Country Programme Action Plan (CPAP) 2006 - 2009

Agreed by

The Government of St. Lucia

And

The United Nations Development Programme

The Framework

The Government of St. Lucia (hereinafter referred to as "the Government") and the Sub-regional Office of the United Nations Development Programme for Barbados and the OECS (hereinafter referred to as "UNDP") are in mutual agreement on the content of this document and their responsibilities in the implementation of the Country Programme.

Furthering their mutual agreement and cooperation for the realisation of the Millennium Development Goals (MDGs) and the United Nations Conventions and UN Summits to which the Government and UNDP are committed, including: the Convention on the Elimination of Discrimination Against Women; the Convention of the Elimination against All Forms of Racial Discrimination, the United Nations Conference on Environment and Development; the UN Framework Convention on Climate Change; the Convention on Biological Diversity; the Millennium Declaration; the Kobe World Conference on Disaster Reduction; the Mauritius International Meeting to Review the Implementation of the Programme of Action for Sustainable Development of SIDS; the World Summit on Social Development; the UN General Assembly Special Session on HIV/AIDS; and the World Summit on Sustainable Development; the UN Convention to Combat Desertification and the Stockholm Convention on Persistent Organic Pollutants.

Building upon the experience gained and progress made during the implementation of the previous Sub-regional Programme (2001-2004);

And entering into a new period of cooperation through the present Sub-regional Programme (2005-2009);

The parties declare that these responsibilities, which are further specified in this Country Programme Action Plan (hereinafter, "CPAP"), will be fulfilled in a spirit of close cooperation, and have agreed as follows:

Part 1. Basis of Relationship

1.1 Whereas the Government and UNDP entered into a basic agreement governing UNDP's assistance to St. Lucia, namely the Standard Basic Assistance Agreement (hereinafter, "SBAA"), which was signed by both parties on 22 July 1981, this CPAP, together with agreed Annual Work Plans (hereinafter, "AWPs") concluded hereunder and annexed to this CPAP, constitute together the project document as referred to in the SBAA.

1.2 Some operations carried out by UNDP in the country will additionally be covered by separate project documents when these are required by particular funding agencies and/or other partners, for example, projects funded by the Global Environment Facility (GEF).

Part 2. Situation analysis

2.1 St. Lucia is a small island in the Eastern Caribbean, 238 sq ml/619 sq km, part of the Windward Islands. It is home to the Monkote Mangrove, a protected Ramsar Site. The interior of the island is mountainous allowing for marketing as an ecotourism destination in addition to its lovely beaches. The islands magnificent Pitons Mountains is home to a World Heritage Site, to protect the terrestrial ecosystem.

2.2 St. Lucia has an estimated population size of approximately 162,010 (2004 est.) of which 51.8% are females and 48.92% males, with an annual growth rate of 0.8%. A recent Core Welfare Indicators Questionnaire (CWIQ) Survey conducted in the last quarter of 2004 indicated that just over half of the population live in the urban areas. Just less than 33% of the population is between 5 and 19 years of age and 42.1% is between 15 and 39. The number of persons over 65 years has increased.

2.3 The country is ranked 76th on the Human Development Index (UNDP, Human Development Report 2005). Despite the general classification of OECS-SIDS as middle-income countries on the UNDP Human Development Index; the development challenges experienced by this grouping of countries are exacerbated by traditional vulnerabilities to natural disasters and highly sensitive responses to changes in the global economic and political environments. St. Lucia is a member of the Organisation of Eastern Caribbean States (OECS), which includes as well Anguilla, Antigua and Barbuda, the British Virgin Islands, the Commonwealth of Dominica, Grenada, Montserrat, and St. Kitts and Nevis, and the Eastern Caribbean Currency Union.

2.4 St. Lucia has a GDP per capita of US$5,300[1]. Like many other countries in the sub-region, the major challenge to St Lucia has been the need to support economic diversification resulting from the WTO decisions to end preferential market access for the islands main export, bananas. Agriculture is gradually being replaced (contracting by 10.6%) by service industries (tourism, offshore etc.); with increasing contributions to GDP form 20% to 35%. Diversification remains critical to the medium and long-term economic development and poverty reduction programmes of the country. One of the strategies in the reduction of unemployment in St Lucia and the management of youth programmes in an economy beset with structural unemployment is the generation of self-employment opportunities for the youth, low-income sub-sectors and the poor[2].

2.5 Notwithstanding an increase in livestock production, indications are that the agriculture sector struggled in the review period with reductions in output of bananas, non-traditional crops and fish landings. Banana production fell by 35.8 % to 15,005 tones as a result of the combined impact of losses due to Hurricane Ivan in September 2004, which destroyed an estimated 1400 acres, and leaf-spot disease. Accordingly, banana revenue fell by 31% to $20.4 million and reflected a regional situation which saw total Windwards output fall by 32 % to 29,725 tonnes. Preliminary data indicate that a contraction of domestic demand led to a reduction in output of nontraditional crops (Economic Review Jan-June 2005). As a result of fiscal incentives and provision of technical assistance, activity in the manufacture sector grew by 5% in 2002 and by 0.6% in 2003. The quality and cost of locally manufactured goods and their lack of competitiveness contributed to this decline.

2.6 To restore economic growth and protect the social achievements realised in the past decades, the main challenges being addressed as matters of priority by the Government include: (a) implement a Public Sector Investment Programme which includes restructuring of the banana industry; (b) increased promotion in tourist markets; (c) development of communication sectors; and (e) the establishment of an Office of Private Sector Reform in the Prime Minister's Office to provide technical and financial assistance and to improve managerial efficiency of business enterprises. In the main, progress in these areas remains steady and these areas are expected to continue to receive support in the medium-term.

2.7 Unemployment which stood at approximately 18.2 % in 2004 (verbal confirmation from the Department of Statistics, Ministry of Finance, Government of Saint Lucia) is also a concern. Income insecurity/volatility at country and household levels as a result of climatic and external economic shocks is pronounced in St. Lucia given its small size, due to limited economic diversification and high degree of openness, and its extreme vulnerability to hurricanes. The impact of this high volatility is especially negative for the poor and near poor who may not be able to rely on savings or are not reached by the government's social protection programs to supplement consumption during times of hardship. There also has been an increase in violence, crime and the use of drugs as significant numbers of young unemployed males turn to illegal activities. The CWIQ noted that more than one third of household heads were unemployed or inactive (37.6%). The incidence of unemployment was higher among female household heads than male household heads, with half of the female household heads unemployed compared to slightly more than one quarter of male household heads.

