to the Commission Decision on the 2017 Annual Action Programme in favour of Saint Lucia to be financed from the 11th European Development Fund

Action Document for the Technical Cooperation Facility and Support to the National Authorising Officer and the Non-State Actors Advisory Panel, Saint Lucia

<p>| | |</p>
<table>
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</table>
| 1. Title/basic act/CRIS number | Technical Cooperation Facility (TCF) and Support Services to the National Authorising Officer (NAO) and the Non-State Actors (NSA) Advisory Panel, Saint Lucia  
CRIS number: 2017/040-485 financed from the European Development Fund |
| 2. Zone benefiting from the action/location | Saint Lucia (Caribbean Region) |
| 4. Sector of Concentration/Thematic Area | Various Sectors  
Dev. Aid: yes |
| 5. Amounts Concerned | Total estimated cost: EUR 1 570 000  
Total amount of EDF contribution: EUR 1 570 000 |
| 6. Aid modality(ies) and implementation modality(ies) | Project Modality  
Direct Management (TCF/NAO/ procurement of services, audit and evaluation)  
Indirect management with the Government of Saint Lucia (NAO/NSA) |
| 7. a) DAC-code | 15110 (NAO/TCF) –15150 (NSA) |
|  b) Main delivery channel | 12000-Recipient Government |
| 8. Markers (from CRIS DAC form) |   |
|   | General policy objective | Not targeted | Significant objective | Main objective |
|   | Participation development / good governance | ☐ | ☐ | ☒ |
|   | Aid to environment | ☒ | ☐ | ☐ |
|   | Gender equality (including Women In Development) | ☒ | ☐ | ☐ |
|   | Trade Development | ☒ | ☐ | ☐ |
|   | Reproductive, Maternal, New born and child health | ☒ | ☐ | ☐ |
|   | RIO Convention markers | Not targeted | Significant objective | Main objective |
|   | Biological diversity | ☒ | ☐ | ☐ |
# Summary

The **Overall Objective** of the programme is to ensure the efficient and effective utilisation of EU development assistance in support of the implementation of the Government's development strategies and policies.

The **Specific Objectives** of the intervention will be:

- To improve the technical capacities of the relevant line ministries to design and implement development programmes and projects (Technical Cooperation Facility (TCF));

- To maintain and enhance the National Authorising Officers (NAO) capacity to formulate, implement and monitor European Union (EU) programmes, fulfil EU administrative requirements, coordinate donor activity, and facilitate dialogue between EU and relevant line ministries (Support to NAO); and,

- To improve and foster structured civil society participation in the national development agenda, through a Non-State Actors (NSA) Advisory Panel.

These objectives are to be achieved through financial support to improve the technical capacity of the NAO/European Development Fund (EDF) Project Management Coordinating Unit (PMCU) and the Ministry of Economic Development, Transport and Civil Aviation and the Ministry of Finance to design, implement, monitor and evaluate policies, programmes and projects; enhance the capacity of the NAO, EDF PMCU and the Ministry of Economic Development, Transport and Civil Aviation and the Ministry of Finance to coordinate dialogue and activity with the relevant line Ministries, Department and Agencies involved in the implementation of the Government of Saint Lucia-EU Cooperation Programme as well as between the Government of Saint Lucia and its development partners.

The EDF PMCU has successfully played a very important role as interlocutor between the Government of Saint Lucia and the EU, particularly the EU Delegation to the Eastern Caribbean Countries, the Organisation of Eastern Caribbean States (OECS) and the Caribbean Community (CARICOM)/ The Caribbean Forum (CARIFORUM). The NAO/EDF PMCU has also been a critical linkage between the relevant Ministries, Departments, and Units of the Government, statutory bodies, business support organizations, local and international technical assistance working at various times on the development portfolio.

In the National Indicative Programme (NIP) for Saint Lucia (2014-2020), resources were earmarked for the NSA Advisory Panel to provide institutional and organizational strengthening of the framework and institutions for private sector advocacy and civil society participation in national development but also in the implementation of the 11th EDF interventions.
The overall budget for the action is EUR 1 570 000 of which: EUR 387 000 will finance the CF; EUR 770 000 will finance the Support Measures to the NAO; and EUR 333 000 will finance the NSA Advisory Panel. Visibility actions will be financed in the amount of EUR 50 000 and EUR 30 000 has been earmarked for audit and evaluation.

1. CONTEXT

1.1. Sector/Country/Regional context/Thematic area

Saint Lucia is an upper middle income country with a high human development, ranking 92 out of 188 in the 2015 Human Development Index (HDI). Life expectancy at birth is 75.2 years, mean years of schooling is 9.3 years and expected years of schooling is 13.1 years (HDI 2015). The per capita gross national income is USD 9 791 (HDI 2015).

