Subregional programme document for the countries of the Organization of Eastern Caribbean States and Barbados (2005-2009)

Introduction
1-4  2

I. Situation analysis
5-21  5

II. Past cooperation and lessons learned
22-32  7

III. Proposed programme
33-49  12

IV. Programme management, monitoring and evaluation
50-55  15

Annex

Results and resources framework for
The Organization of Caribbean States and Barbados (2005-2009)
Introduction

1. This second subregional programme document (SPD), for the period 2005-2009, is the product of extensive subregional consultations and takes into account the priorities identified by individual governments of Member States of the Organization of Eastern Caribbean States (OECS) and the Government of Barbados (www.barbados.gov.bb), the Sub-Regional Organization - the OECS Secretariat (www.oecs.org). The identified areas of thematic focus – poverty, governance, environment, disaster risk reduction and disaster management – are integral priorities within the regional cooperation framework being implemented by Member States of the Caribbean Community (CARICOM) (www.caricom.org), and is a part of the wider Caribbean development agenda and its supporting functional cooperation programme.

2. This document is based on the subregional common assessment (SCA) and the United Nations Development Assistance Framework (UNDAF) for Barbados and the OECS 2002-2004. Both are being revised by the United Nations Eastern Caribbean Subregional Team for the period 2005-2009. The UNDAF and the SCA were guided by the programme of reform of the Secretary-General and by the commitment to the right to development established by the United Nations. The current UNDAF focus on attaining sustainable human development – and in particular the Millennium Development Goals (MDGs) – using a multi-dimensional approach to poverty reduction, will remain a priority.

3. This document includes lessons learned from 2001-2003 programme reviews and takes account of the 2002 Human Development Report for the OECS countries, the 2004 MDG report for the Eastern Caribbean, and the report on the progress of implementation of the Barbados Programme of Action (BPOA)\(^1\) in the OECS. Critical outcomes from recent United Nations conferences will be taken into account during implementation of the Programme Document specifically, those resulting from the two International Meetings held in January 2005 - the Kobe World Conference on Disaster Reduction (WCDR) and the Mauritius International Meeting to Review the Implementation of the Programme of Action for Sustainable Development of SIDS which resulted in the adoption of frameworks that mainstream disaster risk reduction in political agendas and national policies as well as reaffirmed the special case for development of SIDS and the BPOA as a blueprint and for the sustainable development of SIDS. Ongoing consultations with country-level and regional partners culminated with OECS/UNDP review meeting held in December 2003, the United Nations system retreat, and monthly consultations with other United Nations organizations. International development partners, representatives of national and regional civil society organizations provided ideas and feedback to enrich the analysis and to strengthen the harmonized programming and structure of proposed interventions.

4. The 2001-2003 subregional cooperation framework (SCF) was extended to 2004 by the Administrator, as approved by UNDP/UNFPA Executive Board. The analysis presented in this document thus refers to the period 2001-2004.

I. Situation analysis

5. The OECS countries and Barbados fully support and participate in the global development agenda and related conferences. Of particular interest to the region is the Monterrey Consensus adopted by International Conference on Financing for Development; the Johannesburg Plan of Implementation (JPOI), the Declaration of the Mauritius International Meeting and World Conference on Disaster Reduction; and the commitments and targets established by the Millennium Development Goals and the Millennium Declaration. The challenge has been establishing the requisite capacity to manage and implement the linkages between the global and national development processes in an integrated and participatory manner. In order to mitigate

\(^1\) Adopted during the Small Island Developing States Conference in 1994.
problems posed by small size, Eastern Caribbean SIDS - OECS countries and Barbados – are a part of the Caribbean Single Market and Economy (CSME) in process of being established.².

6. While fully committed to the establishment of the CSME, OECS member states point to the substantial and already effective functional cooperation programmes in the areas of education; diplomacy; telecommunications; civil aviation; justice; security; and health, mainly in pharmaceutical procurement. This high level of functional cooperation is complemented by the centralized banking and monetary arrangements in the Eastern Caribbean Currency Union (ECCU)³ and an advanced OECS Economic Union (OECSEU) programme.

7. With the exception of Dominica, the economies of the OECS member states ⁴ and Barbados recovered in 2003, after declining in 2002 in the aftermath of a combination of events which included ‘9/11’ and global economic recession. After contracting to 0.4% in 2002, the economy of Barbados rebounded with 2.7% gross domestic product (GDP) growth in 2003; with a 3% growth rate for 2004 projected. For ECCU states, the economic recovery that began in the latter half of the 2002 continued in 2003, with average GDP growth estimated at 3.8% compared to 0.2% in 2002. 2003 real GDP growth in Antigua and Barbuda was estimated at 5.8%; in Grenada, 5.7%; Saint Lucia, 3.7%; St. Vincent and the Grenadines, 3.6%; Anguilla, 3.0%; Montserrat, 1.2% and St. Kitts and Nevis, 0.6%. While GDP has been growing, there are some indications that that data does not take account of the role of foreign remittances which has been estimated at approximately US400 million per year in the 1990s. For Dominica, economic recovery in the short to medium term is dependent upon the impacts of a number of structural measures, including debt restructuring, fiscal reform and financial system strengthening, all of which form part of the Poverty Reduction and Growth Facility supported by the International Monetary Fund (IMF).