2.8 Despite relatively high levels of per capita income and good social service provision, poverty remains a persistent problem in St. Lucia. In 1995, using a narrow definition of poverty (lack of financial resources and spending power), 18.7% of households and 25.1% of individuals were considered poor, i.e. reporting

[1] HDR 2004 based on 2002 data.

[2] Self-employment is expected to be the best alternative since the sectors which employ semi- and non-skilled persons are somewhat saturated. BEL Fund Strategic Plan 2004

average monthly expenditures on food and non-food items below XCD 156.37. At the same time, 5.3% of households and 7.1% of individuals were considered indigent, i.e. with average monthly expenditures on food and non-food items below XCD 83.55 (Kairi Consultants Limited 1996). According to the IPRSP of 2003, while data on income and household expenditure that were gathered as part of the Census of 2001 were not yet available, trends could be discerned through other indicators: (i) there has been a significant increase in unemployment over the past few years; and (ii) while social indicators at national level indicate that the standard of living has increased substantially over the past ten years, trends in selected communities suggest that some of the gains of the 1990s are being reversed. An Interim Reduction Strategy is in place since 2003, which outlines policies and strategies for halving poverty by 2015 and identifies good governance, economic growth, universal education, agricultural diversification and social safety as priorities. Since then this has been upgraded into an overall Social and Human Development Policy.

2.9 The Government as part of its strategy to eradicate poverty on a sustainable basis, has supported the establishment of a number of poverty reduction programmes to: support initiatives that will engender community togetherness and civic responsibility and promote participation in community development; facilitate initiatives that will promote the enhancement of academic and technical skills and recruitment of persons; encourage small-scale infra-structural projects, which will provide social relief and improve the living conditions of residents; and support initiatives that will create opportunities for sustainable employment and viable commercial activity. In addition, the UNDP CoRICs initiative will be implemented, through the Poverty Reduction Fund, mainly to empower communities in the area of information and communication technology.

2.10 The MDG goal of universal access to education for boys and girls is well on its way to being met with 98% of primary aged children in school and 79% of secondary aged children. There are more females enrolled in tertiary education than males. With the females outperforming the males at all levels of the education system. The enrolment rates are similar for urban and rural areas, but secondary school enrolment was lower for the poorest households, especially in the urban areas. Tertiary education is provided by the Sir Arthur Lewis Community College and through the UWI School of Continuing Studies and the Community College offer vocational training.

2.11 In respect of the health-related MDGs, the country has already met the targets for malnutrition, maternal mortality, and tropical diseases. St. Lucia is experiencing declines in its under-five mortality rate of about 1.8% per year; however this is insufficient to meet the under-five mortality target. The infant mortality rate was 13.5 per 1000 live births in 2003. In 1998 there was a rate of 6.8 per thousand persons with HIV/AIDS with the adolescent females being the largest category. In 2000 there were 266 cases of HIV infection including 138 cases of AIDS.

2.12. There is a lack of gender analysis of national policies and plans. Very few if any programmes are designed to improve gender equity and equality. Gender disparities in economic power sharing contribute to poverty and have serious implications for the high number of poor female-headed households. In addition, women's involvement in the informal sector and the contribution of their unpaid labour to the national economy continue to be ignored because of a lack of gender analysis of macro-economic policies.

2.16. There is a need to deepen dialogue processes for effective democratic governance and to focus constitutional reform, judiciary and local government strengthening, and on making government more responsive and accountable. Better information systems are needed to provide accurate and timely information for decision makers and the population and to facilitate greater participation of citizens in community and national decision-making.

2.17. St. Lucia is vulnerable to natural disasters, especially hurricanes and volcanic eruptions, which can devastate the country and damage on the economy and the psychical and social infrastructure. Risk assessment programmes and strategies to prepare for them and manage their outcomes will always be necessary. In addition, environmental sustainability is critical and preservation and conservation of natural resources essential. Efforts are being made to manage marine resources, to control and manage land degradation and sand use, to conserve soil and water, and to manage solid waste. The degradation of coastal habitats such as fringing reefs and mangrove wetlands, and a lack of appropriate setbacks for

coastal developments have increased the island's vulnerability to storms and wave action, resulting in an increase in government expenditure to mitigate these negative impacts.

Part 3. Past cooperation and lessons learned

3.1 The first Sub-regional Cooperation Framework 2001-2004 (SCF) for the OECS and Barbados was formulated to address the priorities of (a) sub-regional cooperation and integration, (b) social policy and development planning; (c) capacity development; and (d) employment creation. Gender, environmental management and HIV/AIDS were crosscutting programming issues. Support provided at the sub-regional level reflected national priorities of St. Lucia, as the priority areas of focus would have been identified through the ministerial mechanism of the OECS.

3.2 Informed by interrelated national, regional and international policies, programmes and activities, such as national budgets, medium term economic strategy papers, the MDGs, and various international sustainable development agreements – including Agenda 21 and the BPOA – the Sub-regional Office for Barbados and the Eastern Caribbean (hereinafter, "SRO") supported the formulation of the OECS Development Charter and Strategy as a sub-regional policy framework for OECS Member States. This was a significant outcome, which strengthened sub-regional planning, prioritisation and policy articulation capacities.

3.3 For the environmental sector, this capacity was enhanced though the implementation of national enabling activities to facilitate the fulfilment of commitments under respective multilateral environmental agreements (MEAs). St. Lucia and Grenada also completed its Interim PRSP with UNDP support. In St. Lucia, the support provided by UNDP is through the implementation of projects funded by the GEF using the National Execution (NEX) modality. As the implementing Agency, UNDP provides technical support, financial management support and undertakes monitoring and evaluation to the Government. In the previous programming period (2001-2004), the main initiative was the GEF Climate Change Enabling Activity under the United Nations Framework Convention on Climate Change (UNFCCC). Implementation was very slow and lost momentum due to high turnover of staff in the department. It is desirable that the training exercises conducted under the activities for this initiative be done across a much wider cross section of personnel in an effort to retain some trained personnel.