Saint Lucia continues to pursue a path of more inclusive sustainable economic development with a view to reducing high unemployment, facilitating consistent positive economic growth and enhanced poverty alleviation. However, the country faces some significant challenges that impact on its economic outlook. As highlighted in the latest Article IV mission report of the International Monetary Fund (IMF)\(^1\), structural weaknesses remain in the labour market (such as skills mismatch, low productivity and gender disparity in employment), business environment (e.g. low access to credit) and a narrow production base. As a result, mixed economic outcomes include the following: (a) protracted low economic growth, estimated at 0.8 % of Gross Domestic Product (GDP) for 2016 and projected downwards to 0.5 % in 2017 (mainly driven by agriculture and construction, whereas tourism lingered); (b) persistently high unemployment, estimated at 20 % in the third quarter of 2016 (which is a slight reduction from 23.3 % in 2013), with a particularly high rate of 41 % for youth unemployment; and (c) fiscal deficit and high debt levels. The country is experiencing a deterioration of its fiscal position. The debt to GDP ratio deteriorated from 55.3 % in 2008 to 82.9 % in 2016, projected at 85.6 % in 2017. The current account deficit widened to -6.7 % in 2016.

To address these challenges, the authorities acknowledged the need for fiscal adjustments and strengthening of the fiscal framework; pursuance of public sector reforms and reforms to improve the ease of doing business. These initiatives are expected to improve the country’s competitiveness, boost and diversify exports, attract higher levels of investment and foster job creation. More specific proposed measures include: (i) a new Public Financial Management (PFM) Bill, including provisions committing the Ministry of Finance to adopt a formal Medium-Term Fiscal Plan (MTFP), (ii) a comprehensive re-working of the communication system in the public sector to a more cost effective, modern and unified system which would include video conferencing and voice-over-internet protocols (VOIPs); (iii) a centralized Government Contact Centre, to provide information on a range of Government Services; (iv) a broadening of the online services of the Registry of Companies and Intellectual Property to allow for full online registration within 12 hours; v) a Notice Registry to provide as simple, central and internet based system of filing, registering and searching for security interest and movable assets to allow potential lenders to access the necessary information on potential borrowers; and, (vi) an automated import clearance process at the Saint Lucia Bureau of Standards and a direct link to the Customs “Automated System for Customs Data” (ASYCUDA) platform, and (vii) new insolvency legislation to facilitate foreclosures and debt restructuring.

\(^{1}\) IMF Article IV Country Report No. 17/76 of March 2017.
1.1.1. Public Policy Assessment and the EU Policy Framework

In the Joint Caribbean-EU Partnership Strategy (2012), CARIFORUM Member States including Saint Lucia and the European Union highlighted as one of their Goals and Objectives, *The promotion of poverty alleviation, social cohesion, social dialogue, the development of civil society, including social partners, non-discrimination and gender equality, the promotion of human rights and fundamental freedoms and the promotion of the rule of law and democratic governance, the promotion of decent work and internationally recognized labour standards and the enhancement of youth involvement in national development*. 

The Strategy also identifies as a basis for collaboration 'Actions contributing to deepening regional integration and cooperation, including the strengthening of the institutional capacities of regional organizations in the Caribbean and at the national level, in order to increase effective definition, implementation and sustained follow-up of policies at the regional level'.

The European Commission's Backbone Strategy (2008) details an approach to the provision of Technical Cooperation (TC) designed to improve the effectiveness of EU Aid with respect to capacity development. The strategy advocates a methodology to TC that is demand driven, results oriented, country owned and managed, country and sector specific, harmonized and aligned and avoiding the use of parallel project implementation units.

Saint Lucia has a very strong and robust public policy framework, particularly in the area of private sector development. Government's overall social and economic programme is guided by the Medium Term Development Strategic Plan (2012-2016), this plan complements other policy prescriptions as outlined in the National Information and Communication Technology (ICT) Strategy (2010-2015), the Private Sector Development Strategy (2009), the Business Environment Action Plan (2009), the National Export Development Strategy Implementation Plan (2009), the Quadrant Strategy (2007), the National Export Development Strategy (2004) and the Industrial Policy (2001).

1.1.2. Stakeholders analysis

The NAO, who is the Permanent Secretary in the Ministry of Economic Development, Transport and Civil Aviation, is supported by a PMCU, which was first established in 1997. Over the years, the size and role of the Unit has subsequently been expanded in conjunction with increases in the quantum of the resources and the number of financing instruments under the Government of Saint Lucia-EU cooperation programme, beginning with the European Commission compensatory finance scheme to stabilise export earnings of the African, Caribbean and Pacific (ACP) countries (STABEX) in 1994, to the Special Framework of Assistance (SFA) for traditional ACP Banana Producers and 9th EDF, to the more recent Banana Accompanying Measures (BAM) and 10th EDF Interventions.

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2 Reforming Technical Cooperation and Project Implementation Units for External Aid provided by the European Commission
3 Actions aimed at strengthening individual and organisational capacity by providing expertise (short and long term TA personnel, institutional twinning arrangements, mobilisation of Diaspora, etc.), training and related learning opportunities (peer exchange, Tertiary education, etc.), and equipment.
The NAO/EDF PMCU has successfully played a very important role as interlocutor between the Government of Saint Lucia and the EU, particularly the EU Delegation to the Eastern Caribbean Countries, OECS and CARICOM/CARIFORUM. The PMCU has also been a critical linkage between the relevant Ministries, Departments, and Agencies of the Government, statutory bodies, business support organizations, local and international technical assistance working at various times on the development portfolio. At its peak, the NAO/EDF PMCU was responsible for the management of interventions involving the social investment fund, banana commercialization, economic diversification, technical, vocational and educational training, in addition to supervising the design, construction, equipping and commissioning of a New National Hospital and the comprehensive reform of the health sector (among others).