8. The overall improvement in the economic performance of the region was achieved largely by the strong performance of the tourism sector and by the modest performance of the construction and services sector. However, GDP growth was modest and constrained by a 4.4% contraction in agriculture and a 31.9% reduction in banana exports from the Windward Islands. Nearly all of the countries registered increases in their national debt, as well as slight increases in their inflation rates.

9. Steady and sustained economic growth is a high priority. However, the forward momentum of the economies of the OECS and Barbados, in the short and medium term, is likely to be affected by high levels of unemployment and poverty despite the high levels of openness, strong democratic political systems and good quality human resources. The structural factors are compounded by the cycle of high petroleum prices versus low commodity prices; loss of preferential markets combined with the imposition of more stringent market entry requirements; higher interest rates in the United States and the intensely destructive 2004 hurricane season, which severely disrupted the economies of several Caribbean SIDS.

10. Increased incidences of natural disasters which when combined with small size have exacerbated inherent and acquired vulnerabilities which include: the small size of the islands; the limitations posed by small populations; high levels of extra- and intraregional migration; limited skills and institutional capacities; market size; extremely open economies; and production specialization caused by a narrow natural-resource base.

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² CSME will facilitate the capital and macro-economic coordination, free movement of labour, goods and services and promote economic diversification and growth, greater export competitiveness, expanded employment and human resource development.

³ The Eastern Caribbean Central Bank was established in October 1983. It is the Monetary Authority for a group of eight island economies namely - Anguilla, Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

⁴ OECS) is a grouping of nine SIDS. Divided into the Windward and Leeward Islands, the Windwards being Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines, and the Leewards being Antigua and Barbuda, St. Kitts and Nevis, and the British dependencies of Anguilla, the British Virgin Islands and Montserrat.

6 May 2005
11. The vulnerability of Barbados and the OECS is compounded by fragile ecosystems and concentrations of human settlements in coastal zones regularly afflicted by hurricanes, storm surges and floods. The problem is aggravated by the fact that not only are the primary economic sectors of the Eastern Caribbean region – agriculture and tourism – highly sensitive, but they also contribute to environmental degradation. Over the review period, the region made significant progress towards the goal of creating an information society. For the OECS, this achievement was realized through the telecommunications liberalization programme, culminating in the establishment of the Eastern Caribbean Telecommunications Authority (ECTEL) http://www.ectel.info/.

12. The challenge of coping with rapid economic and social adjustments must parallel efforts at containing the negative impacts arising from the vulnerabilities of SIDS. It is now accepted that reducing SIDS vulnerabilities by strengthening subregional cooperation processes and integration should be supported by factoring the Caribbean diaspora into resource pool in support of the Caribbean development agenda.

13. The 2004 Human Development Index (HDI) ranks Barbados (No. 29), Saint Kitts and Nevis (No. 39) and Antigua and Barbuda as high human development countries, while Saint Lucia (No. 71); St Vincent and the Grenadines (No. 87); Grenada (No. 93) and Dominica (No. 95) are ranked as having medium human development.

14. In OECS countries, these favourable HDI rankings paradoxically coexist with relatively high levels of poverty, especially ‘resource poverty’. Poverty levels range from 19% in Saint Lucia to 39% in Dominica and 33% in St. Vincent and the Grenadines (Interim Poverty Strategy Paper – IPRSP, 2003). Grenada presents even higher levels than the 31% recorded prior to Hurricane Ivan.

15. The ‘working poor’ and the ‘rural poor’ constitute a significant proportion of those found at or below the poverty line (OECS/UNDP, 2002). A number of national poverty reduction surveys have been conducted since 1994 which have resulted in poverty-related policies and poverty-specific mechanisms such as poverty reduction funds, basic needs trust funds and social investment funds becoming operational. In addition, governments are mindful of the nexus between unemployment, underemployment, poverty and crime, and have established institutional mechanisms to address social development, such as Ministries of Social Transformation in Barbados, St Lucia and Antigua and Barbuda.

16. Barbados and OECS states record high levels of education and access to health services. The ratio for first-, second- and third-level gross enrolment stands at 92% in the British Virgin Islands, 70 % in Saint Lucia and St. Kitts and Nevis and 69% percent in Antigua and Barbuda. Barbados has a combined gross enrolment ratio for primary, secondary and tertiary schools of 88% (2004 HDI).

