



ST. VINCENT AND THE GRENADINES

**NATIONAL ECONOMIC
AND SOCIAL
DEVELOPMENT PLAN**

2013-2025





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FOREWORD

THE ST. VINCENT AND THE GRENADINES DEVELOPMENT PLAN 2013 - 2025 has been elaborated around a specific set of strategic goals, objectives and targets so as to facilitate and guide the optimal improvement of the quality of life for all Vincentians.

The Development Plan is premised on the workings of an economy in which the private sector, the cooperative sector and State have efficacious, complementary roles as part of a “mixed economy”. The practical policy signposts are determined by the sensible criteria of efficiency, fairness, sustainability, and appropriateness in a small, vulnerable, multi-island economy. Accordingly, this Development Plan is conceived in a flexible, though focussed, way, but not possessed of the rigidities historically associated with such exercises in centrally-planned economies.

Underlying this Development Plan is a vision, philosophy, a strategic economic outlook, a good governance framework, and a quest to ennoble, further, in material and non-material respects, the Vincentian component of our Caribbean civilisation. The Plan is grounded, too, in the realities, not the imaginings, of the socio-economic condition of St. Vincent and the Grenadines. Central to it is the requisite of building a modern, competitive, many-sided, post-colonial economy which is at once national, regional and global.

This Development Plan takes account of earlier comprehensive and sectoral, planning efforts in St. Vincent and the Grenadines. Thus, it does not begin with a blank page. Indeed, the Plan reflects thinking which has been evident in the twelve national budgets which the successive administrations, under my leadership, have delivered over the past twelve years, thus far, since March 2001. Equally, too, fresh ideas and methodologies have emerged out of the process of shaping this Development Plan and have found their way into the “final” product. Even so, a Development Plan of this kind possesses a living, dynamic framework in which ongoing alterations are inevitable, broadly, and in its more detailed matrices.

Numerous persons have left their mark on this Plan. Central to its preparation have been the Director of Planning, Ms. Laura Anthony-Browne, and her excellent staff. They were aided by Professor Claremont Kirton of the University of the West Indies (Jamaica) and Dr. Wendell Samuel, a Vincentian economist at the International Monetary Fund. On behalf of the Government and people of St. Vincent and the Grenadines I thank all who have been engaged in the making of the St. Vincent and the Grenadines Development Plan 2013 - 2025. Let us now get to work, assiduously, at implementing it.



Dr. The Hon. Ralph E. Gonsalves
Prime Minister of St. Vincent and the Grenadines
January 11, 2013

ACKNOWLEDGEMENTS

This Plan could not have been finalised without the invaluable input and contributions of the persons and organisations listed below.

Financing for the preparation and production of this Plan was provided by the European Union (EU), through its continued cooperation programme with the government of St. Vincent and the Grenadines. For this and for its ongoing support, the government of St. Vincent and the Grenadines expresses profound gratitude to the EU.

The authors would also like to thank, the Honourable Prime Minister, Dr. Ralph Gonsalves, for his overall guidance and active engagement in this exercise. We thank too, Mr. Claremont Kirton and Dr. Wendell Samuel, consultants to the Plan Team, for their invaluable input; all Ministries and Departments of government, and quasi-government institutions and enterprises, for providing helpful guidance and pertinent information; Embassies and Missions for organising consultations with overseas Vincentians; the National Economic and Social Development Council for its partnership in the process; the Vincentian Student Associations in Barbados, Jamaica and Trinidad and Tobago; Vincentian organisations in the British Virgin Islands, High Wycombe, Montreal, Philadelphia and Winnipeg; all persons who participated in the consultations in St. Vincent and the Grenadines and abroad; all persons who submitted comments.

We thank too, the Caribbean Development Bank for their comments on the early drafts of the Plan. Special thanks to Mr. Berisford George, former Senior Economist in the Central Planning Division, for leading the early stages of the exercise. We thank Dr. Ralph Henry and his team at Kairi for assisting with the final editing. To anyone else who contributed in any way, we thank you sincerely for your input.

Finally, thanks to the staff of the Central Planning Division for staying the course and persevering to the end.

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ABBREVIATIONS AND ACRONYMS

ACP	African, Caribbean and Pacific	LAC	Latin America and the Caribbean
ACS	Association of Caribbean States	LRC	Learning Resource Centre
BOP	Balance of Payments	MDG	Millennium Development Goal
CARICOM	Caribbean Community	M&E	Monitoring and Evaluation
CBD	Caribbean Development Bank	MEAs	Multilateral Environmental Agreements
CBO	Community-Based Organization	MPC	Multi-Purpose Centre
CFATF	Caribbean Financial Action Task Force	MSE	Micro and Small Enterprises
CNCD	Chronic Non-Communicable Disease	NCD	Non-Communicable Disease
CPA	Country Poverty Assessment	NESDC	National Economic and Social Development Council
CPD	Central Planning Division	NESDP	National Economic and Social Development Plan
CPI	Consumer Price Index	NGO	Non-Governmental Organisation
CSFB	Cruise Ship and Ferry Berth	NIS	National Insurance Services
CSME	Caribbean Single Market and Economy	NSA	Non-State Actors
CSO	Civil Society Organization	NTA	National Training Agency
CWSA	Central Water and Sewage Authority	OAS	Organization of American States
CXC	Caribbean Examination Council	OECD	Organisation for Economic Cooperation and Development
EC	Eastern Caribbean	OECS	Organisation of Eastern Caribbean States
ECCB	Eastern Caribbean Central Bank	PLWHA	People Living With HIV/AIDS
ECCU	Eastern Caribbean Currency Union	PSIP	Public Sector Investment Programme
ECSE	Eastern Caribbean Securities Exchange	R&D	Research and Development
ECSM	Eastern Caribbean Securities Market	RGSM	Regional Governments Securities Market
ECTEL	Eastern Caribbean Telecommunications Authority	SIDS	Small Island Developing States
EPA	Economic Partnership Agreement	SIGTAS	Standard Integrated Government Tax Administration System
EU	European Union	SVG	St. Vincent and the Grenadines
FATF	Financial Action Task Force	SWOT	Strengths Weakness Opportunities Threats
FBO	Faith Based Organisation	TVET	Technical, Vocational and Educational Training
FC	Family Court	TWG	Technical Working Group
FDI	Foreign Direct Investment	UK	United Kingdom
FIU	Financial Intelligence Unit	UN	United Nations
FTAA	Free Trade Areas of the Americas	UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
GDP	Gross Domestic Product	USA	United States of America
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome	VAT	Value Added Tax
HRD	Human Resource Development	VINLEC	St. Vincent Electricity Services
ICT	Information and Communication Technology	WTO	World Trade Organisation
IMF	International Monetary Fund	YES	Youth Empowerment Service
IPA	Investment Promotion Agency		
ISPS	International Ship and Port Facility Security		
ITES	Information Technology Enabled Services		

EXECUTIVE SUMMARY



The National Economic and Social Development Plan for St. Vincent and the Grenadines covers the period 2013-2025, and outlines the country's long-term strategies for national development. The Plan offers a vision for improving the quality of life for all Vincentians and is anchored on the achievement of the following over-arching goals:

- High and sustained levels of economic growth
- Reduced unemployment and poverty levels
- Improved physical infrastructure and environmental sustainability
- High levels of human and social development
- A peaceful, safe and secure nation
- A technologically advanced work-force
- A deep sense of national pride and cultural renaissance
- Regional integration
- Enhanced global solidarity

This Plan seeks to improve on the previous Plans which spanned the period 1947 to 1995. The pre-independence Plans (1947-1973) lacked coherence and were entirely dependent on external financing for their execution. The two post-independence Plans (1986-1988 and 1991-1995) utilised annual budget exercises to project spending capability and provided greater cohesion and linkages between the national development objectives and strategies. A common thread through all the Plans was the heavy reliance on the State to realise the objectives laid out.