The present NSA Panel was established through a Memorandum of Understanding (MoU) on May 31, 2006 between the European Commission Delegation in Barbados and the Eastern Caribbean and the Government of Saint Lucia represented by the NAO. Initially the Panel was comprised of 14 Non-Governmental Organisations (NGOs) most of which operated in the Health Sector as this was chosen as the focal area for the 10th EDF after the mid-term evaluation of the Country Strategy Paper (CSP) and NIP.

The Executive Members of the Panel included representatives from Advocates for Safe Parenthood; Improving Reproductive Equity (Chair); Saint Lucia Council for Older Persons (Deputy Chair), National Youth Council (Secretary) and the Saint Lucia Bar Association (Public Relations Officer/Assistant Secretary). An Operating Guidelines and Cooperation Protocol was developed for the Panel, in order to provide a framework for internal procedures and cooperation with the Government of Saint Lucia.

In general, the functions of the NSA Panel are to: (i). Facilitate deeper involvement of civil society in the country/EU partnership; (ii). Participate in political dialogue, policy dialogue and programming; iii). Review EU development assistance; and, (iv). Provide advice on other matters related to the country/EU partnership as jointly requested by the Government and the Delegation or determined by the Panel.

As the focal area for the 11th EDF is employment generation through private sector development, it is proposed that the membership of the NSA Panel be reconstituted to include the following organizations (among others): the National Youth Council; the Creative Development Network; Saint Lucia Industrial and Small Business Association; Saint Lucia Network of Rural Women’s Production; Saint Lucia Church Council; Saint Lucia Coalition of Service Industries; and the Saint Lucia Allied Health Council.

1.1.3. Priority areas for support/problem analysis

Under the 11th EDF, the NAO supported by the PMCU will have responsibility for the identification, formulation, management, monitoring and evaluation of the focal sector intervention employment generation through private sector development (EUR 5.33 million), in addition to measures in support of civil society (EUR 333 000).

The NAO/PMCU will also continue to manage several programmes and projects under the 10th EDF which will continue to 2020, namely: Selective Measures to Provide Sustainable Access to Safe Drinking Water in Saint Lucia (EUR 810 000); Requisite infrastructure, roads and drainage for Mocha residents displaced by Hurricane Tomas (EUR 970 000); Support to
Saint Lucia Health Sector (EUR 6.9 million); Supply of Equipment & Furniture for the New National Hospital of Saint Lucia (EUR 9.2 million); and, a programme of agricultural transformation funded under the Banana Accompanying Measures (EUR 10.35 million).

A Needs Assessment highlighted the role played by the NSA Panel in improving civil society advocacy in the health sector as member organizations reinforced and benefitting from each other's strength. The Panel developed its own website and organized several health-related activities through its member organizations.

The following problems were identified:

(a) The need for improved coordination of the work of the Panel; (b) More suitable accommodations to host the meetings of the Panel; (c) The need to reduce the bureaucracy from the Government Ministries and Agencies with which the Panel has to collaborate; (d) The need for the articulation of a clear strategic media policy and plan to highlight the work of the Panel (e) The lack of commitment by some members of the panel and (f) Inadequate record keeping due to insufficient human resource capacity.

The Action will provide:

**Support to NAO:** This Action aims to provide support for the institutional functioning and capacity strengthening of the NAO/EDF PMCU to execute the main stages of the project cycle and ensure the effective implementation of the NIP and other EU programmes in favour of the country’s development strategy. The NAO/EDF PMCU will require the appropriate capacity to adequately and timely fulfil all conventional EU administrative tasks and procedures established to draft, implement, monitor, audit and evaluate EU development cooperation programmes. The programme will also provide for general short-term training activities/educational actions/seminar participation for staff of the EDF PMCU on topics related to the priorities of the ACP-EU partnership agreement, and EU administrative/financial procedures as foreseen in the Financing Agreement.

**Technical Cooperation Facility:** By facilitating short- and long-term TA, studies and training, on an *ad hoc* basis, the TCF will be a flexible instrument that will strengthen capacities in the relevant government ministries, while also responding quickly to technical needs as they arise during project implementation. It is expected that the TCF will be used to address capacity issues in economic, social and environmental dimensions of national development, particularly those that relate to the reconstruction efforts and the growth of the geothermal energy sector.

Another important component is the engagement of short to medium-term consultants to assist in the main stages of the project cycle to ensure the effective implementation of the NIP and other EC programmes in favour of the country's development strategy, and in keeping with the objectives of the ACP-EU Partnership Agreement⁴ (Hereinafter "the Cotonou Agreement"). TA will be engaged to assist with specific tasks related to: identification, preparation and assistance with tender procedures and with evaluation and monitoring or audit for EU projects/programmes where this has not been provided for in the project itself, or the project has already been closed. These services will be provided by consultants and/or

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individual experts recruited by the NAO/EDF PMCU in accordance with EDF procedures, with the exception of audits and evaluations which will be implemented by the European Commission.