17. The region has registered significant progress in the health sector over the past two decades. Life expectancy has increased, while the incidence of communicable diseases has declined. However, there has been a marked increase in non-communicable lifestyle diseases. With health systems in the sub-region stretched to cope with resource constraints, there is a need for strengthening existing policy and institutional arrangements particularly those that provide clear guidelines on the role of non-governmental organizations which are now poised to emerge as service providers within the health sector. Changing life-style patterns, aging populations, an increase in substance abuse – especially among the youth – and high infant mortality rates in some countries, are generating new issues and concerns which need to be addressed.

18. The prevalence of HIV/AIDS in the Caribbean, especially among the adult working population, is estimated at 2.3% – the highest rate in adults apart from that in sub-Saharan Africa. The structural ramifications of this epidemic, including declining levels of skilled human capacity

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5 The HDI takes account of life expectancy at birth; adult literacy; combined gross enrolment ratio for primary; secondary and tertiary schools; per capita GDP; life expectancy; education index; and the GDP index.
and the weakening of the productive population base, pose added threats to the success of national and regional development initiatives, including the OECSEU and the CSME. Without international support, it is unlikely that these countries will be able to provide treatment and a health-care infrastructure for HIV/AIDS patients (2002 UNDAF).

19. Nearly all governments have sought and received a combination of ‘soft’ and ‘hard’ loans from the World Bank to fight the disease. However, interventions in this area will need to be better informed by continuing assessments of the direct and indirect impact of poverty on HIV/AIDS. The mainstreaming of HIV/AIDS issues into development policy, particularly social development policy, with a focus on poverty reduction, is an imperative underscored by Article 17 of the Mauritius Declaration.

20. Barbados and several OECS countries have established Public Sector Reform Units and introduced public sector reform programmes to mobilize support for modernizing the enabling environment to keep pace with globalisation and regional integration. It is now widely accepted that efficient management of the public sector is the key for the delivery of efficient, value-for-money public services and critical to good governance. The Public Sector impacts on effective functioning of the economy and provides critical support for strengthening social capital, mobilization of national and regional resources as well as securing domestic earnings for productive uses. These are challenging development issues as weak public institutions lose out on maximising aid, trade and investment opportunities. Integrated development planning was introduced during the review period, especially in Dominica, Saint Lucia, Antigua and Barbuda, St. Kitts and Nevis. While an integrated development plan blueprint was developed in Dominica, implementation has not yet begun. Concerted efforts are being made to establish governance arrangements that will facilitate the active involvement of civil society in the design, implementation and evaluation of development policies and programmes. The Barbados Social Partnership, negotiated and agreed upon by representatives of government, employers and workers, has so far yielded four protocols, or ‘social compacts’, is a model for OECS countries.

21. In recent years, international and regional organizations have recognized the need to adopt a more comprehensive approach to risk reduction and disaster management, seeking to integrate disaster prevention, disaster mitigation and risk management into the national development planning process through comprehensive disaster management (CDM). National and regional capacities must be strengthened for the effective implementation of the CDM approach, including mechanisms to monitor and evaluate levels of preparedness. Heavy losses from natural disasters such as the effects of Hurricane Ivan on Grenada are detailed in the macro socio-economic assessment conducted by OECS(www.oecs.org) and Economic Commission for Latin America and the Caribbean. http://www.eclac.cl/portofspain/

II. Past cooperation and lessons learned

22. The first Subregional Cooperation Framework 2001-2004 (SCF) for the OECS and Barbados was formulated to address the priorities of (a) subregional cooperation and integration, (b) social policy and development planning; (c) capacity development; and (d) employment creation. Gender, environmental management and HIV/AIDS are cross-cutting programming issues.

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5 Hurricane Ivan inflicted significant damage on Grenada: 89% of the country’s housing stock was damaged or destroyed; 30,481 students were affected by damage to schools and training institutions; there was damage to hospitals and health-care institutions; and direct or indirect damage to agriculture, livestock, crops and fisheries. Hurricane Ivan has left Grenada with little or no means of generating foreign exchange, jobs or national income in the short to medium term. In 2004, the fiscal position of the Government is expected to deteriorate from a surplus of ECS17 million to a deficit of ECS$4 million, or 4.5% of GDP, reflecting a fall-off in revenue particularly from taxes on international trade and business transactions. The growth in capital expenditure, including outlays for rehabilitation and reconstruction, is projected to increase the overall fiscal deficit (after grants) to approximately 12% of GDP.
23. 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 subregional office for Barbados and the Eastern Caribbean supported the formulation of the OECS Development Charter and Strategy as a subregional policy framework for OECS Member States. This was a significant outcome, which strengthened subregional planning, prioritization and policy articulation capacities.

