint Lucia is being provided through the Stabex and SFA mechanisms which are being used to expedite the ongoing restructuring of the banana sector and to support the economic diversification.

## **2.1 European Development Fund – Focal Sectors**

The health sector and more specifically, the construction of the new hospital is the focal sector for the 9<sup>th</sup> EDF. Part of the allocation may be used for accompanying measures under the reform process initiated by the Government in the health sector. The 9<sup>th</sup> EDF allocation complements the funds already available under the 7<sup>th</sup> and 8<sup>th</sup> EDF for this project, while the Government has also indicated its intention to use Flex resources in addition to the €20,198,300 from NIP resources were allocated to the project.

### **2.1.1 9<sup>th</sup> EDF € 4.5 million – Focal Sector - Social Infrastructure (€ 4.05)**

#### **a) Results**

The Intervention Framework in essence describes the construction of the New National Hospital and the associated Health Sector Reform that must precede and/or accompany the establishment of the hospital in the context of Saint Lucia's Health Sector Reform.

The time line for the establishment of the New National Hospital has been postponed from the dates set in the Intervention Framework to a completion date in 2009. Hence many identified targets relating to the establishment of the New Hospital could not be achieved in 2005.

The Health Sector Reform in Saint Lucia is proceeding in a commendable fashion. The Review of Health Legislation was commenced in 2005 and led to the drafting of legislation for the implementation of a system of national health insurance known as Universal Health Care (UHC). The Ministry of Health and the Attorney General's Chamber's will collaborate in determining other elements of the legislative agenda for the health sector over the medium term.

. The integrated network will allow for more effective and efficient system interface between the levels of care and in so doing ensure a client focused approach to health care. It will focus on wellness and providing opportunities to all persons to achieve a maximum quality of life and health.

Although health care is provided free to all users, at point of delivery, within the country at the community level with the exception of drugs, and secondary health care is heavily subsidized, there is still a significant resource gap in the health sector. As a result, inequitable health care conditions are a feature of the system particularly among the low income and vulnerable groups. In keeping with the principles of equity, efficiency, effectiveness and solidarity, the Government of Saint Lucia has outlined a comprehensive financial strategy that will ensure that all clients in need of care will have access to the package of local and overseas health care services. To this end, the Government of St Lucia (GOSL) in October 2003 also approved a report by a task force set up to review the possibility of implementing a National Health Insurance. The task force in its report recommended that Government introduce the aforementioned UHC System. The Health Sector will be implementing a Universal Health Care Programme as one main activity of the comprehensive health sector financial strategy. The UHC System has been initiated as a pilot project involving treatment and care for diabetes. It is expected that the lessons learnt from this pilot project will inform the design of the complete UHC Programme to be implemented.

In order to ensure the implementation of the health reforms in a logical and coherent manner, the Ministry of Health has undertaken a strategic planning exercise with technical assistance provided by the EU (9<sup>th</sup> EDF TCF). The Health Sector Strategic Plan represents a comprehensive approach to national health development involving the activities of regional health services, hospitals and support services in the public and private sector. The strategy reflects the broader context of health involving not only physical health but social, emotional and environmental determinants of health. In addition, the plan focuses on other necessary structures that are required to improve health conditions of the population, staff morale and position the Ministry of Health and other critical health agencies into high performing institutions. This includes the upgrade of physical facilities; strengthening the administrative, legal and regulatory environment; addressing

the loss of health care professionals due to migration; and overall, to improve efficiency within the provision of health care services. With respect to infrastructural development and upgrades of health institutions, the Government of St. Lucia has successfully negotiated with the Government of the People's Republic of China for the construction of a new Psychiatric Hospital, and with the EU for the construction of a new General Hospital (to replace the main public hospital located in Castries). Health Centres are being rehabilitated with funding made available by the Caribbean Development Bank - Economic Reconstruction Project.

The Health Strategic Plan was completed in 2005, integration of the plan with Country Regional Plans was accomplished in 2006. This includes eight volumes which detail the main activities to be undertaken by the main drivers. These health drivers include organization and management, human resource development and training, quality improvement, health information systems and an effective financial strategy. The summary document was completed at the end of March 2006.

## **b) Progress in Activities**

In 2005 the final design of the New National Hospital provided by the Design Consultants was accepted. The Financing Proposal was tabled and approved at the November 2005 EDF Committee in Brussels.

Preparation of the Commissioning Plan for the New Hospital due for 2010 will commence in 2007. The Human Resources Plan for staffing the New Hospital was completed in 2005. A committee to establish the Statutory Board for new governance of the Hospital has been established and the accompanying examination of legislation and the New Act for Hospitals is to be developed by the Attorney General's Office.

The Tender for the New National Hospital works contract was launched in 2006 and tenders were evaluated. Two valid tenders received were above budget and the tender was cancelled. A solution is being sought to source additional funds for the construction of the hospital. The Tender for the New National Hospital service contract was launched in 2006 and a shortlist of candidates generated. Because of the delay in progress on the works tender, the service tender dossier delivery to short-listed candidates was deferred until 2007 when the related works contract would be clarified. The new timetable for payments will be respected.

Implementation according to the new timeline is expected to be executed effectively.

## **c) Degree of integration of cross-cutting themes (children, gender, HIV/AIDS, environment, culture, capacity building and institutional development).**

The recently developed National Strategic Plan for the Health Sector encompasses gender issues, institutional development and capacity building to improve planning and management capacity within the Health Sector and there have been broad based consultations to ensure this. Extensive consultations with a myriad of stakeholders and clients regarding the establishment of the New National Hospital have ensured inclusion of cross-cutting issues in planning and implementation in the Health Sector Reform process which is on-going.

Environmental health issues form an important part of the National Strategic Plan for the Health Sector which contains provisions to adequately address Environmental Health issues in the country.

### **2.1.2 8<sup>th</sup> EDF NIP € 6 million – Focal Sector: Social Infrastructure (€ 5.4 million)**

The funds allocated for social infrastructure under the 8th EDF will be utilized for the construction of the new hospital. The design phase was initiated in January 2004, when the contract was signed with Sir Frederick Snow & Partners for €750,000.

### **2.1.3 7<sup>th</sup> EDF NIP € 5 million – Focal sector 1: Social infrastructure – Victoria Hospital Redevelopment Project (€ 2.9 million)**

Amounts of €243,524 and €150,000 were used from the 7<sup>th</sup> EDF for two studies. The first study was on the health care sector and served to inform the Government's White Paper on Health, and the planning of Health Sector Reform. The second study was a feasibility study for the upgrade/reform of two hospitals (St. Jude and Victoria) and the construction of a new National Hospital in Castries. As a result of the studies carried out, it became apparent that an upgrading of the existing Victoria hospital was not feasible. The decision was therefore taken to construct a new National Hospital. The feasibility study for the new hospital was completed in December 2001.

### **2.1.4 Macroeconomic support**

In order to explore the possibilities of using STABEX and EDF funds through the Budget Support instrument, the EC conducted in mid-2006 an assessment of St Lucia's public financial management (PFM) systems using the PEFA methodology. The final report was approved in September 2006. The 2005 IMF Article IV report was published in September 2006. Given the absence of an IMF programme, the EC has also conducted a macro-economic assessment (financed by DFID) in August 2006. The final report was expected to be approved in January 2007.

## **2.2 Projects and Programmes outside focal sectors**

**9<sup>th</sup> EDF:** Given the size of the 9<sup>th</sup> EDF "A allocation" for St. Lucia, and taking into account the recommendation that for countries with an indicative envelope under €10 million there should be one focal sector and one project within that sector, no project has been proposed outside the focal sector for the 9<sup>th</sup> EDF. Ten per cent (€0.45 million) from the A-allocation has been earmarked for studies, audits and technical assistance in the area of regional integration under the Technical Cooperation Facility (TCF). Approximately 55% of these funds have been used up to date.