This action will also facilitate continued communication and visibility (implemented by the NAO) of EU funded programmes in Saint Lucia, as well as local stakeholders and donor coordination activities.

**NSA Panel:** This Action will support the overall work of the Panel, including the day to day operation, i.e. office supplies, telephone, refreshment for meetings, per diem and transport subsidy to and from meetings etc. Support will also be provided for capacity building for members of the NSA Panel, including short term technical assistance, attendance to short term training, seminars and conferences.

2. **RISKS AND ASSUMPTIONS**

<table>
<thead>
<tr>
<th>Risks</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disruption and dislocation to members of staff of the EDP PMCU and Ministry due to natural disasters, particularly hurricanes and storms</td>
<td>M</td>
<td>Considerable disaster risk reduction measures are being taken at the national and regional level, some with EU financial support</td>
</tr>
<tr>
<td>Administrative changes within the Government of St Lucia, which may result in changes in the location of the EDF PMCU within the Government or Ministry and/or changes in staffing complement</td>
<td>L</td>
<td>A concerted effort will be made to ensure that the staffing complement is maintained and that there is minimal disruption to the work of the Unit.</td>
</tr>
<tr>
<td>Enabling space not provided for civil society to interact with the Government of Saint Lucia and/or weak capacity of NSA to adequately do so.</td>
<td>M</td>
<td>The NSA component of this programme is designed to mitigate such risk through capacity building and institutionalized, systemic consultations</td>
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**Assumptions**
The Office of the NAO is able to attract and/or retain suitably qualified, dedicated and motivated staff; and acquire the appropriate information, materials and equipment. [NAO]
All contracts financed from the TCF show a clear capacity building emphasis – either through short term training or exchange visits. [TCF]
The Government will maintain most of its efforts at capacity building in relevant ministries. [TCF & NAO]
Continued spirit of volunteerism among NSAs.
Departments collaborate to achieve results. [TCF & NSA]
Communication amongst all stakeholders is timely and effective. [TCF & NAO & NSA]
3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

Support measures to the NAO/EDF PMCU under the 9th and 10th EDFs as well as under the Banana Accompanying Measures have validated the justification for this type of capacity building in the relatively successful implementation of what was at times a quantitatively large (millions of euros), multifaceted (social protection, banana commercialization, economic diversification, ICT, training and human resource development and infrastructure) portfolio funded under a variety of mechanisms (STABEX, Special Framework of Assistance to traditional ACP Suppliers of Bananas and the European Development Fund) and using different implementation modalities (work programme, programme estimates, grants, framework contracts). These interventions were being executed by a number of different Ministries and their respective departments, quasi-Government Agencies and statutory Bodies, private sector organizations and International Contractors.

The targeted engagement of NSA in the Government of Saint Lucia-EU Cooperation dialogue has underscored the challenges faced by civil society in their voluntary participation in national development and the personal financial sacrifices which often results. Some members of the NSA Panel were unable to attend meetings as a result of the opportunity costs of being away from their places of work (many were entrepreneurs) or were unable to cover the cost of travel to and from the place of meeting. Others felt that their participation in the Panel diverted effort away from their own advocacy activities.

3.2. Complementarity, synergy and donor coordination

Since the end of the operational implementation period under the 10th EDF support measures to the NAO, the operations of the NAO/EDF PMCU has been funded under the Banana Accompanying Measures. This support began in the second quarter of 2014 and will end in the last quarter of 2015.

The support to the NSA Panel in Saint Lucia will be complemented by the Civil Society Organizations (CSO) Thematic Programme, which is funded by the European Union under the Development Cooperation Instrument. One of the main objectives of the CSO Thematic Programme is to improve governance and accountability through inclusive policy-making by empowering citizens and populations, through the voicing and structuring of their collective demands, to contribute to tackle injustice and inequality.

3.3. Cross-cutting issues

The intervention will pay close attention to the issues of gender equality, the promotion of decent work and internationally recognized labour standards and the enhancement of youth and NSA involvement in national development, the design and implementation of the respective activities.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results

The Overall Objective of the programme is to ensure the efficient and effective utilisation of EU development assistance in support of the implementation of the Government's
development strategies and policies. This will be implemented by upgrading and enhancing the capacity of relevant personnel within the public service line ministries who are charged with supporting and implementing EU Developmental assistance in order to foster effective utilisation of the TCF. The intervention will also include support and capacity building to staff of the NAO office in order to fulfil the obligations of the NAO as envisioned by the Cotonou Agreement.

The Specific Objectives of the intervention will be:

1. To improve the technical capacities of the relevant line ministries to design and implement development programmes and projects (TCF);
2. To maintain and enhance the NAO's capacity to formulate, implement and monitor EU programmes, fulfil EU administrative requirements, coordinate donor activity, and facilitate dialogue between EU and relevant line ministries (Support to NAO).
3. To improve and foster structured civil society participation in the national development agenda, through an NSA Advisory Panel.