24. For the environmental sector, this capacity was enhanced though national enabling activities implemented in each country to facilitate the fulfillment of commitments under respective multilateral environmental agreements (MEAs). Other major outcomes from this period include the formulation of a revised IPRSP in Dominica, which facilitated the access of a $11.4 million loan from the IMF Poverty Reduction Growth Facility. St. Lucia, St. Vincent and the Grenadines and Grenada also completed PRSPs with UNDP support.

25. While the thematic area of governance was not a specific priority identified within the 2001-2004 SCF, governance support was provided to strengthen specific arrangements within the context of the participation of these countries in the CSME and in the OECSEU, through the identification of strategic policy interventions, and enhanced democratic governance and institutional capacities at national, regional and community levels.

26. 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 which facilitate the sustainable use of physical, financial and human resources; and

(d) support for a study on the regionalization of the OECS Prison Service (a related area of support).

27. 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 Grenada, St. Vincent and the Grenadines and St. Kitts and Nevis; and

(f) Implementation of a national HIV/AIDS project in Barbados to improve its response information system, and the Leadership for Development Results programme, which enhanced the leadership capacity of government institutions and non-governmental
organizations (NGOs) in Barbados and St. Kitts and Nevis to implement new prevention initiatives to combat HIV/AIDS.

28. Risk reduction and disaster management was not identified as one of the programme areas in the 2001-2004 SCF. However, UNDP did support 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](http://www.cdera.com)) to implement the strategy at the regional level; and by building support at the national level.

29. 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, 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](http://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.

30. 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. A volcano eruption in Montserrat in 2003 called for UNDP support to strengthen national capacity for disaster management, prevention, mitigation and recovery.

31. Lessons learned include the need to apply new modalities to address capacity constraints in the development planning systems and processes in the OECS, 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. 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.

32. Institutional development remains a pressing need as countries seek to create new executive, legislative and regulatory mechanisms. 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.

### III. Proposed programme

33. The SPD for 2005-2007 is formulated to address four mutually reinforcing priority programming areas:

(a) Governance reform and institutional development;
(b) Poverty reduction and social sector development;
(c) Capacity building for environmental and natural resources management; and
(d) Risk reduction and disaster management.

34. This strategy acknowledges that the development needs of Barbados and OECS SIDS are not homogenous and that subregional and national programme initiatives must therefore be balanced and strategic. The UNDP strategy has been to establish a ‘cooperative governance structure’ in which the differing policy options of each programme country are taken into account. Negotiation remains the avenue through which commonly agreed programming and implementation strategies are reached. The overarching objective of the 2005-2009 programme is to assist the OECS and
Barbados to strengthen governance in their respective public, private and community-based institutions to:

(a) achieve the MDGs and implement the BPOA and the OECS Development Charter mandates through strengthened national participatory governance and dialogue processes;
(b) define SIDS policy positions to respond effectively to the challenges of the global trading environment, including market access for traditional exports;
(c) expand the reach and impact of information and communication technologies (ICT);
(d) build resilience capacities at the national and regional levels and mitigate negative impacts of natural disasters,
(e) promote integration of poverty reduction and social development within the broader development planning process; and
(f) enhance institutional capacity for environmental and natural resources management, and facilitate inclusion of SIDS issues in global governance frameworks.

A. Governance Reform and Institutional Development Programme

35. The overall goal of this sub-programme is to consolidate and accelerate current subregional integration processes – particularly the OECSEU and the CSME – with strategic national-level inputs and the requisite governance and institutional development reviews, mechanisms and tools, through a mix of policy formulation, consolidation and innovation; improved aid effectiveness; and coherent technical analysis of SIDS vulnerabilities, supported by a climate of policy debate in which the public and private sector, civil society interests, academic bodies and service providers can participate in broad-based consultations on solutions to critical development issues.

36. The programme will focus on stimulating multi-stakeholder policy dialogue at the regional and national levels; strengthening the participation of civil society organizations (CSOs) in implementing the MDGs; addressing governance issues facing SIDS; strengthening public sector reform through human resources development support; targeting project identification, implementation and evaluation; and strengthening the formulation and implementation of public sector investment programmes (PSIPs).

37. Continued regional-level implementation support to strengthen regional and national macroeconomic, fiscal, financial and debt management capacity through the Caribbean Regional Technical Assistance Centre; support to OECS EU process through public awareness and other interventions which would include the development of appropriate governance architecture such as formulation of new constitutional arrangements; legislative inputs and the conduct of assessment, feasibility or impact studies on related integration issues; the revision and operationalizing of the development strategy; and support for ICT, sports and culture as tools for enhancing regional integration processes.