3.4 In the upcoming period 2005 – 2009, UNDP will implement the Second National Communication to the UNFCCC and the Sustainable Land Management project in support of the United Nations Convention to Combat Desertification (UNCCD). These activities will be implemented simultaneously and will include a wide stake holder group drawn from government, private sector and NGO communities.

3.5 The need to build capacity for effective systems to manage development assistance was addressed by UNDP-funded reviews of aid coordination systems. The main outcomes of the activities supported by this component of the SCF during the review period, included:

a) Development of an enhanced Information and Communications Technology (ICT) skills base through training of personnel at the OECS Secretariat;
b) Preparation of a comprehensive report on the progress of implementation of the BPOA in the OECS, as part of the sub-region's preparatory activities for the (Barbados + 10) Mauritius Meeting held in January 2005;
c) Support for updating and promoting the overarching objectives of the OECS Development Charter and Strategy as key development policy instruments that facilitate the sustainable use of physical, financial and human resources; and
d) Support for a study on the regionalisation of the OECS Prison Service (a related area of support).

3.6 The major outcome of the poverty eradication and social sector development programme was the establishment of a social policy unit for the coordination and management of social development projects. Other outcomes include:

a) Enhanced capacity of OECS Member States in the formulation of national poverty reduction strategies, including IPRSPs;
b) Formulation of the first OECS Human Development Report and the establishment of a baseline for human development in the sub-region;
c) Established donor coordination support of UNDP interventions through the framework of the Poverty and Social Sector Development Donor Coordinating Group;

d) Policy level support complemented by focused assistance inputs on community development and empowerment, including emphasis on ICT and skills training, education and income generation and employment;
e) A framework for micro-enterprise development, through the CIDA co-funded Micro-Start Project which was piloted in St. Vincent and the Grenadines, Grenada, and St. Kitts and Nevis.

3.7 Risk reduction and disaster management was not identified as one of the programme areas in the 2001-2004 SCF. However, UNDP supported the development of a *comprehensive approach for disaster management in the Caribbean,* which sought to reduce vulnerability to loss of life and property damage in the Caribbean by embedding the approach as a viable strategy for disaster management; by strengthening the Caribbean Disaster Emergency Response Agency (CDERA) www.cdera.com to implement the strategy at the regional level; and by building support at the national level.

3.8 A second initiative is supporting *the Search and Rescue capability of CDERA* with the provision of basic search and rescue equipment and training to the beneficiary states, including St. Lucia, as well as enhancing the coordinating capacity of CDERA. This project is funded by the United Nations Trust Fund for Human Security (www.mofa.go. jp/policy/human secu/t fund21/fund.html). The *Caribbean Risk Management Initiative,* which started in 2004, focused on managing and reducing risks associated with natural, environmental and technological hazards, particularly within the larger context of global climate change. There have been challenges with respect to institutional capacity and limited human resources in the execution of this initiative. The Vulnerability Capacity Assessment is seeking to address this issue through contracting local consultants to support activities on the ground and build local capacity.

3.9 These initiatives complement the *Caribbean Disaster Mitigation Project,* which supports improving community preparedness, hazard assessments, risk mapping and vulnerability audits of lifeline infrastructure, hazard-resistant building practices, and linking property insurance to the quality of construction in all the countries in the sub-region.

3.10 Lessons learned include the need to apply new modalities to address capacity constraints in the development planning systems and processes in St. Lucia and the other OECS countries, especially in the formulation and implementation phases of macro-level policy. There is a general lack of integration between the economic, social and environmental aspects of planning, as well as between the national and sub-regional dimensions. There is also insufficient integration of the gender perspective in national policies and planning. The absence of appropriate, effective decision-support systems has affected the ability of planners to make informed policy recommendations and has inhibited civil society engagement in meaningful policy and development dialogue.

3.11 Interventions during the review period highlighted the need for an analytical framework that addresses long-term issues such as the structure, scope and substance of poverty reduction; social development; and comprehensive disaster management strategies. UNDP will continue to combine its support of a mix of regional and national inputs with macro-level support that ensures that social policy is included in the formulation of macro-economic and environmental policies.

Part 4. Proposed Programme

4.1 The Sub-regional Common Assessment (hereinafter, "SRCA") provides an overall review and analysis of the socio-economic situation in Barbados and the OECS. The draft SRCA was developed in 2004, and drew on a various data sources, including the most recent and available national statistics, research reports, the Progress Report on the Millennium Development Goals in the OECS (2004), poverty assessments, and Poverty Reduction Strategy Papers (PRSPs) prepared for the Windward Islands, including Dominica, St. Vincent and the Grenadines and Grenada. Reference was also made to the OECS Human Development Report (2002), the OECS Development Charter and several UN documents.

4.2 The SRCA provides an overall review and analysis of the socio-economic situation in Barbados and the OECS. The SRCA was developed in 2004, and drew on a various data including the most recent and available national statistics, research reports, the Progress Report on the Millennium Development Goals in the OECS (2004), poverty assessments, and Poverty Reduction Strategy Papers (PRSPs) prepared for the Windward Islands including St. Lucia, St. Lucia, Dominica, and Grenada. Reference was also made to the OECS Human Development Report (2002), the OECS Development Charter and several UN

documents. The major challenges analysed in the SRCA were identified and prioritised in a participatory process, with Heads of UN Agencies for Barbados and the OECS. The SRCA identifies key challenges for St. Lucia in (1) diversifying its economy and stimulating economic growth; (2) improving the quality and availability of data for effective policy making and development planning; (3) developing the human resources; and (4) increasing national capacity to efficiently manage development programmes and projects.

4.3 The United Nations Development Assistance Framework (UNDAF) is prepared based on the key elements identified in the SRCA for specific attention in the region, setting out the priority areas and a roadmap for progress in these areas. The UNDAF process then influences the preparation of the SPD and the CPAP. The UN agencies, taking into account the SRCA and the UNDAF matrices which reflect the development priorities for the sub-region, as seen by the UN System, have agreed on six areas for joint action between 2006 and 2009. These are (1) Integration of MDGs in the Planning Framework; (2) Data collection, information sharing, and capacity building; (3) HIV/AIDS; (4) Youth Development; (5) Food Security; and (6) Disaster Preparedness and Risk Reduction.