4.2. Main activities

4.2.1 Result 1: Support to NAO – Effective implementation/management of actions under 11th EDF National Indicative Programme and prepare for programming of the 12th EDF

This will be achieved through the provision of technical expertise to facilitate capacity building activities for stakeholders in areas identified, so as to enable them to more effectively manage ongoing programmes/projects and explore and develop new programmes areas for future EDF.

The main activities would include:

- Facilitating technical expertise to design and facilitate capacity development activities;
- Support for monitoring and evaluation of existing and new programmes and projects under the 11th EDF NIP and other funding instruments from the EU;
- Facilitating feasibility studies, management studies, legal support and other fact finding initiatives with a view to making a development intervention;
- Provision of support to the NAO Office and Line Ministries for identification of programmes and projects under the 12th EDF, and other EU funding instruments;
- Facilitating trainings in project cycle management and EU procedures for enhancing the management and coordination of EU and other donor funded interventions; and,

4.2.2 Result 2: Support to NAO - Strengthened operational capacity of the NAO office

This will be achieved by providing the NAO an operating grant to be used to contribute to the "running costs" of the NAO office.

The support would be used to contribute to:

- the NAO office staff salaries;
- the general administrative expenditure necessary for the running of the NAO office;
- Trainings in project cycle management and EU procedures;
• other activities as approved in the work programme drawn up for the purposes of the grant

4.2.3. **Result 3: Technical Cooperation Facility – Enhanced policy dialogue in the focal sector of the 11th EDF National Indicative Programme**

This will be achieved through the provision of policy advice and expertise of technical consultants that will assess the existing capacities, policy framework and support with other donors.

The main activities would include:

• Facilitating complementary technical assistance for the line ministries to support development interventions in Saint Lucia;
• Provide support for capacity development and expert advice: by facilitating participation in workshops, seminars, etc. on the main issues regarding development cooperation, EU policies and strategies, planning, monitoring and evaluation, effective management and implementation and effective partner coordination; and,
• Facilitating the conducting of studies and workshops to support implementation of public reforms in St Lucia.
• Audits and evaluation of projects that do not have funds earmarked for such activities.

4.2.4 **Result 4 – Improved strategic communication on EU development policy priorities**

This result will be achieved by improving the communication on the EU’s policies programmes and contribution to the country’s development. The Communication and Visibility Strategy will encompass all the relevant activities to ensure a stronger, more coherent promotion of the EU and its cooperation.

The main activities would include:

• Facilitating the conduct of communications audit and the development of a comprehensive communication strategy and implementation plan;
• Providing for visibility events around ongoing projects and key issues of EU policies directed to major stakeholders and;
• Facilitating targeted communication around key issues including media and opinion leaders.

4.2.5 **Result 5: Support to NSA Advisory Panel: - Enhanced capacity of the Non-State Actors Panel to participate effectively in the decision making processes and implementation of national policies and programmes.**

The main activities would include:

• Participation in consultations, visibility events and other activities related to the Government of Saint Lucia-EU;
• Cooperation Programme, organized by the NAO, EDF PMCU or other programme/project implementing partners;
• Organization of consultations with other relevant non-state actors on the Government of Saint Lucia-EU;
• Cooperation Programme and other relevant development issues; and,
• Identification, organization and participation in training and other capacity building exercises and technical assistance including project preparation, record keeping and programme implementation. Capacity building should include project preparation, record keeping and programme implementation.

4.3. Intervention logic

The support to NAO, TCF and NSA aim to provide a rapid response tool to mobilise resources, including expertise, logistical support, stakeholder participation, capacity building, visibility events or other NIP objectives, not limited to:

• The development of proper communication and visibility tools;
• Cross cutting themes such as gender, environment, climate change and the inclusion of civil society;
• Institutional strengthening in sectors and actors relevant to the main areas of intervention;
• Involvement in the regional integration processes (CARIFORUM);
• Other relevant and complementary areas of development with the NIP 2014-2020, the Caribbean Regional Indicative Programme (CRIP) 2014-2020, the National Vision Plan and the Medium Term Development Strategy;
• Capacity built in the NAO office and in other line ministries with a part to play in the NIP and the CRIP;
• Community buy-in and broad based support for projects and programmes; and,
• Value added to EU policy instruments such as the NIP, the CRIP, the National Vision Plan and the Medium Term Development Strategy

An indicative logframe is provided in the Appendix.

5. IMPLEMENTATION

5.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the Cotonou Agreement.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in Section 4.2 will be carried out and the corresponding contracts and agreements implemented is forty eight months (48) months from the date of entry into force of the Financing Agreement.