38. *Expected outcomes.* It is anticipated that at the end of the programming period the following outcomes will have been achieved:

(a) Appropriate constitutional, policy and institutional arrangements at the national and regional levels established;
(b) Regional policy and strategy for advancing the establishment of the OECSEU and for guiding the changes required at the national and regional levels approved;
(c) System of multi-stakeholder dialogue and participation in national and regional decision-making processes that include the contribution of CSOs to attaining the MDGs institutionalized;
(d) Outreach mechanisms, communication and network services enhanced through expanded contribution of ICT, sports and culture to the subregional integration process; and
(e) Public sector capacity of some OECS countries enhanced with respect to PSIP and project cycle formulation, management and implementation.
B. Poverty and social sector development programme

39. The overall goal of this sub-programme is to support the continuing high priority of the 10 programming countries covered to reduce high levels of poverty and promote social development, especially in St. Kitts and Nevis, Dominica, and St. Vincent and the Grenadines. The exacerbation of poverty in post-Ivan Grenada is also a major concern.

40. The sub-programme will focus on

(a) Strengthening national capacity for data collection, monitoring and evaluation related to poverty reduction and social development; continuing reviews of the PRSPs; support for “regionalizing” the MDG targets within the context of the OECS Development Charter to reflect the realities in the sub-region and accelerating the process of achieving the adjusted goals and targets;

(b) Support for innovative approaches by ‘agents of change’ in all countries, especially those efforts that seek to integrate HIV/AIDS into the development agenda;

(c) Support for analytical work that helps to define the multi-sectoral linkages between sectors – such as poverty and economic growth or poverty and health – and by building complementarities with other key initiatives funded by the Global Fund to combat HIV/AIDS in the OECS sub-region; strengthening poverty monitoring and measurement including capacity building to collect, analyze and utilize data and support to the rural sector of select OECS countries through the diversification of the agricultural sector;

(d) Support for community development and empowerment at the national level, including skills training, income and employment generation through ICT tools and systems;

(e) Strengthening the capacity to develop Human Development Reports (HDRs) and MDG reports for Barbados; and

(f) Support for the development of micro-credit schemes and services for the disabled population in Barbados.

41. Regional social policy and strategy development interventions will focus on:

(a) Development of gender-sensitive policies and strategies that sustain the livelihoods of the poor, especially in the rural communities affected by negative changes within the productive sectors;

(b) Strengthening the social policy analytical framework, which work will include the development of a second OECS HDR (2005-2006), as well as an HDR for Barbados;

(c) Establishment at the OECS secretariat of an effective database of social statistics supported by appropriate methodologies and indicators to measure progress towards the goals and targets of social development policy and the MDGs;

(d) Strengthening capacity to mainstream the poverty reduction strategies (PRS);

(e) Reviewing, adapting and refinement of the core welfare indicators (to be piloted in Saint Lucia) for use by the secretariat and the countries; and

(f) Mainstreaming gender considerations into the PRS and into the development planning process.

Expected outcomes

42. It is envisaged that by the end of the programme the following outcomes will have been achieved:

(a) Comprehensive social development policies adopted in all countries;

(b) Up-to-date social statistics database established at the OECS secretariat;

(c) Enhanced capacity for effective formulation and monitoring of social development policies and strategies, including PRS;

(d) Scaled-up impact of investment projects by encouraging the convergence of country processes for planning investment projects with PRS;

(e) National MDG progress reports produced and disseminated, and MDGs regionalized within the context of the OECS Development Charter and Strategy;
Updated HDRs for the OECS published and the first Barbados HDR formulated;
Poverty and social development monitoring systems enhanced, including adapted core welfare indicators in use in all OECS countries and Barbados;
Systems for assessing gender implications of proposed development policies established; and
New market opportunities identified, reducing poverty and income loss for vulnerable groups through participation in agriculture diversification programmes such as the proposed Caribbean Unit for Regional Assistance project. It is expected that the Poverty and Social Sector Development Donor Group will continue to play a critical role in coordinating the related activities of donors within the sub-region, facilitating the sharing of information, networking, undertaking joint initiatives, and strengthening national and regional capacity to develop and implement policies and strategies targeting the poor and vulnerable.  

C. Capacity enhancement for sound, integrated environmental and natural resources management

All of the countries have highlighted a continuing need for support within this sector. However, specific needs include support for improved water resources management, waste management, sustainable fisheries management and land use planning.

(a) It is anticipated that these needs will be met through a Global Environment Facility (GEF) project to establish a sustainable island resource mechanism in Antigua and Barbuda.

(b) OECS countries and Barbados will continue to strengthen their capacity for implementation of MEAs through GEF-funded national enabling activities.