4.4 UNDP's Sub-regional Programme Document (SPD) for Barbados and the OECS is based on the SRCA and UNDAF. The SPD was approved by the Executive Board in June 2005. The comments of the Executive Board were incorporated and the final SPD posted on the UNDP website at http://www.undp.bb.org The SPD identifies 13 priority areas, termed outcomes, for particular attention as agreed to by the Governments of Barbados and the OECS member countries. In doing so, the SPD acknowledges that the development needs of Barbados and the OECS are not homogeneous and that sub-regional and national programme initiatives may vary to reflect different priorities. The SPD relates UNDP's comparative advantages to national priorities, and is consistent with UNDP's corporate strategy, as agreed by its Executive Board in the Multi-Year Funding Framework (MYFF). It also attempts to mainstream a number of key crosscutting themes including strengthening civil society participation; capacity building; gender mainstreaming; human resource development; and support to countries in the sub-region to work in a more integrated manner. The SPD also indicates likely contributions of UNDP and its associated funds, United Nations Volunteers and United Nations Fund for Women towards activities to address the 13 outcomes.

4.5 Of the 13 outcomes identified in the SPD, which UNDP will pursue in the period 2006 to 2009, eight are considered by Government and UNDP to be most relevant for St. Lucia. In preparing the CPAP, which links the outcomes and outputs in the SPD, the SRO worked closely with the Government, particularly the main focal point for UN agencies, namely the Ministry of Finance, International Services and Economic Affairs as well as with the Office of the Prime Minister, other Government ministries and institutions, prospective civil society partners, the private sector, the University of the West Indies, and other UN agencies and international development partners. A national consultation was held with key partners to provide inputs to the CPAP preparation process on 24 November and 25 November 2005 in St. Lucia. This was followed by a series of meetings with the partners potentially involved in implementing components of the programme and/or in contributing towards the outcomes of the SPD. Generally, the outputs anticipated from UNDP's interventions up to 2009 are intended to improve St. Lucia's chances of achieving the MDGs and other key development priorities. This approach is designed to hasten the pace of development through strengthening national capacity to develop national evidence-based plans, policies, and strategies to support implementation of the OECS Development strategy, which integrates the MDGs; facilitate the implementation of governance tools and approaches to deepen improved monitoring and evaluation, and hence improved strategic planning and implementation, at both the national and regional levels; promote development of systems and institutions of governance; enhancing people's involvement in determining development directions; and enhancement of national capacities to respond to disasters and to stimulate emergency recovery initiatives. The eight outcomes chosen for St. Lucia are individually addressed below:

4.6 **SP Outcome 1: "Fostering democratic governance tools: multi-stakeholder dialogue, sport and cultural development, public information targeting youth, women and communities established and local representative democracy enhanced, with increased participation of women.**[3]

[3] While the wording used in this CPAP may differ somewhat from that used in the RRF of the sub-Regional Programme Document in order to gain more precision and specificity in outcomes and outputs as they relate to St. Lucia, the original

For St. Lucia it is expected that UNDP will support the generation of the following four outputs towards achieving this outcome:

a) Capacity building and leadership development for CSOs to participate effectively in national policy debates and dialogue strengthened;
b) Awareness of CSOs and the general public on development imperatives and issues strengthened;
c) Publication of information material including children friendly material on development issues, governance, poverty reduction, regional integration, environment; and
d) Public education strategy to support the constitutional reform process designed and implemented.

4.7 The SRO will facilitate the development of CSO governance guidelines and a support framework (research, data analysis, legal, financial, etc.), as well as support the strengthening of governance structures and processes of CSOs to enhance their decision making capacities. UNDP will also provide technical support to the governments' establishment of a broad based consultative mechanism to facilitate deeper understanding of development issues using culturally sensitive mechanisms to reach the broader public including children and have a special focus on the media to facilitate wide spread dissemination and public engagement.

4.8 **SP Outcome 2: "Public Sector Modernisation and OECS Economic Union strengthened by HRD, ICT inputs, public/private dialogues, as well as enhanced support to transparency and accountability programmes".**

For St. Lucia it is expected that UNDP will support the following outputs at the national level towards achieving this outcome:

a) Strengthened capacity of the management of the PSIP process;
b) Common criteria and framework to assess project eligibility for PSIP established, taking into account inter-sectoral impact;
c) Establishment of a Performance Management System for Public Service.

At the regional level, UNDP will support the following three outputs in cooperation with the regional multi donor funded initiatives – CARICAD and CARTAC:

d) Improved macro-economic, fiscal, public finance, and debt management;
e) Improved financial sector regulation and supervision, revenue policy formulation and effective revenue administration, including issues related to the introduction of VAT, reform of the tax consumption system and the modernisation of the customs operations; and
f) Improved capacities to collect, process, analyse, and publish economic statistics, and countries' capacity to undertake macroeconomic projections and policy analysis.

4.9 The SRO will support the government's efforts to provide project cycle management training to its staff across line ministries to allow for more effective monitoring and evaluation of initiatives, as well as the design of a PSIP database. The SRO will support the production of these outputs through the provision of capacity building support through the multi-donor programming modality. This modality was used to successfully implement and establish the Caribbean Regional Technical Assistance Centre (CARTAC) http://www.cartac.com.bb/ as a regional resource, based in Barbados, delivering technical assistance and training in core areas of economic and financial management at the request of its participating countries. The CARICOM Council of Ministers of Finance and Planning (COFAP) took the decision to establish the Centre in September 1999, which became operational in November 2001, facilitated by a UNDP cost-sharing project. A similar initiative is proposed to support Public Sector Modernisation, building capacities of the existing regional agency, CARICAD http://caricad.net/.

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intentions and spirit of the RRF are still fully reflected in this CPAP.