Extensions of the implementation period maybe agreed by the Commission's authorising officer responsible for amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendments in the sense of Article 9(4) of the Annex to Regulation (EU) No. 2015/322.
5.3. Implementation modalities

5.3.1 Result No. 2 Strengthened operational capacity of the NAO office – Direct Management (Operating Grant)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of this operating grant is to enhance the NAO’s capacity to formulate, implement and monitor EU programmes, fulfil EU administrative requirements, coordinate donor activity, and facilitate dialogue between EU and relevant line ministries. As mentioned in section 4.1, the expected results are:

- Enhanced human resource capacity of the NAO office for programming, management and implementation of EU development cooperation instruments;
- A strengthened monitoring system to allow management for results; and,
- The general public sensitised about the various dimensions of the partnership between EU and the Government of Saint Lucia.

(b) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the beneficiary is in a legal monopoly situation. As per Annex IV Article 35 of the Cotonou Agreement, the National Authorising Officer is appointed by the Government of Saint Lucia to represent it in all operations financed from EU resources.

(c) Maximum rate of co-financing

The maximum possible rate of co-financing of this grant is 100%.

(d) Indicative trimester to conclude the grant agreement: third trimester of 2017.

5.3.2 Result No. 3 (TCF) - Direct Management

<table>
<thead>
<tr>
<th>Subject in generic terms, if possible</th>
<th>Type (works, supplies, services)</th>
<th>Indicative number of contracts</th>
<th>Indicative trimester of launch of the procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCF</td>
<td>Services</td>
<td>5</td>
<td>Fourth trimester of 2017</td>
</tr>
<tr>
<td>Audits and evaluations</td>
<td>Services</td>
<td>2</td>
<td>Third trimester of 2018 and fourth trimester of 2020</td>
</tr>
</tbody>
</table>
5.3.3 Result No. 1 (Support to NAO) and Result No. 4 (Communication)/ Result No. 5 (NSA) – Indirect Management with the Government of Saint Lucia

These results will be implemented in indirect management with Saint Lucia (in particular the organisation of the National Authorising Officer) in accordance with Article 58(1) (c) (i) of the Regulation (EU, EURATOM) No 2012/966 applicable by virtue of Article 17 of the Annex to Regulation (EU) No 2015/323 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 100 000 for grants.

The financial contribution does not cover the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 2012/966 and Article 262(3) of Delegated Regulation (EU) No 2012/1268 applicable by virtue of Article 36 of the Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner country shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 2012/966. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 2012/966 applicable by virtue of Article 17 of the Regulation (EU) No 2015/323, will be laid down in the financing agreement concluded with the partner country.

a) Overview of Implementation

<table>
<thead>
<tr>
<th>Activity/objective/result, include location</th>
<th>Type of financing (works, supplies, or service contract, grant, programme estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result 1: Support to NAO</strong> – Effective implementation/management of actions under 11th EDF National Indicative Programme and prepare for programming of the 12th EDF</td>
<td>Programme Estimate</td>
</tr>
<tr>
<td><strong>Result 4</strong> – Strategic communication on EU development policy priorities</td>
<td>Programme Estimate</td>
</tr>
<tr>
<td><strong>Result 5</strong> - Enhanced capacity of the Non-State Actors Panel to participate effectively in the decision making processes and implementation of national policies and programmes</td>
<td>Programme Estimate</td>
</tr>
</tbody>
</table>
b) Implementation through programme estimates

The contracting authority for these activities shall be the National Authorising Officer of Saint Lucia.

An imprest administrator and an imprest accounting officer, and their deputies, shall be appointed for the management and implementation of the programme estimate by the contracting authority, in agreement with the Head of Delegation.

In accordance with the powers delegated to them by the partner country authority that appointed them, the imprest administrator and the imprest accounting officer shall draw up and implement programme estimates, award contracts and grants, commit expenditure and make the corresponding payments.

The imprest administrator and the imprest accounting officer shall submit their technical and financial reports to the project steering committee, where applicable, and to the National Authorising Officer of Saint Lucia and a copy to the Head of the EU Delegation.

5.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement.

5.5. Indicative Budget

<table>
<thead>
<tr>
<th>Result 1: Support to the NAO - Effective implementation/management of actions under 11th EDF NIP and preparation for programming of the 12th EDF (Indirect Management-Programme Estimates)</th>
<th>EU contribution (EUR)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result 2: Support to the NAO - Strengthened operational capacity of the NAO office. (Direct Management-Operating Grant)</td>
<td>74,000</td>
<td>74,000</td>
</tr>
<tr>
<td>Result 3 – Technical Cooperation Facility - Enhanced policy dialogue in the focal sector of the 11th EDF NIP (Direct Management)</td>
<td>387,000</td>
<td>387,000</td>
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<tr>
<td>Result 4 – Improved Strategic communication on EU development policy priorities (Indirect Management-Programme Estimates)</td>
<td>50,000</td>
<td>50,000</td>
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</tbody>
</table>
5.6. Organizational Set-up and responsibilities

The contracting authority for the project shall be the National Authorising Officer of Saint Lucia.

The overall responsibility for the implementation of the programme lies with the NAO, who may request the Commission to implement technical assistance contracts on her behalf under Article 19(c) 4 of Annex IV to the Revised Cotonou Agreement (Decision No.3 of the ACP – EC Council of Ministers to adopt amendments to Annex IV to the revised Cotonou Agreement). Activities could be implemented through framework contracts for amounts under EUR 300,000, through service contracts or through Programme Estimates.