**8<sup>th</sup> EDF: Drug Demand Reduction Programme (€255,000):** The objective of the programme is to reduce the demand for illegal drugs in St Lucia. The project includes the establishment of a systematic programme of research into the extent of alcohol and drug abuse, the sensitisation of the public to drug abuse issues, the training of drug and alcohol counsellors, and strengthening the operation of the Drug Abuse and Control Secretariat. The financing agreement expired on 30 November 2003. The Programme was initially set up under the jurisdiction of the Ministry of Justice and subsequently shifted to the Ministry of Health where it remained until it ended in 2003. The Secretariat has been advised of the need to prepare a project evaluation and audit. The financial audit was completed in 2004 after several delays. The NAO and the Ministry of Health are making comments on the audit report before approval and distribution. The Audit Report was still awaiting approval by the NAO in 2005.

## **2.3 Utilisation of resources for NSAs**

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

their implementation have involved the active participation of farmers' organisations, chambers of commerce, representatives of particular sectors, NGOs and the local communities in general.

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

The SLU Non-State Actors (NSA) Advisory Panel was successfully launched on 31 May 2006. The Government, Delegation and all NSA members of the Panel formally approved the Memorandum of Understanding establishing the Panel and the Operating Guidelines governing its work. A modest financial allocation has also been established to cover the running costs of the Panel, in the form of a Programme Estimate. Lastly, there are also provisions aimed at ensuring a measure of rotation in the membership of the Panel and regarding dissemination of the Panel's work in the broad SLU NSA community.

## **2.4 Utilisation of B-envelope**

The "B" allocation for St. Lucia was € 15 million before the MTR. Following the MTR, the "A-Envelope" allocation was revised by way of transfer of €6 million from the "B-Envelope". In 2005 St Lucia received €3 million of FLEX funds which may be used for the construction of a Radiotherapy Centre as part of the new hospital, following preliminary studies funded by the French Ministry of Foreign Affairs. Funds still available under the B-envelope – excluding the FLEX allocations – amount to € 4.3 million.

St. Lucia also benefits from a financing for short-term fluctuations in export earnings (FLEX) allocation of € 0.76 million for application year 2005.

## **2.5 Other Instruments**

### **2.5.1 Community budget lines – STABEX**

Lomé I Convention introduced the "STABEX" mechanism to compensate ACP countries for the shortfall in export earning due to fluctuation in the prices or supply of commodities and stabilise receipts on a wide range of agricultural products including, inter alia, cocoa, coffee, tea, groundnuts, and banana. The European Union under the Lomé Convention, guarantees the advantages for the ACP on the European market in conditions that may not be less favourable than those that they have previously enjoyed. STABEX was centred on the following aspects:

1. To support banana farmers to become competitive and viable exporters under the emerging market conditions;
2. To promote economic and agricultural diversification;
3. To address the negative social consequences associated with the decline in the banana industry.

A major re-programming exercise of Stabex funds took place during 2002, resulting in the re-allocation to sectors mainly focusing on economic diversification. A new approach to private sector development was adopted and schemes such as the Rural Credit Facility and low-income housing support were successfully implemented. However large balances (see table below) remained unspent at the end of 2006. It is now planned to use these funds to cover the financing gap for the new hospital project.

Macroeconomic studies were executed in 2006 to ascertain whether the remaining balances could be utilised for budget support through a new Framework of Mutual Obligations (FMO). A brief status of Stabex finances, as of 31 December 2006, is provided in the annex V of this document.

### **2.5.2 Community budget lines - Special Framework of Assistance (SFA)**

Special Framework of Assistance (SFA) is a support programme targeted at traditional ACP banana suppliers; it is aimed at either enhancing their competitiveness or supporting their diversification efforts. The scheme was established by the Council Regulation (EC) no 856/1999 for a period not exceeding ten years and the funds come from the budget of the European Communities.

All contracts for the implementation of SFA 2003 which focuses on natural resources management were concluded in December 2006. For SFA 2004 that focuses on private sector, diversification and social recovery, an evaluation of the call for proposal could lead to the selection of the applicant for the social component. For the other two components a new call for proposal was issued as none of the proposals received were of an acceptable quality. The SFA 2005 that focuses on competitiveness of the agricultural and other Productive sectors through the introduction and sustainable use of Information and Communication Technologies, did not start as modalities of implementation and preparation of draft documents (with the exception of a preliminary draft PE for the social component) have yet to be completed.

All required riders to the Financing agreement were signed with the exception of SFA 2005 (wrong D+3 deadline in the text).

A study to prepare a medium-term strategy for the use of SFA funds during the remaining 3-year period, and a draft Financing Proposal for SFA 2006, was executed during the second and third quarter of 2006.

To summarise, the situation on all SFAs is as follows:

- The implementation of the SFAs 1999-2000-2001-2002 could restart as riders were approved. The modalities for the resumption of activities were defined. However documents required for the restart were still to be finalised;
- Urgent consideration is being given to the implementation of SFA 2004 and 2005, given the deadline to commit funds.

A brief status of SFA finances, as of 31 December 2006, is provided in the Annex V of this document.

### **2.5.3 Regional budget lines**

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

Regional programmes are represented as the annex III of this report. Most of the regional programmes are managed by the Delegation of the European Commission in Guyana.

### **2.5.4 Support from all ACP funds**

The EC approved €50 million all ACP Trade.Com programme in August 2003, which aimed at reinforcing the analytical and research capacities for trade policy formulation; providing immediate assistance for ongoing negotiation and promoting activities for institutional support in the area of trade support services to

ACP countries. As a component of the TradeCom Facility, 10 Million Euros were assigned to a specific project (“Hubs and Spokes”), designed to bolster the trade capacity of ACP countries. The project was initiated in 2004 but became more fully operational from 2005-2006. The purpose is to provide additional expertise within ACP trade ministries to assist with data collection, trade policy formulation and consultations with non-State actors, with a view to improving the countries’ trade capacities and trade negotiations. The project is implemented by the Commonwealth Secretariat for English-speaking ACP countries, including the Caribbean. So far, 9 Trade Policy Analysts have been deployed throughout the Caribbean, some within regional organisations (2 at CARICOM Secretariat, 2 at OECS Secretariat) and others within trade ministries at national level (St Vincent and the Grenadines, Dominica, Jamaica, Trinidad and Tobago, Guyana). A first regional meeting of all Hubs and Spokes deployed in the Caribbean was held at the University of West Indies in Barbados between 7-18 May 2007.

In 2001 a €70 million project was approved by the EU to support the Caribbean rum sector in facing the challenges determined by the liberalisation of the spirits market. The programme aims at supporting the modernisation of distilleries, helping them in facing the environmental impact, providing technical assistance to strengthen competitiveness and targeting the European markets in an effective ways. Barbados being the location of some important distilleries is likely to benefit substantially from this programme.

The Caribbean Regional Negotiating Machinery (CRNM) has also received support (€857,652) under the 20 Million EPA Support Facility.

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

The programmes of the European Investment Bank (EIB) in the Eastern Caribbean region are summarized in the Annex IV

### **2.5.6 ECHO**

The European Commission’s Humanitarian Aid department (ECHO) launched its first Disaster Preparedness (DIPECHO) Programme for the Caribbean in 1998, making available some €12 million for the activities to prepare the most vulnerable communities for and mitigate against disaster and also, to a lesser degree, for disaster prevention. The 4th DIPECHO plan for the Caribbean was approved by the EC in 2003 and its projects were completed during the year 2004-2005. The launched its 5<sup>th</sup> DIPECHO Action for an amount of €3.5 million and it covers activities in the whole Caribbean region, but most particularly in Haiti, Cuba, Dominican Republic, Jamaica, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines. The projects to be implemented during this 5<sup>th</sup> DIPECHO Action Plan started to be implemented in 2005 for a duration of 15 months. The 6<sup>th</sup> DIPECHO Action Plan will be launched in 2007.

DG ECHO supported the International Federation of the Red Cross to strengthen the capacities of the national societies of the Caribbean to be better prepared to respond to natural disasters through training, material and information exchange among these national societies. This support of half a million EUR was successfully completed in June 2006.