4.10 **SP Outcome 3: "Developed capacity to monitor, formulate, and implement policies and strategies in poverty and social development".**

For St. Lucia it is expected that UNDP will support generating the following five outputs towards achieving this outcome:

a) Establishment and operationalization of a comprehensive poverty and MDG monitoring system, and professionals in the public sector and academia trained in data collection, analysis, monitoring and evaluation of social phenomena;
b) Pro-poor policy reform initiated including Social and HD Policy finalised with issues facing vulnerable groups and including environment and DRR issues mainstreamed;
c) New enterprises owned and managed by rural women and other economically vulnerable persons specifically the Youth, PWDs, PLWHAs and Elderly Persons; and
d) Closer fit between market demands and human resource development.

4.11 The SRO will support the government in initiating a review of its existing policies in order to define the way forward, as well as to support their efforts to review the existing indicators and data collection systems. UNDP will facilitate the governments' efforts of focusing on the key economically vulnerable groups, in an attempt to reduce poverty in the medium term. Facilitate the dialogue process between training agencies and employers/private sector to address the gap between market demands and human resource development. For the development of integrated planning the SRO will support the government in creating a coordinated mechanism for partnership development and multi sectoral dialogue to ensure that research at all levels are then fed into the policy making process.

4.12 **SP Outcome 4: "Sustainable management of the environment and natural resource incorporated into poverty reduction and national development framework."**
For St. Lucia it is expected that UNDP will support generating the following five outputs towards achieving this outcome:

a) Individual, organisational and community capacity to undertake sustainable/resource based livelihood activities enhanced;
b) Adaptation measures for responding to global environmental change identified;
c) Climate change mitigation measures identified;
d) Appropriate economic valuation instruments developed and applied; and
e) Public education and awareness strategy developed and implemented.

4.13 The SRO will provide technical and management support to the groups embarking to undertake the sustainable livelihood activities. UNDP will facilitate the development of a modality for valuing the livelihood resources and support the mechanism for community participation in stakeholder consultations and media campaigns to inform the wider public on these initiatives.

4.14 **SP Outcome 5: "More effective use of land resources and reduction in factors causing land degradation."**

For St. Lucia it is expected that UNDP will support generating the following two outputs towards achieving this outcome:

a) More effective use of land resources and reduction in factors causing land degradation; and
b) Best practices in resource management identified and shared.

4.15 The SRO will support stakeholder participation in the identification of issues, decision-making and implementation of the above initiatives as well as the identification of best practices and their documentation and dissemination. The SRO will also support the adaptation and vulnerability assessments and the identification of the most viable mitigation options.

4.16 **SP Outcome 6: "Reduce threat to biodiversity and proliferation of agriculturally important biodiversity".**

The above outcome is currently being supported by UNEP.

4.17 **SP Outcome 7: "Enhanced regional and national capacities for disaster risk reduction associated with natural, environmental and technological hazards, within the broader context of climate change".**
For St. Lucia it is expected that UNDP will support generating the following seven outputs towards achieving this outcome:

a) Pilot vulnerability and capacity assessment (VCA) regional initiative undertaken with specific recommendations for reducing vulnerability to disaster events and community based priorities;
b) Mobilised support for the development of a national GIS to sustain the hazard maps;
c) Development of a National Physical Development Plan;
d) Enforcement of the building code for new and existing building (e.g. emergency shelters);
e) Investment in initiatives supporting vulnerable groups;
f) Mainstream DRR in the PSIP; and
g) Reducing vulnerability at the Community level addressed.

4.18 These outputs will be implemented under wider regional initiatives where lessons can be shared and human resources effectively applied. UNDP will coordinate these processes in collaboration with other partners such as the MACC Project and the GEF SGP. The VCA will focus on communities and involve working with a national steering committee and the lead agency. Support will be provided by the MACC and the UNDP for coordination, planning and assessment purposes with technical oversight by NOAA. This activity also calls for drawing on other vulnerability and hazard mapping initiatives undertaken in the country. The enhanced community adaptive capacities will be linked to the VCA outcomes and recommendations, which will then be linked to a wider regional initiative, working with CBOs. Following the completion of the pilot VCA and also learning from the VCAs in other countries, a countrywide VCA project would be developed.

4.19 **SP Outcome 8: "Enhanced national capacity for effective disaster recovery".**
For St. Lucia it is expected that UNDP will support generating the following four outputs towards achieving this outcome:

a) Improved construction techniques;
b) Improving the immediate post disaster response capability;
c) Cadre of professionals trained in post-disaster recovery strategies and socio-economic impact assessment methodologies; and
d) Country disaster preparedness reviewed and related plans improved.

4.20 UNDP is supporting capacity building in the UNECLAC post-disaster socio-economic and environmental assessment methodology in co-operation with the OECS Secretariat. In the event of a disaster, the UNDP will also support local activities in developing recovery strategies and plans. Capacity building in this area will be undertaken in annual regional workshops.

4.21 **Crosscutting Themes:** A number of key crosscutting programming strategies with linkages to the sub-regional initiatives have been integrated into the CPAP. These include capacity building to strengthen civil society participation; gender mainstreaming; human resource development; HIV/AIDS and youth development. In the case of gender, a gender adviser was retained to develop a Gender Mainstreaming Strategy, with Guidelines to strengthen integrating Gender issues into programming support. This will ensure that Government and UNDP staff incorporates these guidelines and action plan into programme implementation. Additionally, programme planning and specific initiatives will include or reflect analysis of the gender implications and ensure that these issues are addressed and monitored, as well as being reflected in the success indicators for programmes. Steps will be taken to nurture synergies across outcomes in implementing the country programme and it is expected that annual reviews, monitoring and evaluation will systematically seek and identify evidence of the extent to which all of the cross cutting themes have been effectively mainstreamed.