The 2013-2025 Plan seeks to improve on the shortcomings of the previous ones and to outline a strategy to achieve sustainable economic growth, job creation, and poverty reduction leading to the improvement in the quality of life for Vincentians.

INSTITUTIONAL ARRANGEMENTS

Overall responsibility for the preparation, development, and production of this Plan lay with Central Planning Division (CPD) in the Ministry of Finance and Economic Planning, assisted by two regional economists. To further aid the process, eight technical working groups (TWGs) were established as listed below:

1. Culture, Identity and National Pride
2. Economic Sector
3. Social Capital
4. Governance
5. National Security
6. Energy, Disaster Management and the Environment
7. Physical Infrastructure
8. Education, Telecommunications, Science and Technology

EXECUTIVE SUMMARY

METHODOLOGY

The methodology for formulating the Plan was hinged on the premise of inclusion and wide-ranging public participation. Accordingly, consultations were held throughout St. Vincent and the Grenadines and with Vincentians in major regional and international cities, thereby providing extensive opportunities for Vincentians at every level to make an input. This provided citizens with a voice in the development process, an approach which it was felt would lead to greater “buy-in” and a sense of ownership.

In addition to the community consultations, this Plan drew from a wide range of planning instruments. These included national, sub-regional, regional and international plans/strategies, including the Organization of Eastern Caribbean States’ (OECs) Charter and Development Strategy, the Caribbean Single Market and Economy (CSME) framework, Millennium Development Goals, the Mauritius Strategy for Sustainable Development of Small Island Developing States (SIDS) and various Budget Addresses of the Minister of Finance of St. Vincent and the Grenadines.

COUNTRY BACKGROUND

St. Vincent and the Grenadines is an archipelagic State in the Eastern Caribbean. The country is comprised of a main island, St. Vincent, and a chain of 32 islands and cays, the Grenadines, of which only seven are inhabited – Bequia, Mustique, Canouan, Mayreau, Union Island, Palm Island and Petit St. Vincent. The total area of the country is 150 square miles (389 square kilometres).

The country is a Small Island Developing State (SIDS) with all the inherent challenges, such as a narrow economic base and high vulnerability to external shocks and natural disasters. The mainstay of the economy is agriculture, but increasingly, tourism and other services, and construction have become important contributors to the economy.

DEMOGRAPHIC FACTORS

Based on the 2001 Population and Housing Census Report, the population of St. Vincent and the Grenadines

stood at 106,253. This represented a 0.2 percent decline from the previous census of 1991, which reported a total of 106,499 persons. Preliminary data from the 2012 ‘redo’ Population and Housing Census, estimate the population at 108,570.

A SITUATIONAL ANALYSIS OF ST. VINCENT AND THE GRENADINES

STRENGTHS

Intrinsic to this strategic Plan, is the determination to make St. Vincent and the Grenadines a globally competitive State propelled by the ingenuity and commitment of a productive citizenry. Its existing developmental strengths may be placed into six broad categories as follows:

1. Macro-economic Stability
2. Political Stability
3. Social Stability
4. Justice and Legal System
5. National and Citizen Security
6. Regional and International Solidarity

CHALLENGES

Notwithstanding the aforementioned strengths, St. Vincent and the Grenadines faces several formidable challenges, both internally and externally. Given the capacity of these challenges to easily erode the gains made and to undermine the achievement of the goals set forth in the Plan, it is imperative that they be effectively addressed. These challenges can be grouped into four broad categories:

- Economic Challenges
- Physical Constraints
- Environmental Concerns
- Social Infrastructure Challenges

EXECUTIVE SUMMARY

STRATEGIC GOALS, OBJECTIVES AND TARGETS

The Plan envisages the continued development and strengthening of national institutions and the improvement of technical and administrative capacity to deal with the threats, in order to capitalise on the opportunities presented. The vision set for St. Vincent and the Grenadines, and the proposed development strategies for the country will, if carefully pursued lead to balanced, comprehensive and sustainable development.

Five strategic goals and their objectives are advanced to realise the vision that has been articulated. These are:

GOAL 1: Re-engineering Economic Growth

Strategic Objectives:

- To maintain strong macroeconomic fundamentals
- To revitalise the agricultural and fisheries sector
- To stimulate growth in the tourism sector
- To develop the financial sector
- To enhance the role of the private sector and manufacturing in economic and social development in conjunction with the State and co-operative sectors
- To attain a strong and sustainable external trade position
- To develop the information and telecommunication services sector
- To enhance productivity and competitiveness
- To maximise benefits through integration into the OECS Economic Union, CSME and global economy
- To boost economic activity in the construction sector
- To optimise the economic contribution made by ocean resources.

GOAL 2: Enabling Increased Human and Social Development

Strategic Objectives:

- To reduce poverty
- To create jobs and reduce the levels of unemployment
- To develop an adaptable, functional and literate population
- To promote self-care interventions and healthy lifestyle practices
- To facilitate social, cultural and economic development at the community level
- To empower youth to meaningfully participate in and contribute to national development
- To improve the housing and living conditions of all sections of the population
- To facilitate the protection and inclusion of vulnerable and marginalised groups.

GOAL 3: Promoting Good Governance and Increasing the Effectiveness of Public Administration

Strategic Objectives:

- To enhance participatory democracy, accountability, transparency, effectiveness and efficiency in the provision of public goods and services
- To develop and maintain a peaceful, safe and secure environment
- To lift the quality of the judicial and legal system and to enhance public confidence in it
- To enhance the role of civil society in the maintenance of democracy
- To widen and deepen diplomatic relations.

EXECUTIVE SUMMARY

GOAL 4: Improving Physical Infrastructure, Preserving the Environment and Building Resilience to Climate Change

Strategic Objectives:

- To optimise the use of limited land space
- To upgrade the road network in St. Vincent and the Grenadines
- To improve air access to St. Vincent and the Grenadines, including the construction of an international airport
- To modernise and expand seaport facilities
- To enhance the capability of St. Vincent and the Grenadines to prepare effectively for, respond to and mitigate disasters
- To ensure an adequate, safe, reliable and sustainable supply of water
- To conserve the natural resources of the country through effective utilisation and management
- To ensure a clean, safe and healthy environment
- To reduce the dependence on imported fuel
- To reduce the adverse impacts of climate change.