(c) Strengthen capacities to manage watersheds and coastal areas and marine ecosystems, as well as to halt and reverse land degradation, will be enhanced through regional GEF-funded projects with specific national components.

(d) Integrate biodiversity management into livelihoods strategies; support the preparation of harmonized legislation to give effect to national environmental management strategies; and facilitate empowerment to address emerging SIDS paradigms.

The interventions in this programme will emphasize the following: (a) strengthening of technical capacity of national agencies to implement the approved policies, laws and programmes; (b) establishment of technical cooperation and exchange programmes to facilitate deployment of expertise from countries with a high supply of such expertise to countries in need; (c) identification of best practice in land management; and (d) strengthening of environmental management and sustainable livelihoods with NGO and community participation through GEF small grants programme (SGP) initiatives and through a joint United Nations Volunteers-OECS initiative.

Expected outcomes

By the end of the programme, it is anticipated that the following outcomes will have been be achieved:

(a) Enhanced land policies and laws established in all countries and enhanced capacity to design and implement land management policies and programmes;

(b) Strengthened capacity of environmental and natural resource management agencies in all countries;

(c) Enhanced capacity to manage watersheds and coastal areas and marine ecosystems as well as land degradation;

7 The Group addresses, poverty reduction, gender, HIV/AIDS, education, health, the demand component of drug control issues, and the rights of the child and of indigenous groups.
A memorandum of understanding on technical cooperation adopted and implemented, and country needs for short term experts met through a technical cooperation programme; and

Greater engagement of CSOs and communities in the management of environmental issues. A GEF/SGP Regional Programme Strategy approved and implemented to support Governments and civil society organizations to use the GEF/SGP-funded projects as the first phase of a longer-term intervention that can be scaled up to a medium-sized or full-scale GEF project.

UNDP will also continue its efforts to establish a GEF country programme in Dominica. UNDP will adopt a mixed modality in the implementation of GEF/SGP projects, where countries meeting agreed criteria will be afforded country programme status, while others will be assisted through the subregional modality.

D. **Risk reduction and disaster management (pre and post-disaster)**

The 2004 hurricane season highlighted the need for OECS governments to develop:

Risk reduction and disaster response policies and strategy that will complement the role of CDERA;

A system to ensure the management of disasters in the fullest sense, from security planning and deployment to coordinating recovery, distributing aid, and coordinating the effort to restore utilities;

Strengthened capacity of CDERA and the countries to implement the CDM strategy and strengthen search-and-rescue capacity;

Assistance to the sub-region in adapting to climate change and enhancement of disaster management systems and mechanisms to face the challenges of climate change. The experience of Grenada has highlighted the need for the governments of Barbados and the OECS to strengthen the capacity of physical planning and development control agencies; enforce appropriate building standards; and mainstream risk reduction and disaster management into development planning. Governments at risk of volcanic activity have emphasized the need for sustained attention to this area.

Under this sub-programme, the provision of operational and technical support for the recovery and reconstruction process in Grenada will continue, particularly in restoring sustainable livelihoods of the people affected by the disaster. Support to the reconstruction and resettling programme in Montserrat will also continue.

**Expected outcomes**

The expected outcomes of this sub-programme are as follows:

Capacities of agencies engaged in implementing preparedness, response recovery and reconstruction in Grenada strengthened;

Recovery projects in Grenada successfully implemented and sustainable livelihoods for the poor restored;

Efficient implementation of reconstruction and resettlement programmes in Montserrat;

Support for the implementation of post-disaster assessment and the formulation of recovery plans and programmes including coordination of external cooperation;

Capacity in adapting to climate change and reducing risks enhanced by designing, testing and implementing tools and methodologies for hazards, risk and vulnerability assessments, strengthening institutional structures and legislative systems, dissemination of best practices and lessons learned and education and awareness on the characteristics and progress of the Caribbean in disaster risk reduction and recommendations for action.
(f) Risk reduction measures adopted and CDM strategy mainstreamed into plans and policies.

IV. Programme management, monitoring and evaluation

50. UNDP will provide oversight of project design and implementation activities and will continue to facilitate linkages with other UN System related activities, including through the use of the Resident Coordinator system. The execution modality to be used will be national execution, except in special circumstances or crisis situations, or where national capacity assessments call for other execution modalities.

51. The OECS Secretariat, CDERA and the CARICOM Secretariat will continue to serve as executing agencies for subregional and regional programmes and projects. Technical coordination will be provided by the Director, Social and Sustainable Development Division of the OECS Secretariat in collaboration with the specialized units, while the Functional Cooperation and Programme Management Unit will provide the relevant technical support required for internal oversight and monitoring programme activities. Additional support will be provided by external consultants on an as-needed basis.