4.22 Annual targets and indicators for each output as well as indicative resource allocations to each output by year are detailed in the CPAP Results and Resources Framework (RRF) in the Annex. In summary, resources are expected to be allocated as shown in the following table:

		Regular Resources [4]	Other Resources [5]	Regional Resources [6]	Govt Cost Sharing	Total
1	Democratic governance issues i.e. accountability, transparency, integrity, gender responsive initiatives addressed in the context of OECS Development Charter and MDGs	100				100
2	Public Sector Modernisation and OECS Economic Union strengthened by HRD, ICT inputs, public/private dialogues, as well as enhanced support to transparency and accountability programmes	100		600		700
3	Developed capacity to monitor, formulate and implement policies and strategies in poverty and social development	300	485	440		1225
4	Sustainable management of the environment and natural resource incorporated into poverty reduction and national development framework	50	675			725
5	More effective use of land resources and reduction in factors causing land degradation		500			500
6	Reduce threat to biodiversity and proliferation of agriculturally important biodiversity					
7	Enhanced regional and national capacities for disaster risk reduction associated with natural, environmental and technological hazards, within the broader context of climate change	50		30		80
8	Enhanced national capacity for effective disaster recovery	50				50
	Total	**650**	**1660**	**1070**		**3380**

Part 5. Partnership Strategy

5.1 The complexity and high cost of addressing the development challenges of St. Lucia compared with limited UNDP resources make sustained partnerships, donor coordination, and resource mobilisation critical to achievement of the country programme outcomes. The results targeted by the programme are ambitious and can only be achieved through close collaboration with Government, civil society, the private sector, UN agencies and other development partners. UNDP will leverage its proven technical leadership in poverty monitoring and analysis, social policy development, deepening civic/participatory dialogue processes, and constitutional support to build sustained and effective partnerships for resource mobilisation.

5.2 UNDP: UNDP will use its comparative advantage in brokering partnerships to mobilise resources and its advantages in political neutrality and as a locally trusted partner to implement directly particularly sensitive areas of the programme. UNDP will also make available to its partners the wealth of knowledge accumulated from its own experience as well as that of others through its network country offices. Where

[4] Includes TRAC 1

[5] Includes TRAC 2 & 3, cost-sharing, trust funds, GEF, UNAIDS and all other resources

[6] Includes TRAC & cost-sharing. The figures depicted here are notional figures based on the average allocation per country under the regional project. In practice, it could be more or less.

appropriate, UNDP (and its associated funds UNV and UNIFEM) may also implement selected components of the programme.

5.3 Government of St. Lucia: UNDP's key partner and stakeholder, as well as its primary client for building capacity, will be the Government – at both national and local levels. As most results expected from the programme will involve building capacity in government ministries and agencies, these institutions will, subject to minimum capacities being present, be the main implementing partners in the programme. This should ensure ownership and sustainability of results. The Ministry of Finance, as the Government's Coordinating authority for UN agencies including UNDP, will play a key role in the CPAP, providing overall policy direction and the lead in monitoring progress towards expected results.

5.4 The UN system: UNDP and other UN agencies that support the development agenda of St. Lucia are committed to develop the UNDAF to respond to the challenges that have been identified in the SRCA, and to manage their respective programmes so as to contribute to the outcomes expected from the UNDAF by 2009. Notably, the UN System has already agreed, even before finalisation of the UNDAF, to undertake joint programmes in 6 areas:

(1) Integration of MDGs in the Planning Framework;
(2) Data collection; information sharing and capacity building;
(3) HIV/AIDS;
(4) Youth Development;
(5) Food Security; and
Outputs in these 5 areas will contribute to outcome 3.

(6) Disaster Preparedness and Risk Reduction.

Outputs in this area will contribute to outcome 7

The Resident Coordinator will endeavour to mobilise resources for the UN system as a whole in working towards the UNDAF outcomes. Progress towards the UNDAF outcomes will be jointly monitored and evaluated by the UN country team and the monitoring and evaluation of UNDP's country programme will feed into and be guided by this process. Key UN partners for the UNDP programme include UNAIDS, UNICEF, UNFPA, PAHO/WHO, UNV, UNOCHA, UNDP/BCPR.

5.5 Civil society: Recognising the pivotal role of civil society in deepening democratic governance in St. Lucia, the programme envisages important partnerships with civil society organisations including NGOs, CSO, academia and others. Civil society organisations can serve as valuable partners in community mobilisation and community level interventions. Accordingly, civil society organisations, including both NGOs and community-based organisations, are expected to implement selected components of the programme.

5.6 Other donors: UNDP will closely coordinate its interventions with significant development partners in St. Lucia, such as the European Union, CDB, USAID, CIDA, and DfID, with a view to ensure consistency and maximise impact. Programme co-financing may be sought with some such partners.

5.7 Private Sector: UNDP will deepen its dialogue with private sector companies with a view to mobilising resources and other support for the programme. Some companies are beginning to view a "corporate social responsibility" in doing business and adhere to the principles of the Global Compact.

5.8 The following table lists potential partners in each of the above categories. Implementing partners for each programme output are identified in the annexed results and resources framework.

Key Partners in the Implementation of the UNDP Country Programme		
Government/Parastatals	**Civil Society**	**UN System**
Attorney General Chamber of Commerce Constitution Reform Commission Crime Commission Department of Statistics Gender Bureau Government Information Services Inland Revenue Meteorological Office Ministry of Agriculture Ministry of Communication and Works Ministry of Education Ministry of Finance, International Financial Services and Economic Affairs Ministry of Housing Ministry of Labour, Trade unions Ministry of Physical Development, Ministry of Planning Ministry of Public Services Ministry of Social Transformation National Insurance Cooperation Off ice of the Prime Minister Social Sector Agencies	Selected NGOs and CBOs that have been formally registered with Government. AIDS Action Foundation Christian Council Civil Engineers and Architects Association Kiddie Crew.com Manufacturers Association National Youth Council NEMO	CCCCC GEF OCHA UNCT UNDP
	Regional Institutions	**Other Donors**
	CARICAD CARICOM CARTAC CDERA CEHI OECS SEDU	Canadian International Development Agency **(CIDA)** Caribbean Development Bank **(CDB)** Department for International Development **(DFID)** World Bank Commission of the European Communities **(EC)** Inter-American Development Bank **(IADB)** United States Agency for International Development **(USAID**
	Private Sector Aids Action Foundation Chamber of Commerce CIRAD Help Age International Water & Sewage Company	

Part 6. Programme Management

6.1 The programme will be nationally executed under the overall coordination of the Ministry of Finance, as the Government Coordinating Authority for UNDP. Government ministries, NGOs, UN agencies including UNDP itself will implement the programme activities. The AWPs describe the specific results to be achieved and will form the basic agreement between UNDP and each implementing partner on the use of resources. In the absence of signatures, expenditures cannot be initiated.