## **2.6 Assessment of performance indicators**

The performance indicators for the 9<sup>th</sup> EDF NIP are relevant and properly defined as stated in the Intervention Framework. The indicators relate to the Health Sector which is undergoing a comprehensive reform process and includes the construction and commissioning of a new national general hospital.

The Government successfully awarded the design study for the hospital and the results of the study were made available as specified. Review of the Health Sector Legislation was completed as specified.

There was accomplishment of a reversal of the trend of erosion of public sector tertiary level health care provision.

The terms of reference for decommissioning/transfer arrangements and plans for personnel, equipment and general services at old hospital have been finalized.

Tenders were launched in 2006 for construction and supervision of works for the new hospital. There has been good progress on the associated preparatory work in health sector reform. There has been a halt to the NIP activities regarding the new hospital because evaluation of the works tenders revealed a significant shortfall of funding available for implementation. Until additional funds are sourced and approved for the NIP activities, progress will remain in limbo. Approval is being sought from HQ for use of uncommitted STABEX funds to be applied towards the NIP. Until that approval is granted, there will be no progress in achieving the indicators described.

The following indicators could not be achieved or progress made because of the halt in implementation of the NIP: 20% reduction in numbers of patients waiting to be treated by 2008; an increase in persons being treated /hospital utilization rates improved by 10% by 2012; improved range of services being provided by hospital; improved access to hospital; commissioning plan for new hospital by 2007; 12,900 square metres of new hospital building constructed by 2009; new hospital properly staffed and equipped at all levels by 2009; new hospital properly integrated into the overall health system of St Lucia by 2009.

An intervention table with updated indicators is included as annex VII of this report.

## **2.7 Donor coordination and harmonisation**

Donor agencies have provided substantial technical assistance in support of strengthened public financial management. The main sources of assistance are: Caribbean Region Technical Assistance Center (CARTAC) through the Structural Adjustment Technical Assistance Program (SATAP) and Canadian International Development Agency (CIDA) in the form of the Eastern Caribbean Expenditure Management Project (ECEMP). CARTAC is currently providing further assistance in support of developing a modern-style internal audit function and has planned an imminent budgeting diagnostics mission, with particular focus on strengthening the linkages between expenditure and policy objectives. CIDA is planning a second ECEMP to come into effect in two years. The EU is considering how it can best provide technical support.

The donor organizations present in the Eastern Caribbean Region meet regularly in Barbados. The group consists of representatives from Canadian International Development Agency (CIDA), Caribbean Development Bank (CDB), Caribbean Regional Assistance Centre (CARTAC), European Commission, Inter-American Development Bank (IADB), International Monetary Fund (IMF), UK Department for International Development (DFiD), United Nations Development Programme (UNDP) and other UN agencies, USAID and the World Bank. The donor group is organized in three thematic working groups, the first focusing on poverty and social sector development, second on environment, climate change & disaster management development and third on governance and information and communication technology. In addition, an informal economic policy reform group has been gathered around policy based assistance to the countries in the region. The thematic donor groups aim at coordinating activities, facilitating sharing of information and networking as well as contributing to strengthening of national and regional capacities in the above-mentioned fields.

## **2.8 Dialogue in country with the NAO and NSAs**

The Delegation and the NAO office decided to seize the opportunity offered by the launching of the NSA Advisory Panel in May 2006, to discuss 10<sup>th</sup> EDF programming matters with civil society. The NAO has

agreed to earmark some non-focal sector funding for institutional strengthening of NSAs, including networking and fund-raising skills, under their 10<sup>th</sup> EDF NIP.

### **3 Conclusions**

Politically, 2006 was marked by the run-up to the general elections expected by year end. The issue of rising crime was prominent in the political debate throughout the year. Economically, spurred on by a strong performance in construction and to a lesser extent agriculture, real economic activity in St. Lucia expanded in 2006.

Regarding the poverty situation, according to the UNDP Human Development Report for 2006, St Lucia is ranked 71 among 177 countries (76 out of 177 in 2005) on the basis of adult literacy, school enrolment, life expectancy at birth, and per capita GDP. Latest data reiterates that poverty in St. Lucia has been primarily a rural phenomenon. In terms of achieving universal primary education, St. Lucia has long achieved universal primary education and is well on the way to achieving universal secondary education. A draft Social Policy for Human Development (SPHD) in St. Lucia, which endorses the MDGs and has adapted them to the Saint Lucian context, was expected to be approved by Cabinet but was suspended pending the integration of specific issues related to child welfare emanating from the 2006 Country Poverty Assessment. An interim Poverty Reduction Strategy Paper is also to be developed into a full Poverty Reduction Strategy based on the country poverty assessment results.

Regarding the EC development aid to St. Lucia, the focal sector under the 9<sup>th</sup> EDF is Social Infrastructure. The overall objective of the EC intervention under the NIPs is to support the sustainable development of the health sector, through the building of a new hospital and the implementation of health reforms, using cumulative funds from 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> EDFs. The draft conclusions of the End of Term Review for the 9<sup>th</sup> EDF propose to maintain the focal sector and the allocation for the A-envelope will be adjusted to €19.05 million. The amount remaining for the B-envelope will be transferred to the long-term development reserve. Under the 10<sup>th</sup> EDF, the focal sector will be Private sector development through sector budget support with proposed allocation of €6.48 million. A large part of EU support to Saint Lucia is being provided also through the Stabex and SFA mechanisms which are being used to expedite the ongoing restructuring of the banana sector and to support the economic diversification.

The Health Strategic Plan was completed in 2005, integration of the plan with Country Regional Plans was accomplished in 2006. The Tender for the New National Hospital service contract was launched in 2006 and a shortlist of candidates generated. Because of the delay in progress on the works tender, the service tender dossier delivery to short-listed candidates was deferred until 2007 when the related works contract would be clarified. The EC conducted in mid-2006 an assessment of St Lucia's public financial management (PFM) systems.

Regarding the civil society involvement, the Non-State Actors (NSA) Advisory Panel of St. Lucia was successfully launched on 31 May 2006. Donor agencies have provided substantial technical assistance especially in support of strengthened public financial management and the donor organizations present in the Eastern Caribbean Region meet regularly in Barbados.