Goal 5: Building National Pride, Identity and Culture

Strategic Objectives:

- To instil within the citizenry, a sense of national pride and appreciation of the history of St. Vincent and the Grenadines
- To engender a greater sense of community and social responsibility
- To preserve, maintain and promote the cultural heritage of St. Vincent and the Grenadines
- To maximise the contribution of cultural industries to economic growth.

With the successful implementation of these strategic goals and objectives, it is projected that there would be reduced poverty, increased employment, strong growth

and an improved standard of living for all Vincentians. These objectives will not be attained without substantial investment by the public sector, which it is anticipated, will trigger even further investments by the private sector. While a financing plan to cover the entire period is not proposed, a medium term financing strategy, based on projected recurrent and capital expenditure, of EC\$2.3 billion is advanced.

IMPLEMENTATION, MONITORING AND EVALUATION

A multi-tiered planning horizon will be used in implementing the Plan. This is configured in the long-term or 13-year plan while the medium-term horizon provides for the implementation of specific objectives, strategies and action plans over 3-year intervals. The latter would inform the annual budgetary exercise.

The Central Planning Division has responsibility for monitoring and evaluation of the Plan. This will be done in conjunction with other public sector agencies, as well as the private sector and civil society.

The participatory mode is enjoined on all, as the country embarks on re-engineering its economy to face momentous changes in the global economy. The North American and European countries, to which St. Vincent and the Grenadines has been linked traditionally, have themselves been challenged by the global financial and economic crises.

The country has weathered other economic storms before: the Great Depression, the collapse of the Federation of the British West Indies with the consequences which that had for St. Vincent and the Grenadines and the other OECS countries; and more recently, the elimination of preferences for its banana industry that was the mainstay of its economy, particularly of rural incomes. Additionally, St. Vincent and the Grenadines has had to grapple with the impact of native genocide, slavery, and natural disasters.

The Plan provides the framework for Government, the private sector and civil society to embark together on the long journey of economic transformation in the face of this new challenge to the people of St. Vincent and the Grenadines.

PART ONE
THE CONTEXT

CHAPTER 1: INTRODUCTION AND CONCEPTUAL FRAMEWORK

St. Vincent and the Grenadines, like other countries in the Caribbean, is at a crucial period of development. Having weathered the early challenges of a post-colonial economy, this country has had to address several financial, economic, political and other factors, including natural forces, which have adversely affected its quest to improve the welfare of its citizens. Indeed, these challenges, man-made or natural, exacerbated by volatility in oil prices, and hikes in commodity prices especially for staple foods, are unprecedented in their scope. The turning point in the international economy presents the country with a momentous challenge which calls for bold, decisive, yet well-ordered planning.



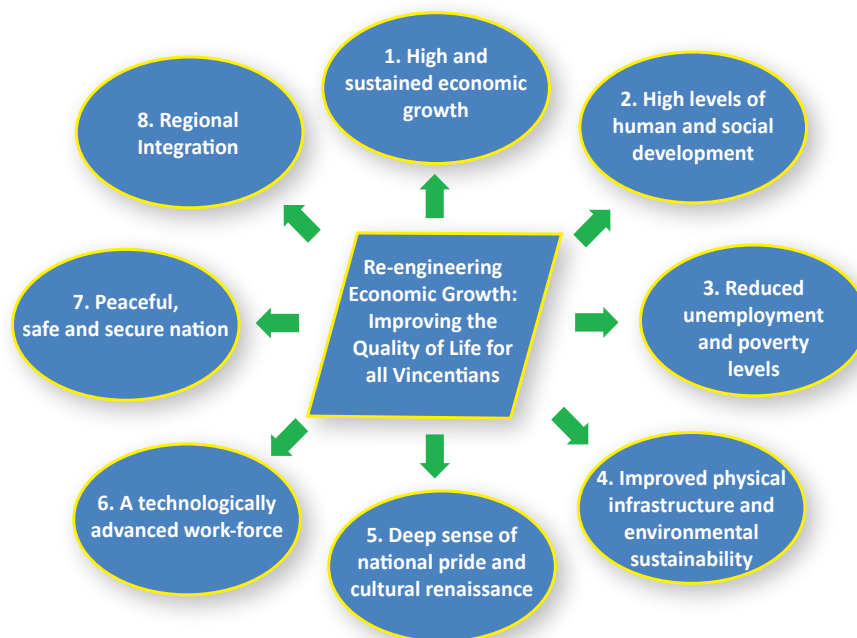
Photo 1.1: Capital City, Kingstown

It is against this backdrop that St. Vincent and the Grenadines has produced this long-term development plan, aimed at *improving the quality of life for all Vincentians*. The Plan offers the opportunity for profound transformation. It provides a platform which, if fully explored, will lead to a more secure future and will create a St. Vincent and the Grenadines of which all Vincentians will be justly proud.

The Plan covers the period 2013-2025. It outlines the country's long- and medium-term strategies for national development, and offers a vision for an improved quality of life for all Vincentians. It comprises the following elements as seen in Figure 1.1:

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FIGURE 1.1: ELEMENTS OF THE VISION



These goals are fundamental for achieving national development in general and improved quality of life in particular. In addition, the Plan incorporates all dimensions of the development paradigm (economic, social, environmental, political, cultural and institutional) into an integrated policy agenda.

The fourth relates to the negative impacts of climate change and the country’s increased vulnerability to natural disasters. These have caused St. Vincent and the Grenadines to put measures in place to respond more effectively to these challenges.

This Plan takes into consideration the shortcomings of previous development plans and undertakes an analysis of development plans for the period 1947 -1995.

1.1 CONTEXTUAL FRAMEWORK

A number of unprecedented and fundamental changes have occurred, impacting on the economic, political and social environment. The first relates to changes in the banana regime. These have been fuelled by a long-standing World Trade Organization (WTO) challenge. This resulted in a decline in banana production from 80,000 tonnes in the 1990s to 18,000 tonnes in the 2000s. Second were the global, fuel and food crises of 2007-2009. Particularly, oil prices rose from US\$60 per barrel to US\$149.5. A third factor is the challenge faced by St. Vincent and the Grenadines in keeping pace with technological changes which impact significantly on the country’s competitiveness.

1.2 AN OVERVIEW OF PAST NATIONAL DEVELOPMENT PLANS

Development planning in St. Vincent and the Grenadines (SVG) can be traced back to 1947. National Development Plans during that era were initiated by the Colonial Office in 1945 and were designed to cover expenditure for a ten-year period (Dossier, 1959). This was the British Government’s prerequisite for its dependent territories to secure loans and grants. Seven Development Plans were prepared during the pre- and post-independence eras, five of these before, and two after Independence.