52. Measures will be introduced to build programme implementation and management capacity within the national and regional partner agencies. These will include training in project management as one aspect of strengthening public sector capacity; orientation and training sessions on UNDP regulations and rules; financial management; procurement; and the application of the new national execution manual and the ATLAS system, once the latter has been extended to the partners.

53. UNDP will explore new lines of resource mobilization, including co-funding arrangements for national, regional and international programmes and projects and provision of development services for loan implementation. UNDP will maintain its strategic alliances with international development partners active in the sub-region and will endeavour to establish new partnerships with competent agencies and institutions in the region, in fulfilment of the goals of the 2005-2007 SCP. UNDP will continue to work towards deepening and widening UN System and other donor interagency coordination arrangements and will continue to play an integral role in the programming activities of the Caribbean Development Bank (CDB) based Caribbean Forum for Development (CFD).

54. UNDP inputs and project support will be subject to the new MYFF and other standard project management tools and processes, including annual reviews, in-depth evaluations with a special emphasis on setting benchmarks to facilitate regular results-oriented monitoring and evaluation and documentation of best practices and lessons learned. The programme will be monitored and evaluated with the full participation of all stakeholders and interested parties. Thematic and cluster evaluations will be undertaken in interventions involving two or more countries.

55. In keeping with the findings and recommendations of the 2002 and 2003 annual reviews of UNDP collaboration with Barbados and the OECS, UNDP will continue its efforts at minimizing duplication and reducing the burden of its monitoring and evaluation activities on the limited capacity of governments. Periodic MDG reports will be produced, highlighting the progress of countries towards the achievement of the regionalized MDGs.
Annex
Results and resources framework for the OECS and Barbados (2005-2009)