6.2 In programme design and implementation, UNDP works closely with key partners. The country programme builds on the United Nations reform principles, especially simplification and harmonisation, by operating in line with the harmonized common country programming instruments such as the UNDAF results matrix, monitoring and evaluation, programme resources frameworks the CPAP and the AWPs. To the extent possible UNDP and partners will use the minimum documents necessary, namely the signed CPAP and signed AWPs to implement programmatic initiatives. However, when necessary, project documents would be prepared using, *inter alia*, the relevant text from the CPAP, and AWPs. UNDP will sign the project documents with partners to satisfy local requirements. In line with the new

joint programme guidelines, the scope of inter-agency cooperation is strengthened to cultivate new programme and geographical convergence.

6.3 Programme Implementation and monitoring will be facilitated by a Programme Steering Committee chaired by the Ministry of Finance. This committee which will broadly oversee the implementation of all UNDP projects in Saint Lucia will be comprised of broad-based representation including government agencies, non-governmental organizations and civil society. The committee may in part be formed from representatives participating in the CPAP consultation in November 2005. The committee's mandate would be to broadly:

a. Oversee the implementation of project activities;
b. Inform and guide the implementation of activities providing guidance on approaches as necessary;
c. Monitor and review project implementation and make recommendations to address challenges and or bottlenecks;
d. Review quarterly progress reports; and
e. Advise on priority areas of actions within the cooperation between UNDP and the Government of Saint Lucia.

The committee is expected to meet no less than half-yearly at which time all projects should undergo a review. Subcommittees can be established from the main committee to review and guide specific projects in thematic areas i.e. governance, social development, environment. Alternatively, existing committees which inform and provide technical guidance in UNDP Pratice Areas can continue to inform projects and report through the designated lead implementing agency to the overall Programme Steering Committee. For projects targeting specific communities, representation from the respective communities are expected to be included in any project-related steering committees. Sub-committees should meet at least quarterly.

6.4 Atlas contributes to timely, efficient delivery of activities and more effective financial monitoring will be used in the management of projects and the UNDP programme.

6.5 Under this programme, audits will be organised as an integral part of sound financial and administrative management and of the UNDP accountability framework. Audit observations/findings will be used together with monitoring, evaluation and other reports to continuously improve the quality of the activities and of management.

6.6 Results of assessments of the capacity of Implementing Partners will be used to inform decisions on resource transfer.

6.6 Cash transfers for activities detailed in AWPs can be made by UNDP using the following modalities:

1. Cash transferred to the [national institution] for forwarding to the Implementing Partner:
   a. Prior to the start of activities (direct cash transfer), or
   b. After activities have been completed (reimbursement)
2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.
3. Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners

   Where cash transfers are made to the [national institution] the [national institution] shall transfer such cash promptly to the Implementing Partner.

6.7 Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorised expenditures shall be requested and released quarterly or after the completion of activities. The UNDP shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorised amounts.

6.8 Following the completion of any activity, any balance of funds shall be reprogrammed by mutual agreement between the Implementing Partner and UNDP, or refunded.

6.9 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN Implementing Partner. A qualified consultant, such as a public accounting firm, selected by UNDP may conduct such an assessment, in which the Implementing Partner shall participate.

6.10 Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

6.11 Resource mobilisation efforts will be intensified to support the RRF and ensure sustainability of the programme. Mobilization of other resources in the form of cost sharing, trust funds, or government cash counterpart contributions will be undertaken to secure funding for the programme.

Part 7. Monitoring and Evaluation

7.1 Monitoring and evaluation of the CPAP will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan, once developed. The Government and UNDP will be responsible for ensuring continuous monitoring and evaluation of the CPAP to ensure efficient utilisation of programme resources as well as accountability, transparency and integrity. Implementing partners will provide quarterly reports on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilisation as foreseen in the AWP. Reporting will use UNDP's standard formats and will be harmonised with other UN agencies to the extent possible.

7.2 The results-based management approach, as reflected by the indicators, benchmarks, baselines and targets in the attached RRF, will be used to track progress towards programme outcomes and each expected output.

7.3 Multi-stakeholder annual reviews of the country programme will be convened and led by the Government to track progress towards the programme's expected outcomes and its contributions to UNDAF outcomes. These reviews will recommend changes to the CPAP as necessary, and provide the basis for the preparation of AWPs for the following year as well as for the country office's reporting of its annual results. The first such review will take place in November 2006 and subsequent reviews will take place every year thereafter.

7.4 If the CPAP is supplemented by project documents for specific interventions, detailed results frameworks will be developed in partnership with government and other key stakeholders. M&E instruments at output (and project) level will include quarterly progress reporting, joint field visits, tri-partite review mechanisms, baseline and other surveys as appropriate and output/project evaluations. Evaluations may be combined in outcome, cluster and/or thematic evaluations and will use national expertise to the largest extent possible. Partners surveys will continue on an annual basis to help assess perceptions on the extent to which UNDP is making a difference in St. Lucia, where and how and how it might do better.

7.5 Implementing partners will be required to agree to cooperate with UNDP for managing and monitoring all activities supported by UNDP and to facilitate UNDP's access to relevant financial records and personnel responsible for the administration of resources provided by the UNDP. To that end, Implementing Partners will be required to agree to:

a) Prepare annually, with UNDP, and sign an annual work plan, to which will be attached a comparable annual plan for monitoring;

b) Implement the project in accordance with the agreed annual work plan;

c) Periodic on-site reviews and spot checks of their financial records by UNDP or its representatives;

d) Monitoring of activities following the standards and procedures of UNDP and its funding agencies (e.g. the Global Environment Facility);

e) Special or scheduled audits. UNDP, in collaboration with other UN agencies, in joint programmes, and in consultation with the Ministry of Finance, will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by UNDP, and those whose financial management capacity needs strengthening.

7.6To facilitate assurance activities, implementing partners and UNDP may agree to use a programme monitoring and financial control tool allowing data sharing and analysis.

7.7The Supreme Audit Institution may undertake the audits of government implementing partners. If the SAI chooses not to undertake the audits of specific implementing partners to the frequency and scope required by UNDP, UNDP will commission the audits to be undertaken by private sector audit services.