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Plan 1: 1947 - 1958

The pre-independence Plans (1947-1973) outlined the colonial administration's long-term objectives. The post-independence Development Plans served as road maps which plotted Government's objectives and strategies for attaining and fostering economic growth and development.

Plan 2: 1955 - 1960

Plan 3: 1963 - 1966

Plan 4: 1966 - 1970

Plan 5: 1969 - 1973

Plan 6: 1986 - 1988

Plan 7: 1991 - 1995

Plans closely followed those of the first two. These Plans were solely financed by external sources and failed to take into account the human, natural and financial capacity of the economy.

Plan 6: 1986-1988

The sixth National Development Plan, launched in 1986 with the theme "Growth, Diversification and Redistribution", had a three-year implementation target and focused on stimulating growth in the agriculture, manufacturing and tourism sectors. To achieve its objective, priority was given to institutional strengthening and provision was made for improving the efficiency of the Public Service through increased financial and non-financial incentives.

Emphasis was also placed on reducing the country's reliance on banana production and channelling resources to boost activities in other sectors, including tourism and education. Unlike the pre-independence Plans, the post-Independence Plans utilised annual budget exercises to project spending capability. The sixth Plan provided greater cohesion and linkages between the national development objectives and strategies. Implementation of the Plan was estimated to cost EC\$176 million, financed by a combination of grants, loans and revenue.

1.2.1 DETAILS OF THE DEVELOPMENT PLANS

Plan 1: 1947-1958

The first Development Plan was part of a series of Plans commissioned after the Moyne Commission Report was published in 1945. The Plan was divided into three parts, and its "Master Plan" included all existing schemes and other desirable projects for St. Vincent and the Grenadines. The second part, the "Practical Plan" set out the schemes that the planners hoped to execute within the Plan period with the resources made available through the Colonial Development and Welfare Act (CD&W). Interestingly, the third part of this Plan was the "Hypothetical Plan", which clearly was an attempt to identify what was possible, if all desired financial and other resources were made available.

Plan 2: 1955-1960

The second National Development Plan was launched in 1955 with a five-year target that envisaged the spending of about 954,000 Pounds Sterling on development and productivity enhancing projects. Financing of 62 percent of the Plan was met by the Colonial Development and Welfare Act (CD&W). The remaining 38 percent of planned expenditure was to be supplemented by loan funds. This implied that no portion of the Plan was met from local resources. The overall strategy promoted a development paradigm which was consistent with the British foreign policy.

Plans 3, 4 and 5: 1963-1973

With varying costs, the guiding principles, objectives and strategies of the third, fourth and fifth Development

Plan 7: 1991-1995

Increasing output and improving productivity was the main goal of the 1991-1995 Development Plan. This Plan, with the theme, "Balanced Growth and Sustainable Development", placed significant emphasis, like the previous Plan, on agriculture, tourism and manufacturing. In an effort to attain the Plan's ultimate goal, the policies formulated for agriculture were designed to stimulate and promote diversification "around" bananas. The strategy for the manufacturing sector focused on policies for promoting private sector investment through fiscal incentives. Regarding tourism, emphasis was placed on the provision of infrastructure for tourism promotion, catering particularly to the up-market segment. Human resource development was also seen as fundamental to sustained growth. As a consequence, provision

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was made for the establishment of an Administrative Reform Unit and Project Coordinating Unit to monitor and manage the public sector investment programmes. Implementation of the 1991-1995 Development Plan was estimated to cost EC\$271.4 million. Of this, 36 percent was to be financed by local revenue, 32.5 percent by domestic loans and 31.5 percent from external sources.

1.2.2 SHORTCOMINGS OF PAST DEVELOPMENT PLANS

The pre-independence Development Plans had a number of inconsistencies. First, the objectives did not match the national sectoral priorities. This gave rise to financial anomalies since the cost of development was underestimated, given that a number of critical sectoral interventions were omitted in the planning process. In addition, the entire responsibility for national development resided in the public sector. The planners failed to recognise and incorporate policies that encouraged private sector involvement.

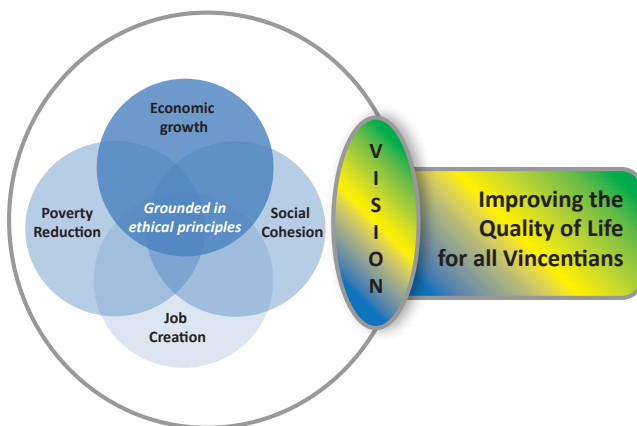
Annual budgeting exercises, formulating the National Development Plan from sectoral plans and incorporating policies to facilitate private sector involvement were seen as solutions for addressing the main weaknesses of the pre-Independence Development Plans. These solutions were considered by those preparing the post-Independence Development Plans but in themselves presented challenges of a different nature. Specifically, in the long-run, unemployment increased, tax revenues did not increase significantly and firms repatriated their earnings as well as their original investments. These challenges were attributed to the formulation of the policies embedded in the fiscal incentives and the Hotel Aid Act, among other factors.

1.3 THE 2013 – 2025 DEVELOPMENT PLAN

The aforementioned challenges require long-term planning focussed on economic growth, job creation, poverty reduction and social cohesion. The Plan advances a vision which *aims to improve the quality of life for all Vincentians*. It is within this context that this Plan is developed, presenting strategies that are

designed to accomplish this ultimate goal, as depicted in Figure 1.2.

FIGURE 1.2: THE VISION



1.3.1 INSTITUTIONAL ARRANGEMENTS

Overall responsibility for the preparation, development and production of this Plan lay with Central Planning Division (CPD) in the Ministry of Finance and Economic Planning. The National Economic and Social Development Council (NESDC) collaborated with the CPD in the production of the Plan. To further guide the process, two independent consultants were recruited.

1.3.2 PREPARATION PROCESS

Eight (8) Technical Working Groups (TWGs) were established to work on the following sectors:

1. Culture, Identity and National Pride
2. Economic Sector
3. Social Capital
4. Governance
5. National Security
6. Energy, Disaster Management and the Environment
7. Physical Infrastructure
8. Education, Telecommunications, Science and Technology

Public and private sector officials and civil society made up the Technical Working Groups. The mandate

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of the TWGs was to develop a strategic plan for their respective areas. Each working group appointed a chairperson and a vice-chairperson. The TWGs had the flexibility to co-opt additional members and formed sub-committees as deemed necessary.