5.7. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action proposals will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8. Evaluation

Having regard to the nature of the action, evaluation(s) will not be carried out for this action or its components. In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

5.9. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.
5.10. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities.

Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication and visibility activities will be implemented by the National Authorizing Officer during each year of the implementation period. The overall budget allocation is EUR 50,000.

Appendix – Indicative Logframe Matrix
**APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)**

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

<table>
<thead>
<tr>
<th>Results chain</th>
<th>Indicators</th>
<th>Baselines (2017)</th>
<th>Targets (incl. reference year)</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
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<tbody>
<tr>
<td><strong>Overall objective: Impact</strong></td>
<td>Contribute to the efficient and effective utilisation of EU development assistance in support of economic growth and poverty reduction strategies and policies.</td>
<td>Status of the Development Corporation process managed by the Office of the NAO</td>
<td>NAO Office involved with projects funded only under the NIP &amp; not necessarily the regional programmes</td>
<td>100% of EU Development Corporation for St Lucia involves the Office of the NAO</td>
<td>Country Assessments reports, Midterm Review Report</td>
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<tr>
<td>Specific objective(s): Outcome(s)</td>
<td>Results chain</td>
<td>Indicators</td>
<td>Baselines (2017)</td>
<td>Targets (incl. reference year)</td>
<td>Sources and means of verification</td>
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<tr>
<td>1. Enhanced policy dialogue in the focal sector of the 11th EDF National Indicative Programme</td>
<td>1. Status of portfolio review meetings between EU Delegation and the NAO 2 times per year</td>
<td>1.1 status of portfolio review meetings between EU Delegation and the NAO (2017)</td>
<td>1.1.1 Adhoc meetings being held between EU Delegation and the NAO (2017)</td>
<td>1.1.1.1 Portfolio review meetings held at least 1 per half year</td>
<td>1.1.1.1.1 Annual Report of Technical Assistance Programme reports by the NAO’s Office and benefitting Line Ministries. 1.2.1.1.1 employment statistics</td>
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<tr>
<td></td>
<td>1.2 status of formal employment rate for 11th EDF focal sector (spa)</td>
<td>1.2.1 spa sector is largely informal no records in employment data (2017)</td>
<td>1.2.1.1 number of persons employed at spa training centre</td>
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<td>Results chain</td>
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<tr>
<td>2 Effective implementation and management of actions under 11th EDF NIP and prepare for programming of the 12th EDF</td>
<td>2.1 Rate of disbursement of NIP 2017 to 2010 indicative allocation</td>
<td>2.1.1 100% funds committed by D+3</td>
<td>2.1.1.1 - 100% funds committed by D+3 date of 11th EDF 2.1.1.2 - 80% of funds expended for all 11th EDF NIP activities by D+4 date</td>
<td>2.1.1.1 Technical &amp; Financial Reports</td>
<td>2.2.1.1.1 Technical Reports</td>
</tr>
<tr>
<td></td>
<td>2.2 Intervention Plans prepared and submitted for ongoing and planned activities</td>
<td>2.2.1 no Annual Intervention plans are in use to, interventions are pursued on an adhoc basis (2017)</td>
<td>2.2.1.1 Intervention plan prepared and implemented by 3rd qtr. 2017</td>
<td>2.2.1.1 Draft Action Document in circulation for 12th EDF NIP</td>
<td>2.2.1.1.1 Draft Action Document in circulation for 12th EDF NIP</td>
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<tr>
<td>2.3 status of Draft 12th EDF NIP</td>
<td>2.3.1 draft 12th EDF NIP submitted on time</td>
<td>2.3.1.1 Draft outlines for possible 12th EDF available by mid-2018.</td>
<td>3.1.1.1 EU/St Lucia Communication Strategic document 3.1.1.2 Press Releases</td>
<td>3.1.1.1 EU/St Lucia Communication Strategic document 3.1.1.2 Press Releases</td>
<td>3.1.1.1 EU/St Lucia Communication Strategic document 3.1.1.2 Press Releases</td>
</tr>
<tr>
<td>3 Strategic communication on EU development policy priorities</td>
<td>3.1 Status of EU Communication Strategy in St Lucia</td>
<td>3.1.1 Adhoc consultations and interventions with relevant stakeholders including Ministries and Departments</td>
<td>3.1.1 communication strategy for EU interventions in St Lucia developed and adopted by mid-2018</td>
<td>3.1.1.1 EU/St Lucia Communication Strategic document 3.1.1.2 Press Releases</td>
<td>3.1.1.1 EU/St Lucia Communication Strategic document 3.1.1.2 Press Releases</td>
</tr>
<tr>
<td>4. To improve and foster structured civil society participation in the national development agenda, through an NSA Advisory Panel.</td>
<td>4.1 Status of record keeping, project preparation, programme implementation</td>