## ANNEX I General Annex

### A. TABLE OF MACROECONOMIC INDICATORS

Indicator	Actual			Estimate			Projected			
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Exports (GNFS) annual growth		-7	-2	12	8	7	7	7	7	7
Nominal GDP EC\$ fiscal year	1825	1774	1816	1897	1991	2087	2183	2283	2387	
Nominal GDP US\$ fiscal year	676	657	673	702	737	773	809	845	884	
GDP nominal (US\$) calendar year	683	654	666	694	729	764				
GDP nominal (EC\$)	1845	1766	1797	1873	1967	2063				
Current Account balance (% GDP)	-14.1	-16.4	-15.4	-20.5	-18.6	-19.1	-19.1	-19.1	-19.1	-19.1
Current Account balance (US\$)	-97	-109	-104	-144	-138	-150				
<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	7.4	6.8	6.4	5.4	5.3	5.3	5.2	4.9	5.0	5.0
Industry	19.6	19.4	18.5	18.0	18.1	18.3	18.1	17.5	17.8	17.7
Services	73.0	73.8	75.1	76.6	76.6	76.4	76.7	77.6	77.2	77.3
Total Consumption	84.2	80.5	84.5	94.6	83.3	74.3	78.2	78.6	77.9	78.2
Gross domestic investment	24.4	24.0	23.6	18.8	20.7	29.1	24.5	23.5	23.5	22.5
Government investment	7.3	7.5	10.7	7.1	8.1	10.0	7.5	7.5	7.5	7.5
Private investment	17.1	16.5	12.9	11.7	12.6	19.1	17.0	16.0	16.0	15.0
Exports (GNFS) <sup>b</sup>	55.6	53.2	51.2	54.9	56.3	56.8	57.8	58.9	60.0	61.1
Imports (GNFS)	64.1	57.7	59.3	68.3	60.3	60.2	60.5	61.0	61.4	61.9
Gross domestic savings	17.4	16.4	16.8	15.2	..	..	..	..	..	..
Gross national savings <sup>c</sup>	14.2	9.4	7.4	0.8	5.8	3.7	..	..	..	..
<i>Memorandum items</i>										
Gross domestic product (US\$ million at current prices)	687	664	675	704	739	784	825	866	910	955
GNI per capita (US\$, Atlas method)	4010	3790	3830	4030	4300	..	..	..	..	..
Real annual growth rates (%) <sup>e</sup>										
Gross domestic product at factor cost	0.1	-4.3	1.0	3.1	3.7	3.8	3.3	3.0	3.0	3.0
Real annual per capita growth rates (%)										
Gross domestic product at market prices	-1.3	-5.7	-0.4	1.7	2.3	2.4	1.9	1.6	1.6	1.6
<b>Balance of Payments (US\$ millions)</b>										
Trade Balance	-259	-218	-203	-283	-289	-389	-381	-373	-360	-342
Exports (GNFS) <sup>b</sup>	381.5	353.2	345.6	386.0	416.3	445.4	476.6	510.0	545.7	583.9
Merchandise FOB	52.9	54.5	69.5	71.8	93.9	112.9	141.7	170.2	204.6	245.9
Imports (GNFS) <sup>b</sup>	440.3	383.2	400.1	480.2	446.2	472.0	499.3	528.2	558.7	591.0
Merchandise FOB	312.4	272.4	272.1	354.6	383.0	502.4	522.4	543.3	565.1	587.7
Resource balance	-58.8	-30.0	-54.5	-94.2	-29.9	-26.6	-22.7	-18.2	-13.0	-7.2
Net current transfers	18.5	14.6	12.2	12.0	12.6	24.3	12.5	11.8	12.2	11.9
Current account balance	-96.8	-107.6	-104.0	-145.6	-118.3	-188.1	-149	-147	-146	-158
Net private foreign direct investment	53.5	59.1	50.0	97.1	105.7	149.7	117.5	124.3	130.5	124.1
Change in reserves <sup>d</sup>	-4.5	-10.1	-4.8	-17.2	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0
<b>Public finance (as % of GDP at market prices)<sup>e</sup></b>										
Current revenue	26.2	23.8	24.0	25.8	27.3	26.9	28.9	29.5	28.5	28.2
Current expenditure	20.8	22.2	23.9	24.7	24.0	24.9	24.9	24.5	22.9	22.7
Current balance	5.4	1.6	0.1	1.1	3.3	2.0	4.0	5.0	5.6	5.5
Capital expenditure	7.3	7.5	10.7	7.1	8.1	10.0	7.5	7.5	7.5	7.5
Primary balance	0.2	-1.8	-5.1	-0.9	-1.3	-1.3	2.7	4.2	4.7	4.5
<b>Monetary indicators</b>										
M2/GDP	63.6	68.8	69.9	72.1	75.6	75.6	..	..	..	..
Growth of M2 (%)	7.9	4.7	3.2	7.6	10.1	6.0	..	..	..	..
Consumer price index (% eop)	3.6	2.1	-0.7	0.5	3.5	2.0	2.0	2.0	2.0	2.0

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. Data presented on a fiscal year basis (April - March).

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

g. Data presented on a fiscal year basis (April - March)

Source: World Bank Country Assistance Strategy for OECS Countries

Indicator	Actual			Estimate			Projected			
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total debt outstanding and disbursed (TDO) (US\$m) <sup>f</sup>	301	340	434	461	538	583	599	602	601	600
External debt (% GDP)	28.6	33.0	45.0	46.0	45.8	47.4	46.2	44.3	42.1	40.1
Debt and debt service indicators (%)										
TDO/XGS <sup>b</sup>	79.0	96.3	125.6	119.4	129.3	130.9	125.7	118.1	110.2	102.7
TDO/GDP <sup>f</sup>	43.9	51.2	64.3	65.5	72.8	74.4	72.6	69.5	66.1	62.8
External debt service/XGS		8.1	12.1	7.9	8.5	7.8	9.8	12.2	9.3	9.0
IBRD exposure indicators (%)										
IBRD DS/XGS	0.2	0.3	0.3	0.4	0.4	..	..	..	..	..
IBRD TDO (US\$m) <sup>d</sup>	6.0	5.2	5.9	10.1	10.5	12.1	12.0	14.7	18.8	19.2
IDA TDO (US\$m) <sup>d</sup>	11.6	11.8	20.1	23.2	26.1	31.0	37.2	44.8	47.4	50.0
IDA DS/XGS	0.0	0.1	0.1	0.1	0.1	..	..	..	..	..
IFC (US\$m)										
Loans	..	..	..	..	..	..	..	..	..	..
Equity and quasi-equity /c	..	..	..	..	..	..	..	..	..	..
MIGA										
MIGA guarantees (US\$m)	..	..	..	..	..	..	..	..	..	..

a. Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.

b. "XGS" denotes exports of goods and services, including workers' remittances.

c. Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.

d. Includes present value of guarantees.

e. Includes equity and quasi-equity types of both loan and equity instruments.

f. Data presented on a fiscal year basis (April - March).

Source: World Bank Country Assistance Strategy for OECS Countries

## B. TABLE OF INDICATORS FOR THE MDGS

	1990	1994	1997	2000	2003	2004
Goal 1: Eradicate extreme poverty and hunger						
<a href="#">Income share held by lowest 20%</a>	..	..	..	..	..	..
<a href="#">Malnutrition prevalence, weight for age (% of children under 5)</a>	..	..	..	..	..	..
<a href="#">Poverty gap at \$1 a day (PPP) (%)</a>	..	..	..	..	..	..
<a href="#">Poverty headcount ratio at \$1 a day (PPP) (% of population)</a>	..	..	..	..	..	..
<a href="#">Poverty headcount ratio at national poverty line (% of population)</a>	..	..	..	..	..	..
<a href="#">Prevalence of undernourishment (% of population)</a>	..	..	7	..	5	5
Goal 2: Achieve universal primary education						
<a href="#">Literacy rate, youth total (% of people ages 15-24)</a>	..	..	..	..	..	..
<a href="#">Persistence to grade 5, total (% of cohort)</a>	..	..	..	99	90	90
<a href="#">Primary completion rate, total (% of relevant age group)</a>	121.7	116.4	..	100.9	105.6	101.6
<a href="#">School enrollment, primary (% net)</a>	..	..	..	94	97	98
Goal 3: Promote gender equality and empower women						
<a href="#">Proportion of seats held by women in national parliament (%)</a>	0.0	..	0.0	11.0	11.0	11.0
<a href="#">Ratio of girls to boys in primary and secondary education (%)</a>	..	..	..	109.0	105.3	97.2
<a href="#">Ratio of young literate females to males (% ages 15-24)</a>	..	..	..	..	..	..
<a href="#">Share of women employed in the nonagricultural sector (% of total nonagricultural employment)</a>	47	50	47	49	49	49
Goal 4: Reduce child mortality						
<a href="#">Immunization, measles (% of children ages 12-23 months)</a>	82.0	92.0	95.0	88.0	90.0	95.0
<a href="#">Mortality rate, infant (per 1,000 live births)</a>	20	..	..	17	..	13
<a href="#">Mortality rate, under-5 (per 1,000)</a>	21	..	..	16	..	14
Goal 5: Improve maternal health						
<a href="#">Births attended by skilled health staff (% of total)</a>	..	..	99.7	..	..	..
<a href="#">Maternal mortality ratio (modeled estimate, per 100,000 live births)</a>	..	..	..	..	..	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases						
<a href="#">Children orphaned by HIV/AIDS</a>	..	..	..	..	..	..
<a href="#">Contraceptive prevalence (% of women ages 15-49)</a>	..	..	..	..	..	..
<a href="#">Incidence of tuberculosis (per 100,000 people)</a>	20.9	..	..	..	..	16.4
<a href="#">Prevalence of HIV, female (% ages 15-24)</a>	..	..	..	..	..	..
<a href="#">Prevalence of HIV, total (% of population ages 15-49)</a>	..	..	..	..	..	..
<a href="#">Tuberculosis cases detected under DOTS (%)</a>	..	..	111.4	57.3	67.3	93.3
Goal 7: Ensure environmental sustainability						
<a href="#">CO2 emissions (metric tons per capita)</a>	1.2	1.8	2.0	2.2	2.4	..
<a href="#">Forest area (% of land area)</a>	28	..	..	28	..	..
<a href="#">GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)</a>	..	..	..	..	..	..
<a href="#">Improved sanitation facilities (% of population with access)</a>	..	..	..	..	89	..
<a href="#">Improved water source (% of population with access)</a>	98	..	..	..	98	..
<a href="#">Nationally protected areas (% of total land area)</a>	..	..	..	..	..	..
Goal 8: Develop a global partnership for development						
<a href="#">Aid per capita (current US\$)</a>	92.5	192.9	170.2	70.4	92.9	-131.4
<a href="#">Debt service (PPG and IMF only, % of exports of G&amp;S, excl. workers' remittances)</a>	2	3	3	7	5	..
<a href="#">Fixed line and mobile phone subscribers (per 1,000 people)</a>	126.8	179.0	257.9	329.5	411.2	..
<a href="#">Internet users (per 1,000 people)</a>	0.0	..	10.0	51.3	211.7	336.1
<a href="#">Personal computers (per 1,000 people)</a>	..	0.6	..	141.0	155.7	158.9
<a href="#">Total debt service (% of exports of goods, services and income)</a>	2	3	4	8	8	..
<a href="#">Unemployment, youth female (% of female labor force ages 15-24)</a>	..	39.4	43.2	40.5	49.2	49.2
<a href="#">Unemployment, youth male (% of male labor force ages 15-24)</a>	..	28.0	31.2	32.2	31.8	31.8
<a href="#">Unemployment, youth total (% of total labor force ages 15-24)</a>	..	33.7	36.6	36.1	40.0	40.0
Other						
<a href="#">Fertility rate, total (births per woman)</a>	3.3	2.8	2.6	2.0	2.1	2.1
<a href="#">GNI per capita, Atlas method (current US\$)</a>	2810.0	3430.0	3620.0	4010.0	4040.0	4180.0
<a href="#">GNI, Atlas method (current US\$) (billions)</a>	0.4	0.5	0.5	0.6	0.6	0.7
<a href="#">Gross capital formation (% of GDP)</a>	25.8	23.9	24.7	26.6	28.8	28.8
<a href="#">Life expectancy at birth, total (years)</a>	71.0	72.2	71.8	71.8	73.7	73.4
<a href="#">Literacy rate, adult total (% of people ages 15 and above)</a>	..	..	..	..	..	..
<a href="#">Population, total (millions)</a>	0.1	0.1	0.1	0.2	0.2	0.2
<a href="#">Trade (% of GDP)</a>	156.7	137.1	133.1	115.6	124.8	124.8