<table>
<thead>
<tr>
<th>Strategic areas of support</th>
<th>Intended outcomes</th>
<th>Indicators of outcome or purpose</th>
<th>Outputs, including key output indicators</th>
<th>Resources by strategic area of support</th>
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<tbody>
<tr>
<td>MYFF goal 2: Fostering democratic governance</td>
<td>Democratic governance issues i.e. accountability, transparency, integrity, gender responsive initiatives addressed in the context of National Programmes, the OECS Development Charter and MDGs</td>
<td>Detailed national and regional plans, policies, and strategies to support the implementation of the OECS Development Strategy (with the MDGs integrated) approved and developed 25% increase in the rate of implementation of the OECS development strategy over 2004 levels, by 2009</td>
<td>(a) Appropriate policy and institutional arrangements at the national and regional levels established. (b) A regional policy and strategy advancing the establishment of the OECSEU with change management plans at the national and regional levels approved.</td>
<td>Core $500,000</td>
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<tr>
<td>Service line 2.1: Policy support for democratic governance</td>
<td>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.</td>
<td>National economic and social councils &amp; integrated development policy strategy adopted in all OECS member States Promotion of multi-stakeholder dialogue to increase stakeholder participation: policy and strategy development</td>
<td>(c) An institutionalized system of multi-stakeholder dialogue and participation in national and regional decision-making processes which will include the contribution of CSOs to the achievement of the MDGs.</td>
<td>Core $700,000</td>
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<tr>
<td>Service line 2.6 Decentralization, local governance and urban/rural development</td>
<td>Governance tools: multi-stakeholder dialogues, sport and cultural development, public information targeting youth, women and communities established, and local representative democracy enhanced with increased participation of women.</td>
<td>OECs sports development policy and strategy approved with capacity of OECs sports desk strengthened to support critical regional and national development processes 50% increase in participation rates in OECs sports events over 2004 levels, by 2009</td>
<td>(d) Outreach mechanisms, communication and network services enhanced through the contribution of ICT, sports and culture to national and sub-regional integration process</td>
<td>Core $200,000</td>
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<tr>
<td>Service line 2.7: Public administration reform and anti-corruption measures</td>
<td>Public sector OECD Economic Union modernized and strengthened by HRD, ICT inputs and public/private dialogues, as well as enhanced support to transparency and accountability programmes</td>
<td>Enhanced public sector capacity in OECD countries in PSIP and project cycle management, implementation and evaluation. Continued implementation support of regional &amp; national macroeconomic, fiscal, financial and debt management capacity through Phase II of the Caribbean Regional Technical Assistance Centre (CARTAC) project.</td>
<td>Improving public finance management, budgeting, treasury operations and debt management Improved revenue policy formulation and effective revenue administration, including issues related to introduction of VAT Improved financial sector regulations and supervision, with emphasis on the supervision of non-bank financial institutions, including insurance, enhancing the region’s capital markets Improved capacity to collect, process, analyse, and publish economic statistics, as well as countries’ capacity to undertake macroeconomic projections and policy analysis.</td>
<td>Core $200,000 Non-core $14.2 Mn (Cost-sharing and trust fund)</td>
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<td>UNDAF objectives 2, 3 and 4: To support sustainable social development; to support sustainable economic development; and to support reduction of HIV/AIDS transmission</td>
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<td><strong>MYFF goal 1:</strong> Achieving the MDGs and reducing human poverty</td>
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<tr>
<td><strong>Service line 1.1</strong> MDG country reporting and poverty monitoring</td>
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<td>Capacity development for poverty and social development monitoring</td>
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<td>Enhanced capacity of social development institutions in data collection, analysis and monitoring of social phenomena (St. Lucia CWIq pilot). Social development monitoring and evaluation enhanced in OECS countries. OECS Social Policy Unit statistical and policy formulation capacity strengthened.</td>
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<tr>
<td>Core welfare Indicators in use in all countries (Barbados and OECS). MDGs integrated into planning and reporting frameworks. Statistical capacities and analytical processes for regular MDG reporting established. Core Welfare Indicators identified and used (CWIq). New HDR or MDG report for OECS and Barbados published. National MDG report for Barbados published.</td>
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<td>Core $1.0 Mn</td>
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<td><strong>Service line 1.2</strong> Pro-poor policy reform</td>
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<td>Formulation and implementation of poverty reduction policies and strategies</td>
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<td>Reduction in levels of resource poverty addressed by appropriate macro-economic and social policies. OECS Social Policy Unit and secretariat strengthened in poverty monitoring support</td>
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<tr>
<td>Development and implementation of poverty reduction policies and strategies to support 5% annual reduction in poverty over 2004 levels by 2009. Articulation of macro-economic and social development policy that is gender-sensitive and pro-poor, and addresses social development targets. Social policy formulated and analytical capacity strengthened. MDGs regionalized within the context of the OECS development strategy. Finalized poverty reduction strategies in at least the three countries which have formulated IPRSPs. Enhanced institutional planning and implementation capacities to limit the spread of HIV/AIDS. HIV/AIDS infection rates reduced by at least 20% through information dissemination, education and treatment strategies. HIV/AIDS reduction policies integrated into human and social development policies and national level programming.</td>
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<td>Core $500,000</td>
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<td><strong>Service line 1.3</strong> Local poverty initiatives, including microfinance</td>
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<td>Direct interventions at the community level to reduce income and resource poverty</td>
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<td>Enhanced capacity of social development institutions for data collection, analysis and monitoring of social phenomena; core welfare indicators identified and used. Community groups empowered, local economies diversified in rural areas. Access to information and IT skills increased</td>
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<td>Reduced unemployment at the community levels through enhanced community management mechanisms, numbers of persons trained in IT skills and new jobs businesses developed. Agricultural sector diversified with new investment in agro-processing opportunities.</td>
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<td>Core $600,000</td>
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<td>Non-core $1.0 Mn (Cost-sharing)</td>
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<td>UNDAF objective 5: To support sustainable environmental management</td>
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<td><strong>MYFF goal 3:</strong> Energy and environment for sustainable development</td>
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<td><strong>Service line 3.1 Frameworks and strategies for sustainable development</strong></td>
<td><strong>Sustainable management of the environment and natural resources incorporated into poverty reduction and national development frameworks.</strong></td>
<td><strong>Strengthened capacity of environment and natural resource management agencies to implement MEAs and supporting national policies.</strong></td>
<td><strong>As per GEF project, sustainable island resource mechanism established.</strong></td>
<td><strong>Non-core $2.6 Mn (Cost-sharing and GEF)</strong></td>
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<td><strong>Service line 3.4 Sustainable land management to combat desertification and land degradation</strong></td>
<td><strong>Sustainable land management to combat desertification and land degradation</strong></td>
<td><strong>Improved coordination and collaboration among development agencies</strong></td>
<td><strong>Livelihood issues reflected in biodiversity management; watersheds and ecosystems protected by legislation; best practices in natural resources management identified and shared.</strong></td>
<td><strong>Non core $5.0 Mn (Cost-sharing and GEF)</strong></td>
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<td><strong>Service line 3.5 Conservation and sustainable use of biodiversity</strong></td>
<td><strong>MDG 7. Progress towards environmental sustainability demonstrated</strong></td>
<td><strong>Annual capacity assessment reports delineating strengths and weaknesses and recommended approaches for harmonization of work plans addressing national priorities</strong></td>
<td><strong>Marine ecosystems, watersheds and sensitive ecosystems managed in an economic and sustainable manner</strong></td>
<td><strong>Non-core $2.5 Mn (Cost-sharing and GEF)</strong></td>
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<th>UNDAF objective 6: Risk reduction and disaster management</th>
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<tr>
<td><strong>MYFF goal 4:</strong> Crisis prevention and recovery</td>
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<td><strong>Service line 4.5 Natural disaster reduction</strong></td>
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