1.3.3 METHODOLOGY

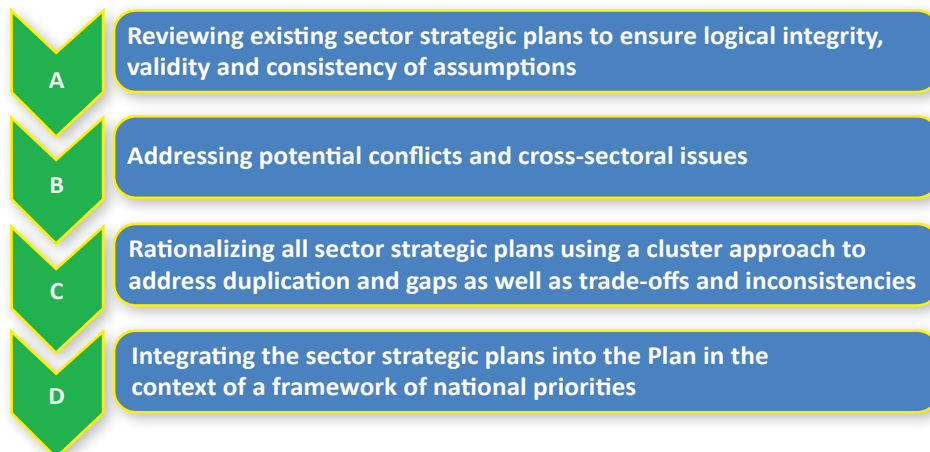
The methodology for formulating the Plan was hinged on the premise of inclusion and wide-ranging public participation. Accordingly, consultations were held in every constituency in St. Vincent and the Grenadines, thereby providing extensive opportunities for Vincentians at every level to make an input and to have a voice in the development process. It was felt

that this approach would lead to greater “buy-in” and a sense of ownership.

The consultative approach was not restricted to Vincentians living at home. Twelve (12) consultations were held with the Vincentian community in major Caribbean and international cities (see Appendix IV).

The consultations proved instructive, providing a number of suggestions, some of which have been incorporated in this plan. These consultations were quite beneficial to Vincentians in the Diaspora as they provided an opportunity to assist in charting the course of development in St. Vincent and the Grenadines. One of the main lessons learnt was that Vincentians living abroad were not only interested in how the country developed, but saw themselves as part of the process.

The 2013-2025 Plan was formulated using the process illustrated below:



In addition to the community consultations and the process, this Plan also drew from a wide range of planning instruments. These included national, sub-regional, regional and international plans/strategies, including the Organization of Eastern Caribbean States’ (OECS’) Charter, and its Growth and Development Strategy, Eastern Caribbean Currency Union’s (ECCU’s) Growth and Stabilisation Strategy, the Caribbean Single Market and Economy (CSME) framework, Millennium Development Goals and the Mauritius Strategy for Sustainable Development of Small Island Developing States (SIDS).



Photo 1.2: Consultations with Vincentians in New York

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1.4 THE PLANNING DOCUMENT

This Plan is organised around 5 Strategic Goals:

- (1) Re-engineering Economic Growth
- (2) Enabling Increased Human and Social Development
- (3) Promoting Good Governance, Citizen Security and Increasing the effectiveness of Public Administration
- (4) Improving Physical Infrastructure and Preserving the Environment
- (5) Building National Pride, Identity and Culture.

Re-engineering economic growth encompasses maintaining strong macroeconomic fundamentals, job creation and increasing productivity in tourism, agriculture, manufacturing, information technology and related services. The focus of Goal 2 is on developing the social sector through education and training, improved healthcare and lower levels of poverty. Goal 3 emphasises the necessity of good governance as an essential prerequisite of economic growth. Goal 4 addresses the need for optimal planning and environmental sustainability. Critical elements for nation building are articulated in Goal 5.

The remainder of the Plan is structured as follows:

Chapter 2 reviews recent international and regional economic developments, and positions the country in a global context. Major issues such as increasing energy

and food prices, and the financial crisis which affect most of the developed economies are highlighted.

Chapter 3 provides an economic and social review of St. Vincent and the Grenadines between 1999 and 2010. This review indicates that St. Vincent and the Grenadines experienced significant economic and social progress during the period, consistent with the reported findings of the International Monetary Fund¹, the Caribbean Development Bank² and Eastern Caribbean Central Bank³.

Chapter 4 presents a situational analysis of the country. It departs from the normal SWOT analysis and focuses instead on the strengths and challenges facing St. Vincent and the Grenadines. This analysis highlights the fact that issues of fundamental structural and social transformation must be addressed in order to achieve meaningful national development.

Chapter 5 introduces the five (5) strategic goals which were crafted in response to the challenges, while identifying the strengths which would facilitate realisation of the articulated vision.

Chapter 6 outlines sectoral objectives and strategies.

Chapter 7 briefly describes the process for implementing, monitoring and evaluating the Plan. It presents a multi-tiered approach to monitoring and evaluation of the Plan.

The document concludes with appendices and tables, including a Planning Matrix and other information. The Planning Matrix summarises the goals, national objectives, strategies and outcomes.

1 St. Vincent and the Grenadines: 2006 Article IV Consultation – Staff Report; Staff Statement; and Public Information Notice: IMF, Washington, DC.

2 Annual Economic Review 2007: CDB, Barbados

3 Annual Economic and Financial Review 2007: ECCB, St. Kitts

CHAPTER 2



CHAPTER 2: DOMESTIC, REGIONAL AND INTERNATIONAL CONTEXT

St. Vincent and the Grenadines is an archipelagic State in the Eastern Caribbean. The country is comprised of a main island, St. Vincent, and a chain of 32 islands and cays, the Grenadines, of which only seven are inhabited – Bequia, Mustique, Canouan, Mayreau, Union Island, Palm Island and Petit St. Vincent. The total area of the country is 150 sq. miles (389 km²) of which the main island is 133 sq. miles (344 km²). The country lies approximately 61° west and 13° north; it lies approximately 1,508 miles (2,427 km) south of Miami, Florida, 415 miles (667 km) north of Venezuela and 109 miles (175 km) east of Barbados. Figure 2.1 presents its location in the Caribbean.

FIGURE 2.1: GEOGRAPHIC LOCATION OF ST. VINCENT AND THE GRENADINES



Source: Paria Publishing Archive

The country has a territorial sea of 12 nautical miles and an Exclusive Economic Zone (EEZ) and continental shelf of 200 nautical miles. The marine space is over 70 times the land area. The terrain of the main island and several of the Grenadines is mountainous. Forests cover between 25 percent and 30 percent of the country.

The highest point on the main island is La Soufriere, at approximately 4,048 ft (1,234 m).

La Soufriere, a volcano, last erupted in 1979, damaging the agricultural sector and disrupting life, especially in the northern third of St. Vincent.