Source: World Development Indicators database, April 2006

## ANNEX II Financial situation for 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> & 9<sup>th</sup> EDF

Year Decision	Number Global Commitment	Ind. Comm.	New Ind. Comm.	Date Fin	Situation on 31/12/2006			Title	Realised from 01/01/2006 until 31/12/2006				Date closure	Country in charge	Operational in charge				Glob decomm.	Ind. Decomm.	reimb.	
					Global Comm.	Individual Comm.	Amount Payed		Global Comm.	Ind. Comm.	Paid	R.A.P				Global Comm.	Ind. Comm.	Paid				
1987	6	ACP SLU	5	0		3,749,996	3,726,676	3,726,676	RURAL DEV SOCIAL INFRASTRUCT	-23321	0	0	0	20060127	DEL-BAR	-23,321	0	0	0	0	0	0
1994	7	ACP SLU	10	0	20011231	795,992	636,023	635,932	MABOUYA VALLEY PHASE II.	0	0	0	0		ESCUISA	0	0	0	0	0	0	0
	7	ACP SLU	10	2	20011231	0	587,414	587,322	WORK PROGRAMME 04.98-03.2000	0	0	0	92		ESCUISA	0	0	0	0	0	0	0
2000	7	ACP SLU	19	0	20001231	78,491	78,491	78,491	GENERAL HOSPITAL - FEASIBILITY STUDY	0	0	0	0	20060926	DEL-SLU	0	0	0	0	0	0	0
2003	7	ACP SLU	20	0	20050315	60,000	60,000	54,907	ST. LUCIA HOSPITAL, ADVISORY SERVICES	0	0	0	0		ZACHAAN	0	0	0	0	0	0	0
	7	ACP SLU	20	1	20060630	0	60,000	54,907	TOMLIN VOSS - ADVISORY SERVICES	0	0	0	0	20061221	TRIMIJL	0	0	0	0	0	0	0
1998	8	ACP SLU	4	0	20030831	310,235	272,153	272,153	8TH EDF MULTI-ANNUAL TRAINING PROGRAMME	-38082	0	0	0	20060127	DEL-SLU	-38,082	0	0	0	0	0	0
2000	8	ACP SLU	6	0	20031130	255,000	244,450	206,170	DRUG DEMAND REDUCTION PROJECT	0	0	0	0		ZANONDA	0	0	0	0	0	0	0
	8	ACP SLU	6	1	20021130	0	76,950	75,315	WP 1 (24 MONTHS)	0	0	0	1635			0	0	0	0	0	0	0
	8	ACP SLU	6	2	20031130	0	167,500	130,855	WP 2/12/2002 - 30/11/2003	0	0	0	36,645			0	0	0	0	0	0	0
2003	8	ACP SLU	12	0	20050315	750,000	750,000	576,220	ST. LUCIA, TECHNICAL STUDIES	0	0	0	0		ZACHAAN	0	0	0	0	0	0	0
	8	ACP SLU	12	1	20060719	0	750,000	576,220	SIR FREDERIC SNOW & PARTERS, 2.189.153 XCD	0	0	130,630	43,150			0	0	130,630	0	0	0	0
2003	9	ACP SLU	2	0	20080630	60,000	53,600	41,442	TA FOR THE ST LUCIA HOSPITAL CONSTRUCTION (+ 7 SLU 20)	0	0	0	0		DEL-SLU	0	0	0	0	0	0	0
	9	ACP SLU	2	1	20060630	0	53,600	41,442	TVA CONSULTANTS - ST LUCIA HOSPITAL PROJECT FEASIBILITY STUDY	0	0	0	12158		JONGEBS	0	0	0	0	0	0	0
2004	9	ACP SLU	3	0	20101031	450,000	228,980	165,000	TECHNICAL COOPERATION FACILITY (TCF)	0	0	0	0		IOANNSO	0	0	0	0	0	0	0
	9	ACP SLU	3	1	20050908	0	198,980	147,000	TECHNICAL ASSISTANCE FOR HERA-EURO 198,980	0	0	51,981	0		POLYCSP	0	0	51,981	0	0	0	0
	9	ACP SLU	3	3	20051231	0	30,000	18,000	FRAMEWORK CONTRACT NO.2005/102899-B&S EUROPE FOR EUR 30,000	0	0	10504	1496		POLYCSP	0	0	10,504	0	0	0	0
	9	ACP SLU	3	4	200620070618	0	0	0	PROG.ESTIMATE 1-SUPPORT TO NSA ADVISORY PANEL IN ST.LUCIA	0	0	19,800	6,666		POLYCSP	0	0	19,800	6,666	0	0	0
2005	9	ACP SLU	4	0	20121231	18,518,300	0	0	NEW NATIONAL HOSPITAL PROJECT	0	0	0	0			0	0	0	0	0	0	0
2005	9	ACP SLU	5	0	20121231	1,680,000	0	0	FLEX ACP SLU 4 NEW NATIONAL HOSPITAL PROJECT	0	0	0	0			0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total :</b>										<b>-61,403</b>	<b>19,800</b>	<b>199,781</b>	<b>108,310</b>			<b>-61,403</b>	<b>19,800</b>	<b>199,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ANNEX III Regional Projects