<td>4.1.1 inadequate record keeping and project preparation; and low quality programme implementation</td>
<td>4.1.1.1 Twelve (12) Capacity building seminars held by mid-2018 4.1.1.2 Quarterly review of record keeping, project preparation and programme implementation (prior to and subsequent to capacity building seminars)</td>
<td>4.1.1.1 Technical reports 4.1.1.2.1 Technical reports</td>
<td>Willing participation of NSAs to participate in capacity building initiatives</td>
</tr>
<tr>
<td>Outputs</td>
<td>Results chain</td>
<td>Indicators</td>
<td>Baselines (2017)</td>
<td>Targets (incl. reference year)</td>
<td>Sources and means of verification</td>
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</table>
|         | 5. Skills of NAO and Line Ministries staff in programming and implementing 11th & 12th EDF resources from the EU enhanced | 5.1 Status of action documents produced and approved with NAO involvement | 5.1.1 NAO office lead in concert with relevant agency in formulating programming and implementing of EU funds | 5.1.1.1 All Programmes continue to be implemented with enhanced visible presence and contribution of NAO staff in lead | 5.1.1.1 project reports, action documents | • The Government of Saint Lucia commits to counterpart support  
• Other funding agencies will provide the Government of Saint Lucia complementary funding, especially in key sectors |
|         | 6. Skills of NAO & line ministries staff upgraded to improve M&E capacity to ensure compliance with relevant rules and procedures conducted in-house or by external agencies | 6.1 status of project reviews, audits and evaluations and M&E reports facilitated by NAO office & line ministries | 6.1.1 one study, review, audits and evaluations conducted per programme per year | 6.1.1.1 At least 1 study, review, audit and evaluation conducted per programme being implemented per year. | 6.1.1.1.1 Annual Reports and project/programme implementation reports  
6.1.1.1.2 Information from CRIS/ ABAC/ ARES  
6.1.1.1.3 Evaluation, M&E and Audit Reports. |
<table>
<thead>
<tr>
<th>Results chain</th>
<th>Indicators</th>
<th>Baselines (2017)</th>
<th>Targets (incl. reference year)</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Skills of the NAO and line ministries staff upgraded to spearhead the assessment of the portfolio of projects under the 10th EDF</td>
<td>7.1 the number of 10th EDF projects assessed</td>
<td>7.1.1 – 0% of 10th EDF projects assessed 2017</td>
<td>7.1.1.1 – 60% of 10th EDF projects assessed by 1st qtr. 2018</td>
<td>7.1.1.1.1 Information in CRIS/ABAC/ARES 7.1.1.1.2 PSIP monthly reports by the NAO’s Office and benefitting Line Ministries.</td>
<td></td>
</tr>
<tr>
<td>8. Capacity of Ministries, Departments &amp; Agencies involved needs assessment &amp; the design and implementation of Development Assistance enhanced</td>
<td>8.1 Status of needs assessment and related proposals for Development Assistance</td>
<td>8.1.1 – four (4) individuals trained in PMC (2017)</td>
<td>8.1.1.1 At least 10 persons trained in PMC or related components by end of Programme 2020.</td>
<td>8.1.1.1.1 project &amp; programme implementation reports school transcripts &amp; certificates</td>
<td>- The Government of Saint Lucia commits to counterpart support - Other funding agencies will provide the Government of Saint Lucia complementary funding, especially in key sectors</td>
</tr>
<tr>
<td>Results chain</td>
<td>Indicators</td>
<td>Baselines (2017)</td>
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<tr>
<td>9. Capacity of the NAO &amp; line Ministries to coordinate local and development partners enhanced</td>
<td>9.1 Status of consultation and coordination procedure for the Government of St Lucia</td>
<td>9.1.1 Adhoc consultation and coordination procedure based on donor rules</td>
<td>9.1.1.1 At least one consultation/meeting/ with Min. of Finance, other line Ministries/Departments/Agencies and development partners per programme per quarter</td>
<td>9.1.1.1.1 Annual Reports and project/programme implementation reports</td>
<td>9.1.1.1.1 Assumptions</td>
</tr>
<tr>
<td>10. Visibility of EU development cooperation initiatives improved.</td>
<td>10.1 Status of EU Communication Strategy in St Lucia</td>
<td>10.1.1 visibility strategy elaborated and in effect</td>
<td>10.1.1.1 Strategy is launched, At least three (3) print &amp; electronic media visibility events published per ongoing programme per year 10.1.1.2 at least one 1 electronic visibility event involving EU/GOSL per qtr.</td>
<td>10.1.1.1.1 endorsement of strategy by NAO &amp; EUD</td>
<td>10.1.1.1.1 Assumptions</td>
</tr>
<tr>
<td>11. Management information and accounting systems for NAO is developed &amp; implemented.</td>
<td>11.1 Status of management &amp; accounting Information System at NAO</td>
<td>11.1.1 MIS and accounting system absent (or partial)</td>
<td>11.1.1.1 MIS and accounting system are fully established and operational</td>
<td>11.1.1.1.1 MIS testing protocol; accounting system is accepted by the Ministry of Economic Development</td>
<td>11.1.1.1.1 Assumptions</td>
</tr>
</tbody>
</table>