The country is a Small Island Developing State (SIDS) with all the inherent challenges, such as a narrow economic base and high vulnerability to external shocks and natural disasters. According to the 2011 United Nations Human Development Report ranking, St. Vincent and the Grenadines

CHAPTER 2: DOMESTIC, REGIONAL AND INTERNATIONAL CONTEXT

is recorded as having High Human Development. In the past, St. Vincent and the Grenadines relied almost exclusively on agriculture, but within recent times, tourism and related services, construction and other sectors have become increasingly important as contributors to the national economy. Although commerce is becoming more decentralised, the main area of economic activity is Kingstown, the capital.

St. Vincent and the Grenadines attained political independence from Great Britain on 27th October, 1979 and inherited a Westminster Parliamentary system of government. Queen Elizabeth II is head of state and is represented on the island by a Governor General, an office with mostly ceremonial functions. Executive control of the government rests with the Prime Minister and the Cabinet. The Parliament is a unicameral body with a 15-member elected House of Assembly and six appointed senators. The Governor General appoints senators, four on the advice of the Prime Minister and two on the advice of the Leader of the Opposition. The parliamentary term of office is 5 years, although the Prime Minister may call elections at any time. The Judiciary is rooted in the British Common Law. There are 11 courts in three magisterial districts, the High Court and the Eastern Caribbean Supreme Court. St. Vincent and the Grenadines is a member of the Caribbean Court of Justice (CCJ) in its original jurisdiction but has not signed on to the appellate jurisdiction. The final appellate authority resides in the Privy Council, housed in the United Kingdom.

The country is a Commonwealth member and a founding member of the Organisation of Eastern Caribbean States (OECS), whose members have a common currency and some common institutions (such as in civil aviation and the judiciary). On 18th June, 2010, St. Vincent and the Grenadines, along with the other OECS member countries,

signed the OECS Economic Union Treaty, thereby becoming a single economic and financial space. The country is also a member of the Caribbean Community (CARICOM) and the CARICOM Single Market. Members of CARICOM have functional cooperation in areas of trade negotiations, health, education, security and in the coordination of foreign policy. Following political independence in 1979, St. Vincent and the Grenadines became a member of various international organisations, including the International Bank for Reconstruction and Development (IBRD), the International Monetary Fund (IMF) and the United Nations (UN). The country also has membership in several other regional and international organisations including the Association of Caribbean States (ACS) and the Organisation of American States (OAS), the Community of States of Latin America and the Caribbean (CELAC), and the Alianza Bolivariana para los Pueblos de Nuestra América (ALBA).

WEATHER AND CLIMATE

St. Vincent and the Grenadines has a tropical marine climate characterised by a marked dry season, from mid-December to mid-May, and a rainy season from mid-May to mid-December. In the drier months, higher than normal atmospheric pressure results in dryness and drought conditions in coastal areas and the Grenadines. The wet season is characterised by tropical waves, depressions and hurricanes. Hurricanes are perennial hazards related to the atmospheric conditions of the region in the wet season. Temperatures average 27 degrees Celsius all year round due to the moderating influences of the ever-present trade winds. The diurnal range is about 3 to 5 degrees Celsius and widest in the dry seasons on account of cool nights.

Rainfall is highest in the north central portion of St. Vincent (150 inches) and decreases on the coast (about 60 inches). The leeward side of the island is in a “rain shadow” and shows marked variation in rainfall compared with the windward side. In the well-watered interior the water supply forms the basis of the country’s potable supply of water and for hydroelectricity power generation on the Colonarie,

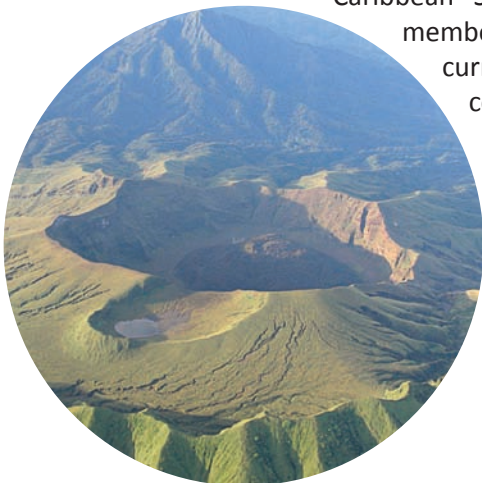


Photo 2.1: La Soufriere

CHAPTER 2: DOMESTIC, REGIONAL AND INTERNATIONAL CONTEXT

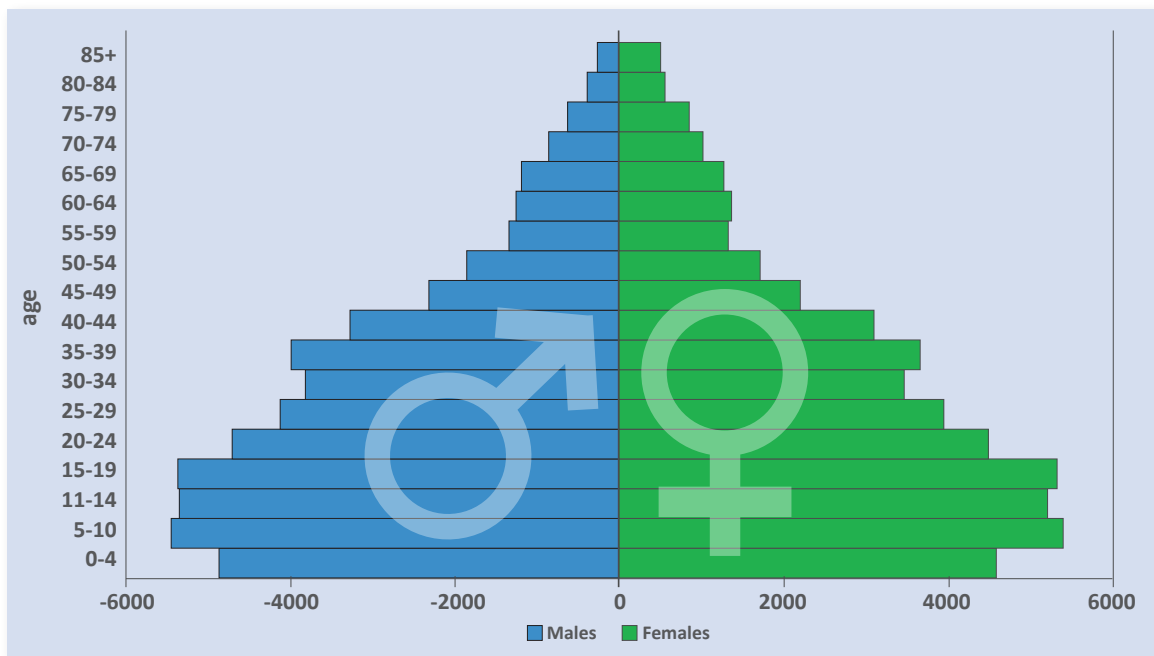
Cumberland and Richmond Rivers. In sum, the rainfall distribution is quite reliable on the mainland.