### ANNEX : CARIBBEAN REGIONAL INDICATIVE PROGRAMMES

9<sup>TH</sup> EDF

	<b>Focal sector -Regional Economic Integration</b>	<b>Total (€ mn)</b>
	Activities within contribution agreement with CARICOM : 1. Establish and consolidate CSME; 2. Develop CRNM and OECS capacity 3. Support to CRITI 4. Statistical strengthening 5. Development of ICT 6. Caricom fight against illegal drugs 7. Reinforcement of CARICOM Secretariat.	19,9 4,8 1,7 3,3 2 1,2 3,1 <b>36</b>
	Activities within contribution agreement with UNDP : Support to CARTAC Phase II	0,5
	Improvement of Ogle Airport	1,5
	Human Resource Development/CKLN	2
	Institutional support to the Caribbean Court of Justice	1,315
	Institutional support to IMPACS	0,8
	<b>Non – focal sector - Fight Against Major Vulnerabilities</b>	
	Disaster Management	3
	Drug Control	5
	<i>Ferry Antigua-Montserrat</i>	1,8
	<b>General support</b>	
	Technical Co-operation Facility	2
	<b>Balance from previous EDF</b>	
9 ACP RCA 3	Air Access Improvement Programme for Dominica	11.95
9 ACP RCA 8	Private Sector & Trade Development	9.6
	<b>All ACP Projects</b>	
9 ACP RPR 5	Development of malaria vaccines and their multi-centre trial	7
9 ACP RPR 10	EC/ACP/WHO partnership on pharmaceutical policies	25
9 ACP RPR 17	Contribution to the Global fund to fight AIDS, Tuberculosis	170
9 ACP RPR 7	TRADE.COM All ACP Institutional trade capacity building facility	50

9 ACP RPR 6	Support to the competitiveness of the rice sector in the Caribbean	24
9 ACP RPR 21	Support to the collaborative doctoral programme in economics	1

8TH EDF (MANAGED BY BARBADOS DELEGATION)

<b>Project No.</b>	<b>Project Title</b>	<b>Total (€ mn)</b>
8 ACP RCA 1	Caribbean Anti-money-laundering Programme (T&T)	4
8 ACP RCA 4	Caribbean Regional Trade Sector Programme	11.2
8 ACP RCA 5	Strategic Planning for Public Services	1.3
8 ACP RCA 13	Epidemiological Surveillance Programme (T&T)	1.3
8 ACP RCA 20	Strengthening of Medical Laboratories Services (T&T)	7.5
8 ACP RCA 29	Radar Warning System (T&T)	13.2
8 ACP RCA 35	Nelson's Dockyard Seawall Restoration	1.998
8 ACP RCA 35	Caribbean Tourism Sector Development Programme	8
8 ACP RCA 40	Montserrat Airport	1.685
8 ACP RCA 42	Support to Caribbean Regional Technical Assistance Centre	1.8
8 ACP RCA 39	Design for Dominica Airport	0.55
<b>All ACP Projects</b>		
8 ACP TPS 125	Programme for the Caribbean Rum Industry	70
	Programme for Fisheries	44.86

6&7TH EDF (MANAGED BY BARBADOS DELEGATION)

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



### ANNEX IV EIB Projects

<b>Saint Lucia</b>	SAINT LUCIA PROJECT	Disbursed	Lome - 2	70455		400,000.00	06/12/1984		54,360	09/30/1992
	SLDB II/VCF	Disbursed	Lome - 4	17714	2,000,000		12/14/1994	464,217		06/05/1999
		Disbursed	Lome - 4	70984		500,000.00	12/14/1994		500,000	12/05/2010
		Disbursed	Lome - 4	70985		1,000,000	12/14/1994		307,392	12/05/2009
	LUCELEC III	Disbursed	Lome - 4	19228	8,000,000		12/13/1996	3,070,953		04/25/2000
	BANK OF SAINT LUCIA GL	Signed	Lome - 4 - Bis	21432		3,000,000	12/21/2001		0	
		Signed	Lome - 4 - Bis	21435	5,000,000		12/21/2001	0		
	<b>Total</b>				<b>15,000,000</b>	<b>4,900,000</b>		<b>3,535,170</b>	<b>861,752</b>	

## 4.2 EIB Projects in the Caribbean Region

Country	Project Name	Status	Conventi on	Contract number	Amount signed (m)		Date of Signature	Amount outstanding		Beginning repayment
					OR	RC		OR	RC	
<b>Regional - Caribbean</b>	CFSC EQUITY GLOBAL LOAN	Disbursed	Lome - 3	70764		2,000,000	12/13/1988		1,579,534	11/30/2009
	CFSC II A	Disbursed	Lome - 4	70918		3,000,000	09/07/1993		1,357,049	07/25/2008
	CFSC GL III	Signed	Lome 4b-ress.add.(comm.)	22049		4,000,000	05/13/2003		1,868,686	05/15/2018
		Signed	Lome 4b-ress.add.(comm.)	22050		4,000,000	05/13/2003		2,307,880	04/15/2009
		Signed	Lome 4b-ress.add.(comm.)	22898		1,000,000	12/10/2004		0	
	DFL VIII	Signed	Lome - 4	21600		6,000,000	06/17/2002		2,668,252	
	CLICO GL	Signed	Accord De	23226		20,000,000	11/03/2005		10,469,593	05/15/2011
	DEVELOP	Signed	Accord De	23339		7,000,000	12/20/2005		2,670,720	07/15/2009
	CARIBBEAN DEV BANK III FACILITY	Signed	Accord De Cotonou	23355	40,000,000		12/22/2005	12,207,909		02/22/2012
	CARIBBEAN DEV BANK IV	Signed	Accord De Cotonou	23806		20,000,000	12/19/2006		0	
<b>Total</b>						<b>40,000,000</b>		<b>12,207,909</b>	<b>22,921,714</b>	

## ANNEX V Budget lines

### St Lucia STABEX Programmes

Situation Summary as at 31 December 2006

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.55239

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals	
	Original	Interest	Revised						
<b>* STABEX 1994 PROGRAMME</b>									
Banana Productivity Improvements	4,000,000		8,567,620	8,434,346	133,274	8,434,346	7,971,686		
Agricultural Diversification	6,000,000		7,366,891	7,152,137	214,754	7,152,137	7,152,137		
Rural Development & Social Safety Nets	2,000,000		2,000,000	1,912,350	87,650	1,912,350	1,660,992		
Diversification of the Economy	7,000,000		6,015,530	6,015,216	314	5,990,520	5,260,830		
Agricultural Sector Institutional Strengthening	600,000		600,000	562,232	37,768	382,051	307,324	--	
EDF/Programme Management Coordination Unit	400,000		1,475,260	1,475,260	--	1,475,260	1,403,060	--	
Monitoring & Evaluation	1,000,000		207,257	143,339	63,918	143,339	79,007		
Reserves	1,176,403		--	--	--	--	--		
Balance of First Protocol	302,130		--	--	--	--	--		
Interest	--	3,801,143	47,118	--	47,118	--	--		
Total for STABEX 1994 PROGRAMME (10 detail records)	€	22,478,533	3,801,143	26,279,676	25,694,880	584,795	25,490,003	23,835,035	--
<b>Percent</b>					97.8%	2.2%	97.0%	90.7%	0.0%
<b>* STABEX 1995 PROGRAMME</b>									
Banana Productivity Support	1,500,000		3,701,813	3,701,813	--	3,718,196	3,718,196		
Agricultural Diversification	1,500,000		1,873,134	1,674,295	198,839	1,671,874	1,604,180		
EDF/PMCU and consultancy Services	350,000		504,242	504,242	--	504,252	462,291		
Monitoring & Evaluation	456,294		456,294	262,717	193,577	262,717	250,513		
Budgetary Support	13,900,000		12,900,000	12,900,000	--	12,900,000	12,883,622		
Interest	--	2,798,618	1,069,429	768,000	301,429	768,000	741,916		
Total for STABEX 1995 PROGRAMME (6 detail records)	€	17,706,294	2,798,618	20,504,912	19,811,067	693,846	19,825,039	19,660,718	
<b>Percent</b>					96.6%	3.4%	96.7%	95.9%	