7.8Assessments and audits of non-government implementing partners will be conducted in accordance with the policies and procedures of UNDP.

Part 8. Commitments of UNDP

8.1 Regular resource allocation (TRAC 1.1.1) for the country programme for 2006-2009 is US$660,000. The regional resource allocation, which consists of UNDP and cost-sharing funds, for the period will be approximately US$1,070,000. UNDP will mobilise at least an additional US$ 1,660,000 as non-core resources, subject to interest by funding partners. These resource allocations do not include emergency funds that may be mobilised in response to any humanitarian or crisis situation. It is also expected that Government funding to UNDP projects developed in partnership will reach US$_____ in 2006-2009, which brings the total estimated funding for the Country Programme duration to US$3,380,000.00. These resources will be utilised for policy advice, technical assistance, capacity building, systems development and knowledge generation and sharing in the areas covered by this CPAP.

8.2 UNDP will ensure coherence between the CPAP/AWP, UNDAF results matrix and MDGs, including M & E reporting. Through annual reviews and quarterly progress reporting, joint responsibilities between UNDP, the Government and implementing partners will be emphasized.

8.3 At the Government's request, UNDP will provide support services for activities in the CPAP including, but not necessarily limited to the following:

a) Identification and assistance with and/or recruitment of project and programme personnel; procurement of goods and services in accordance with the UNDP regulations, rules, policies and procedures;

b) Identification and facilitation of training activities, including fellowships and study tours;

c) Access to UNDP-managed global information systems, the network of UNDP country offices and specialized information systems, including rosters of consultants and providers of development services; and

d) Access to the support provided by the network of UN specialized agencies, funds and programmes.

8.4 In case of direct cash transfer or reimbursement, UNDP shall notify the implementing partner of the amount approved by UNDP and shall disburse funds to the implementing partner in three working days, subject to prior receipt by UNDP of documentation fully meeting its standard procedures.

8.5 In the case of direct payment to vendors or third parties for obligations incurred by the implementing partners on the basis of requests signed by the designated official of the implementing partner; or to vendors or third parties for obligations incurred by UNDP in support of activities agreed with implementing partners, UNDP shall proceed with the payment within three days, subject to prior receipt by UNDP of documentation fully meeting its standard procedures.

8.6 UNDP shall not have any direct liability under the contractual arrangements concluded between the implementing partner and a third part vendor.

8.7 Where more than one UN agency provides cash to the same implementing partner, programme monitoring, financial monitoring and audits will be undertaken jointly or coordinated with those UN agencies.

8.8 In providing the above mentioned and other services, UNDP will levy charges to ensure that its costs are fully recovered, in line with UNDP's standard cost recovery policies.

Part 9. Commitments of the Government

9.1 The Government will honour its commitments in accordance with the provisions of the Standard Basic Assistance Agreement (SBAA) of 22 July 1981. The Government shall apply the provisions of the Convention on the Privileges and Immunities of the United Nations agencies to UNDP's property, funds and assets and to its officials and consultants. In addition, the Government will accord to UNDP, the privileges, immunities and facilities as set out in the SBAA.

9.2 As a contribution to the programme, Government cost sharing arrangements will be pursued.

9.3 Mechanisms for participatory planning, monitoring and evaluation on the progress of the country programme involving civil society and other development partners will be implemented. The Government is also committed to organise periodic programme review, planning and joint strategy meetings and where appropriate, coordination of sectoral and thematic development partners groups to facilitate the participation of donors, civil society, private sector and UN agencies. In addition, the government will facilitate periodic monitoring visits by UNDP staff and/or designated officials for the purpose of monitoring, meeting beneficiaries, assessing the progress and evaluating the impact of the use of programme resources. The Government will make available to UNDP in a timely manner any information about policy and legislative changes occurring during the implementation of the CPAP that might impact on cooperation.

9.4 A standard Fund Authorisation and Certificate of Expenditures (FACE) report, reflecting the activity lines of the Annual Work Plan (AWP), will be used by implementing partners to request the release of funds, or to secure the agreement that UNDP will reimburse or directly pay for planed expenditure. The implementing partners will use the FACE to report on the utilisation of cash received. The implementing partner shall identify the designated official(s) authorised to provide the account details, request and certify the use of cash. The FACE will be certified by the designated officials(s) of the implementing partner.

9.5 Cash received by the Government and national NGO implementing partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities agreed in the AWPs, and ensuring that reports on the full utilisation of all received cash are submitted to UNDP within six months after receipt of the funds. Where any of the national regulations, policies and procedures is not consistent with international standards, the UN agency regulations, policies and procedures will apply.

9.6 To facilitate scheduled and special audits, each implementing partner receiving cash from UNDP will provide UNDP or its representative with timely access to:

a) All financial records which establish the transactional record of the cash transfers provided by UNDP;

b) All relevant documentation and personnel associated with the functioning of the implementing partner's internal control structure through which the cash transfers have passed.

9.7 The findings of each audit will be reported to the implementing partner and UNDP. Each implementing partner will furthermore:

a) Receive and review the audit report issued by the auditors.

b) Provide a timely statement of the acceptance or rejection of any audit recommendation to the UNDP that provided cash and to the State Audit Institution (SAI).

c) Undertake timely actions to address the accepted audit recommendations.

d) Report on the actions taken to implement accepted recommendations to the UN agencies, and to the SAI, on a quarterly basis.

Part 10. Other Provisions

10.1 This CPAP supersedes any previously signed CPAP between the Government of St. Lucia and UNDP and may be modified by mutual consent of both parties on the recommendations of the joint strategy meeting.

10.2 Nothing in this CPAP shall in any way be construed to waive the protection of UNDP accorded by the contents and substance of the United Nations Convention on Privileges and Immunities to which the Government is a signatory.

IN WITNESS THEREOF the undersigned, being duly authorised, have signed this Country Programme Action Plan on this day 31st, *January 2006 in Castries, St. Lucia.*

For the Government of St. Lucia

Signature:

Name: TREVOR BRATHWAITE

Title: FEBRUARY 15, 2006

For the United Nations Development Programme, St. Lucia

Signature:

Name: ROSINA WILTSHIRE

Title: FEBRUARY 15th 2006.