DEMOGRAPHIC FACTORS

Based on the 2001 Population and Housing Census Report, the population of St. Vincent and the Grenadines stood at 106,253. This represented a 0.2 percent decline from the previous census of 1991 of 106,499 persons. In 2001, the largest single group of the population (30.7%) was children under 15 years of age. Additionally, the sex ratio was 1:1.02, i.e. for every 100

females, there were 102 males. Subsequent mid-year estimates indicate that the total population declined by an average annual rate of 0.9 percent to 100,892 persons in 2009. These declines are attributable to an average annual reduction in the birth rate of 1.9 percent, accompanied by adverse net migration. Within every age group, with the exception of those 65 years and over, there were more males than females. The results for the 2012 Population and Housing Census are being tabulated but preliminary data estimate the population at around 108,570. The pyramid for 2001 is presented in Figure 2.2.

FIGURE 2.2: POPULATION PYRAMID (2001)



Source: Population and Housing Census 2001

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INTERNATIONAL AND REGIONAL DEVELOPMENTS

Within the period 2000 to 2010, the world's output grew by an average annual rate of 3.9 percent. Table 2.1 below indicates that industrialised economies grew at an average annual rate of 1.7 percent, developing countries grew on average by 6.5 percent and CARICOM countries grew at an average annual rate of 2.1 percent.

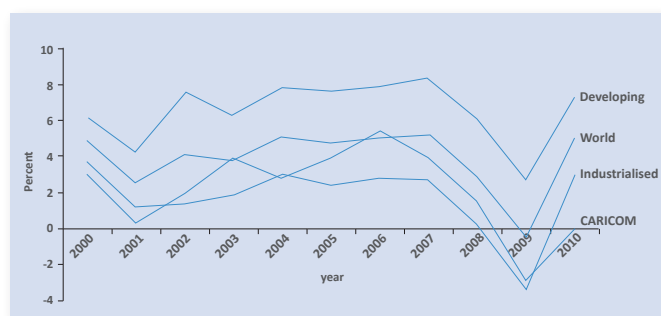
Table 2.1: World Growth Rates 2000-2010

Year	World	Industrialised	Developing	CARICOM
2000	4.8	3.7	6.1	3.0
2001	2.5	1.2	4.2	0.3
2002	4.1	1.4	7.5	1.9
2003	3.8	1.8	6.3	3.9
2004	5.1	3.0	7.8	2.8
2005	4.7	2.4	7.6	3.9
2006	5.1	2.8	7.9	5.3
2007	5.2	2.7	8.3	3.9
2008	2.8	0.2	6.0	1.5
2009	-0.5	-3.4	2.7	-2.9
2010	5.0	3.0	7.3	0.0
Average	3.9	1.7	6.5	2.1

Source- International Monetary Fund/UNECLAC

Table 2.1 also indicates that the best performing year during the period was 2007, during which the world economy grew by 5.2 percent, led by an 8.3 percent growth in developing countries. Figure 2.3 presents the comparative performance.

FIGURE 2.3: WORLD GDP GROWTH (2000-2010)



Source: International Monetary Fund

Notwithstanding, this year also saw the beginning of three crises: an energy crisis, a food crisis and a financial crisis. With respect to the energy crisis, the price per

barrel of oil on the world market rose continuously from approximately US\$55 in January 2007, and peaked at US\$147, in July 2008. This was amid contracting supplies and price gouging by oil exporting countries.

Food prices were also on the rise and between January 2007 and July 2008, the prices of basic commodities such as rice and wheat rose by 144 percent and 67 percent, respectively. While increasing demand prolonged the upward trend in food prices, lessened supplies initiated this crisis. In some countries, this was exacerbated by adverse weather conditions that affected agricultural supplies. Compounding this problem were increasing demand pressures from hitherto self-sufficient countries. Through international trade, the upsurge in inflation spread from country to country.

Rising oil and food prices proved favourable for net exporters of these commodities, who benefitted from current account surpluses and mounting foreign exchange reserves. These reserves were often held in US securities, as a deliberate ploy to prevent the appreciation of their respective currencies, and to further stimulate growth of exports. Initially, the US securities companies were quite content to obtain these readily available funds through the sale of treasury bonds, which fuelled a credit boom. However, this bubble eventually burst as bond yields were reduced.

Loose regulations facilitated trouble-free sub-prime lending and innovative financing in the US banking industry, providing further fuel for the credit boom. As a result of access to easy credit, businesses and households often acquired substantial debt which became overwhelming in many cases. To compound this, a concurrent fall in property values stimulated a devaluation of assets posted as loan securities. As a result, the credit crunch was intensified as financial institutions began to face liquidity constraints. This crunch was further exacerbated by a depreciation of stock market assets. Consequently, several firms filed bankruptcy claims while foreclosure cases reached unprecedented levels.

Eventually, the credit crunch spread from the US to other countries and affected international financial markets. Consequently, central banks across Europe, Japan, the United States and other markets, injected heavily into their respective markets to increase

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liquidity, in an attempt to restore calm. The global economy experienced among other things, contracting output, unprecedented layoffs, resultant severe unemployment and weakened and collapsing financial systems compounded by tremendous uncertainty.

The crisis continued in 2008 and 2009. Against this backdrop, a G-20 summit⁴ was convened in April 2009 to propose measures to restore growth and prevent escalation of the crisis. Accordingly, several measures, as indicated in Box 2.1, were proposed.

⁴ A meeting of the world's 20 richest nations.

BOX 2.1: PROPOSALS FOR WORLD ECONOMIC RECOVERY

- Expand global fiscal financing by more than US\$2 trillion in an effort to stimulate growth and job creation.
- Disseminate loans to businesses as well as individuals who depend on credit in an effort to 'clean out troubled assets' that are causing liquidity problems in banks and other agencies in the financial system.
- Triple the IMF's lending capacity and promote lending by multilateral development banks. This is in an effort to bolster the declining markets in developing countries.
- Enhance trade financing in an effort to grow exports and create new jobs.
- Reform the financial regulatory system in an effort to reduce the abusive risk taking that may damage the financial system.
- Increase transparency and capital protections for financial institutions.
- Supervise all systematically important institutions, markets, products as well as hedge funds. In the process the nations would:
- Blacklist financial systems and tax havens that fail to cooperate with the above-mentioned supervision.
- Re-establish the Financial Stability Forum with a stronger mandate.
- Reform and expand the IMF and World Bank in quest of making them more efficient, effective and representative.
- Administer financial assistance to countries that have suffered immensely in the crisis as well as vulnerable populations.
- Double support for food safety to over \$1 billion as a poverty reduction measure.

Source: G-20 Summit, 2009

In spite of these measures, the world economy worsened in 2009. That year was the worst performing during the 2000-2010 period. In that year, the world's economy contracted by 0.5 percent, influenced by a 3.4 percent contraction in advanced economies. This contraction adversely impacted the volume of world trade.