## St Lucia STABEX Programmes

### Situation Summary as at 31 December 2006

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.55239

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
<b>* STABEX 1996/97 PROGRAMME</b>								
Diversification of the Economy	500,000		2,156,384	2,156,384	--	2,747,955	1,454,447	
Social and Community Development	1,000,000		770,000	770,000	--	256,667	133,791	
Agricultural Diversification	500,000		--	--	--			
EDF/ Programme Management & Coordination Unit	100,000		100,000	--	100,000			
Monitoring, Auditing and Evaluation	258,222		258,222	59,842	198,380	59,842	59,469	
Budgetary Support	10,200,000		10,430,000	10,430,000	--	10,430,000	10,403,019	
Interest	--	1,446,177	289,793	--	289,793			
Total for STABEX 1996/97 PROGRAMME (7 detail records)	€ 12,558,222	1,446,177	14,004,399	13,416,226	588,173	13,494,463	12,050,726	
<b>Percent</b>				95.8%	4.2%	96.4%	86.0%	
<b>* STABEX 1998 PROGRAMME</b>								
Unprogrammed (FMO not yet concluded)	4,096,556		4,096,556	--	4,096,556			
Interest	--	796,530	796,530	--	796,530			
Total for STABEX 1998 PROGRAMME (2 detail records)	€ 4,096,556	796,530	4,893,086	--	4,893,086			
<b>Percent</b>				0.0%	100.0%			
<b>* STABEX 1999/00+ART. 195A BALANCES</b>								
Unprogrammed (FMO not yet signed)	12,146,414		12,146,414	--	12,146,414			
Interest	--	1,545,470	1,545,470	--	1,545,470			
Total for STABEX 1999/00+ART. 195A BALANCES (2 detail records)	€ 12,146,414	1,545,470	13,691,884	--	13,691,884			
<b>Percent</b>				0.0%	100.0%			
<b>Grand Total</b>	€ <b>68,986,019</b>	<b>10,387,938</b>	<b>79,373,957</b>	<b>58,922,173</b>	<b>20,451,784</b>	<b>58,809,506</b>	<b>55,546,478</b>	<b>0</b>

## Saint Lucia SFA Programmes

### Situation Summary as at 31 December 2006

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.55239

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals	
	Original	Interest	Revised						
<b>* SFA 1999 (STL/BL7/1999/01)</b>									
Banana Commercialisation	4,350,000		4,350,000	4,349,273	727	4,350,000	4,055,996	727	
Agricultural Sector Diversification	1,500,000		1,500,000	1,028,734	471,266	881,508	809,196	471,265	
Social Recovery Programme	1,800,000		1,800,000	1,305,500	494,500	1,257,293	1,289,712	494,500	
Regional Technical Assistance	400,000		528,141	528,141	--	528,141	487,233		
Monitoring and Evaluation	220,000		220,000	--	220,000			220,000	
Contingencies	230,000		101,859	--	101,859				
Interest	--	219,646	219,646	--	219,646				
Total for SFA 1999 (STL/BL7/1999/01) (7 detail records)	€	8,500,000	219,646	8,719,646	7,211,648	1,507,998	7,016,942	6,642,137	1,186,492
<b>Percent</b>					82.7%	17.3%	80.5%	76.2%	13.6%
<b>* SFA 2000 (STL/BL7/2000/01)</b>									
Banana Commercialisation	4,500,000		4,500,000	4,500,000	--	4,450,250	4,653,539		
Agricultural Sector Diversification	1,800,000		1,800,000	696,334	1,103,666	378,583	180,023		
Social Recovery Programme	1,660,000		1,660,000	1,373,329	286,671	1,660,000	1,231,031		
Monitoring, Audit and Evaluation	140,000		140,000	--	140,000				
Contingencies	375,000		87,650	--	87,650				
Regional Technical Assistance	400,000		687,350	687,350	--	687,350	635,657		
Interest	--	30,814	30,814	--	30,814				
Total for SFA 2000 (STL/BL7/2000/01) (7 detail records)	€	8,875,000	30,814	8,905,814	7,257,013	1,648,801	7,176,182	6,700,249	
<b>Percent</b>					81.5%	18.5%	80.6%	75.2%	

## Saint Lucia SFA Programmes

### Situation Summary as at 31 December 2006

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.55239

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
<b>* SFA 2001</b>								
Agricultural Sector Diversification	3,538,320		3,538,320	3,538,320	--	1,797,774	1,381,736	
Economic Diversification	1,805,040		1,805,040	4,954,305	(3,149,265)	2,854,795	1,338,838	
Social Recovery Programme	3,396,640		3,396,640	3,396,640	--	2,203,873	1,442,093	
Monitoring and Evaluation	140,000		140,000	--	140,000			
Audits	80,000		80,000	--	80,000			
Contingency	240,000		240,000	--	240,000			
Interest	--	182,633	182,633	--	182,633			
Total for SFA 2001 (7 detail records)	€ 9,200,000	182,633	9,382,633	11,889,265	(2,506,632)	6,856,442	4,162,667	
<b>Percent</b>				126.7%	-26.7%	73.1%	44.4%	
<b>* SFA 2002</b>								
Agricultural Diversification	2,000,000		2,000,000	--	2,000,000			
Economic Diversification	3,720,000		3,720,000	1,049,755	2,670,245	1,049,755		
Social Recovery Programme	2,000,000		2,000,000	--	2,000,000			
Evaluation	100,000		100,000	--	100,000			
Audits	80,000		80,000	--	80,000			
TA for Management and Monitoring	390,000		390,000	--	390,000			
Contingency	110,000		110,000	--	110,000			
Regional Technical Assistance	400,000		400,000	400,000	--	400,000	243,429	
Interest	--	--	--	--	--			
Total for SFA 2002 (9 detail records)	€ 8,800,000	--	8,800,000	1,449,755	7,350,245	1,449,755	243,429	
<b>Percent</b>				16.5%	83.5%	16.5%	2.8%	

## Saint Lucia SFA Programmes

### Situation Summary as at 31 December 2006

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.55239

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
<b>* SFA 2003</b>								
Programme Management	1,000,000		1,000,000	943,760	56,240	943,760		
Legislative and Policy Framework	350,000		350,000	350,000	--	350,000		
Planning and Coordination System	700,000		700,000	700,000	--	700,000		
Natural Resource Assessment Systems	550,000		550,000	550,000	--	550,000		
Community Participation	300,000		300,000	300,000	--	300,006		
Environmental Management Fund	4,000,000		4,000,000	3,999,861	139	3,999,861		
Evaluations	400,000		400,000	--	400,000			
Audits	200,000		200,000	--	200,000			
Contingency	500,000		500,000	--	500,000			
Interest	--		--	--	--			
Total for SFA 2003 (10 detail records)	€ 8,000,000	--	8,000,000	6,843,621	1,156,379	6,843,627		
<b>Percent</b>				85.5%	14.5%	85.5%		
<b>* SFA 2004</b>								
Banana Commercialization & Agricultural Div.	1,168,500		1,168,500	--	1,168,500			
Economic Diversification & Private Sector Dev.	2,981,500		2,981,500	--	2,981,500			
Social Recovery & Human Development	2,760,000		2,760,000	--	2,760,000			
Audit	100,000		100,000	18,303	81,697	18,303	10,981	
Evaluation	100,000		100,000	--	100,000			
Contingency	150,000		150,000	--	150,000			
Interest	--		--	--	--			
Total for SFA 2004 (7 detail records)	€ 7,260,000	--	7,260,000	18,303	7,241,697	18,303	10,981	
<b>Percent</b>				0.3%	99.7%	0.3%	0.2%	

## Saint Lucia SFA Programmes

### Situation Summary as at 31 December 2006

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

2 - Interest represents total interest received on EUR and XCD accounts. XCD interest is translated into EUR at 3.55239

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

Budget Line	----- GLOBAL COMMITMENTS -----			Programmed/ Approved Projects	Funds Available before Pipeline Proposals	Individual Commitments /Contracts	Payments	Pipeline Proposals
	Original	Interest	Revised					
<b>* SFA 2005</b>								
Efficiency & Competitiveness of Banana Enterprise	1,300,000		1,300,000	--	1,300,000			
Agricultural Production Expanded & Diversified	1,464,500		1,464,500	--	1,464,500			
Export Performance Improved-Diversified Export Mix	1,000,000		1,000,000	--	1,000,000			
Social Stability Maintained	1,000,000		1,000,000	--	1,000,000			
Sustainable Use - Natutal Resources Promoted	500,000		500,000	--	500,000			
Programme Management: TA	300,000		300,000	--	300,000			
Audit & Evaluation	300,000		300,000	--	300,000			
Contingency	305,500		305,500	--	305,500			
Interest	--	--	--	--	--			
Total for SFA 2005 (9 detail records)	€ 6,170,000	--	6,170,000	--	6,170,000			
<b>Percent</b>				0.0%	100.0%			
<b>* SFA 2006</b>								
Agricultural Diversification	1,750,000		1,750,000	--	1,750,000			
Economic Diversification	1,350,000		1,350,000	--	1,350,000			
Social Recovery	1,610,000		1,610,000	--	1,610,000			
Energy	250,000		250,000	--	250,000			
Programme Management - TA	200,000		200,000	--	200,000			
Evaluation	100,000		100,000	--	100,000			
Audit	50,000		50,000	--	50,000			
Contingency	100,000		100,000	--	100,000			
Total for SFA 2006 (8 detail records)	€ 5,410,000	--	5,410,000	--	5,410,000			
<b>Percent</b>				0.0%	100.0%			
<b>Grand Total</b>	<b>€ 62,215,000</b>	<b>433,093</b>	<b>62,648,093</b>	<b>34,669,605</b>	<b>27,978,488</b>	<b>29,361,252</b>	<b>17,759,463</b>	<b>1,186,492</b>

## ANNEX VI Indicative time table for commitments (up to end 2007) and disbursements (up to end 2008)

	FORECASTS 2007										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
New Global Commitments	0					0					0
New Individual Commitments	0	0	0	0	0	20,708,000	0	0	20,708,000	20,708,000	20,708,000
Payments	68,442	68,442	0	0	68,442	3,805,600	0	0	3,805,600	0	68,442
Decommitments back to the NIP	38,372										38,372
Decommitments to recommit	1,496										0
Reduction of Old RAL	106,814	106,814	0	0	106,814	0	0	0	0	0	106,814

	FORECASTS 2008										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
Engagements Individuels	0	0	0	0	0	0	0	0	0	0	0
Payments	19,449,822	0	6,400,000	6,068,000	3,200,000	6,068,000	0	0	6,068,000	0	3,200,000

R A L	SITUATION on 01/01/2007		SITUATION on 31/12/2007		Amount	Nbr
	ALL PROJECTS	PROJETS decided before YEAR 2002	ALL PROJECTS	PROJETS decided before YEAR 2002		
Σ Ongoing GLOBAL COMMITMENTS	36,435,369	14,917,069	36,435,369	14,917,069	0	0
R A C	21,065,786	654,773	357,786	654,773	0	0
R A P	13,490,133	13,420,194	34,091,319	13,381,822	0	0
R A L	34,555,919	14,074,967	34,449,105	14,036,595	0	0
% RAL / Σ GLOBAL COMMIT.	95%	94%	95%	94%	0	0
Nbr of years to absorb RAL	505		503		0	0

### GLOBAL COMMITMENTS ON AVAILABLE EDF ALLOCATIONS UNTIL END 2007

SUMMARY of	AMOUNT
CUMULATED TOTAL GLOBAL COMMITMENTS on 31/12/2006	20,732,484
TOTAL NEW GLOBAL COMMITMENTS FORSEEN in 2007	0
TOTAL GLOBAL COMMITMENTS	20,732,484

SUMMARY of	AMOUNT
COUNTRY ENVELOPE A & B AT 31-12-2006 <u>avant ETR</u>	28,113,887
DECOMMITMENTS OVER THE PERIOD OF 2007	38,372
<b>TOTAL EDF AVAILABLE COUNTRY RESOURCES</b>	28,075,515
USE OF AVAILABLE RESSOURCES in %	73.85%
<b>EDF COUNTRY RESSOURCES THAT COULD BE LOST</b>	7,343,031

## ANNEX VII Intervention Framework

Sector: Health	Performance Indicators	Status 2002	Target 2003	Target 2004	Target 2005	Target 2006	Sources of information	Assumptions
<b>National Sector Target:</b> Provision of high-quality health services to the population by establishing technologically advanced and well-resourced health facilities	Government to award the design study for the hospital before MTR	Achieved no	Achieved yes	Achieved yes	Achieved yes	Achieved yes	Signed and dated Letter of Invitation and Tender Dossier for design study.	Adequate levels of public expenditure maintained especially with regard to recurrent budget. Continued implementation of the Government's Health Sector Reform particularly with regard to hospital autonomy (clarification of Ministerial responsibility), Health Finance and Human Resource Development. Relevant supportive policy, legislative and regulatory instruments for the quality delivery of health care are developed and promulgated by GOSL well in advance of the completion of the hospital. Adequate technical and managerial human capacity exists. GoSL's current efforts to develop a sustainable health financing system is successful. Efficient management and control systems are developed
	Results of the study to be available by 2004	No	No	Preliminary Outline Designs	Final Design and Production /Working drawings	Achieved yes	Ministry of Health data	
	The review of the existing legislation in respect of the health sector completed before MTR.	Achieved No	Achieved no	Achieved yes	Achieved yes	Achieved yes	Attorney General's Report	
<b>Intervention objective:</b> Optimise capacity and improve quality of secondary and tertiary level health system in St. Lucia through the construction of a new hospital in St. Lucia	20% reduction in numbers of patients waiting to be treated by 2008.	No	No	No	No	No Awaiting New National Hospital	Ministry of Health Data Quantitative Surveys	Planning capability of Ministry improved by recruitment of an Adviser in Health Planning
	10 % increase of persons being treated/ Hospital utilisation rates improved by 10% by 2012.	No	No	No	No	No Awaiting New National Hospital	PAHO Reports	Needs of psychiatric patients addressed by Government or other donors
	Improved range of services being provided by hospital	No	No	No	No	No Awaiting New National Hospital	Patient satisfaction surveys	
	Improved access to hospital	No	No	No	No	No Awaiting New National Hospital	Patient satisfaction surveys	
	Reversal of the trend of erosion of public sector tertiary level health care provision	No	No	Yes	Yes	Yes	Ministry of Health and Finance Data	
<b>Results</b>								
Newly constructed hospital	Decommissioning /Transfer arrangements and plans for personnel, equipment and general services at old hospital finalised by 2005.	No	No	No	No	Terms of Reference for modernisation of systems and personnel improvem	Victoria Hospital Decommissioning Report	Sufficient maintenance of building is guaranteed.

					ents at old hospital have been prepared.		
Commissioning Plan for new hospital prepared by 2007	No	No	No	No	No Awaiting New National Hospital	New Hospital Commissioning Report	Sufficient funds are allocated to run the hospital.
12,900 square metres of new hospital building constructed by 2009	No	No	No	No	No Awaiting additional funding to meet shortfall of funds for works contract	Quantity and quality of work executed as measured against the Bill of Ouanities (Reports of Supervising Engineer)	Manpower and materials required for the construction activities are readily available.
New Hospital properly staffed and equipped at all levels by 2009.	No	No	No	No	No Awaiting New National Hospital	Mid Term Evaluations	No occurrence of natural disasters Cost overruns would be met by counterpart funds
New hospital properly integrated to the overall health system of St Lucia New hospital properly integrated to the overall health system of St. Lucia by 2009.	No	No	Yes	Yes	No Awaiting New National Hospital	Project Completion Report PAHO/Ministry of Health Data	There would be adequate funding to equip and staff the hospital to provide acute care services. Adequate staff would be trained to provide services