According to the World Trade Organization (WTO), the volume of world trade fell by 12.2 percent in 2009. This was partially due to weakened demand from most advanced countries, where the volume of imports fell by 12 percent. The hardest hit region was that which includes the Commonwealth of Independent States, Africa and the Middle East. In the first quarter, their merchandise exports were 45 percent lower than the same period in 2008.

In 2010, world output grew by 5.0 percent, despite low consumer confidence and household incomes in

advanced economies. This growth in world output was influenced by a 7.3 percent growth in emerging and developing economies, occasioned by increased investments. These investments stimulated job creation, positively impacting household consumption in the process. In spite of low demand for imports in advanced economies, strong domestic demand in emerging and developing countries occasioned a record 14.5 percent rise in global trade, surpassing the peak levels that existed in 2008.

Notwithstanding the apparent recovery, fears abounded that the global economy was heading for a double-dip recession, as the recoveries were financed by government-funded fiscal stimuli that created, and in some cases worsened, fiscal deficits. Financial volatility intensified as evidenced in the rattling of the banking sector in the euro area.

CHAPTER 2: DOMESTIC, REGIONAL AND INTERNATIONAL CONTEXT

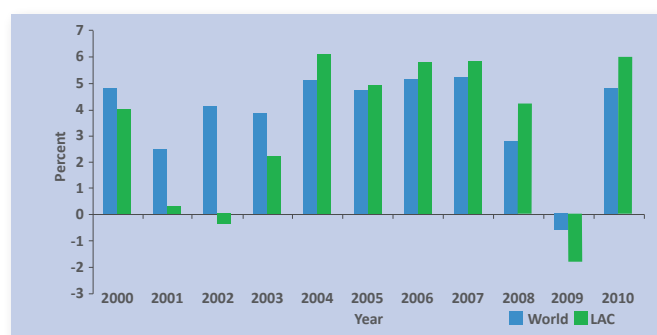
2.1 LATIN AMERICA AND THE CARIBBEAN

The economies within the Latin America and the Caribbean region grew at an average annual rate of 3.4 percent, during the 2000-2010 period as seen in Figure 2.4. High international growth rates boosted the region's exports, consequently stimulating economic growth. Figure 2.4 indicates that 2002 and 2009 deviated from this growth trend. This is associated with a decline in demand for services, consequent upon the September 11th 2001 terrorist attacks in the United States of America. The 2009 decline reflected a worldwide worsening of economic conditions discussed above.

Between 2000 and 2003, the economies of Latin America and the Caribbean grew at a slower rate than those of the rest of the world, as several countries experienced low and negative growth, through a general fall in export commodity prices (banana, sugar and coffee) and financial turmoil in Brazil (1998/99), and Argentina (2001). The region's economy rebounded and grew at a faster rate than the world economy from 2004 - 2008 as seen in Figure 2.4. Incidentally, those were the five highest growth years for this region within the 1998 - 2008 period.

In 2004, the growth performance was largely on account of two factors: (1) a shift in the geography of international aid and financial flows and (2) the strong reactivation of the United States' economy, which had positive effects on the region's trade. This continued into 2005. In 2006, the performance was largely attributable to increases in domestic demand.

FIGURE 2.4: ANNUAL ECONOMIC GROWTH RATES – LATIN AMERICA & THE CARIBBEAN VS THE WORLD



Source- International Monetary Fund/UNECLAC.

In 2007, high commodity price levels boosted the region's exports and ultimately GDP, so much so that for the first time in five years, the growth of GDP exceeded that of the volume of exports in 2007. Although the region experienced a great deal of volatility in financial markets, the crisis did not significantly impact the level of economic activity or international trade. In fact, most countries in the region continued to grow rapidly. The region on a whole grew by 5.6 percent in 2007, reflective of the growth in domestic demand especially in private consumption and gross capital formation. Inflation was estimated at 6.0 percent compared to 5.0 percent in 2006. In many instances, price level increases were combined with strong domestic demand. As a result, many countries opted to raise interest rates.

The slackening of growth in the world's economy did have some impact on the region's performance in 2008 and 2009. Estimates indicate that the LAC region posted a 4.1 percent growth rate in 2008, as compared with 5.7 percent the previous year, and then contracted by 1.8 percent in 2009.

In 2010, the economies within Latin America and the Caribbean recovered by 6.0 percent. This growth was influenced by the global recovery as well as the use of counter-cyclical policies among many of the countries within the region.

2.2 CARICOM

Growth in the world economy continued to have a positive impact on the Caribbean⁵ region. As a result, the region's economy grew on average by 2.2 percent per annum during the 2000-2010 period. On a whole, economic growth in the region has been fuelled by tourism, construction activity and remittances from abroad. The contribution of traditional activities such as agriculture has declined as a result of a fall in demand compounded by a fall in the region's export prices.

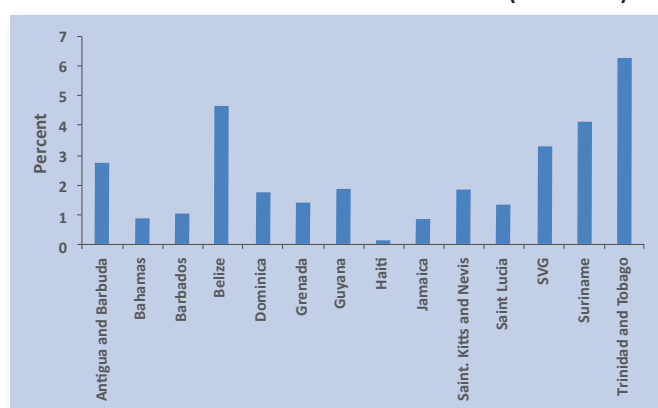
During this period, Trinidad and Tobago was the top performer, averaging growth of 6.3 percent per annum, fuelled by favourable growth in exports. Conversely, the weakest performer was Haiti, averaging growth of 0.1 percent.

⁵ Refers to countries listed in Appendix IX.

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The highest growth was recorded in 2006, led by phenomenal growth in the economy of Trinidad and Tobago (14.4%), as that country benefited significantly from increasing oil and export commodity prices. Antigua and Barbuda also recorded strong growth (13.3%) as a result of increased financial inflows from advanced economies. Figure 2.5 summarises this information.

FIGURE 2.5: AVERAGE CARICOM GROWTH RATES (2000-2010)



Source: UNECLAC

The weakest performing year was 2009, with a contraction of 2.5 percent as a result of the heightened global economic contagion. Only three (3) of the fourteen (14) CARICOM countries recorded positive growth, albeit minimal.

During the review period, the CARICOM sub-grouping was also influenced by the global arena. For instance, during 2001 and 2002, Caribbean economies were adversely impacted by the fallout from the September 11 attacks, resulting in slow growth. Between 2002 and 2006, food import prices increased by an average annual rate of 14.6 percent. This prompted advocacy for the use of what is called “*The Jagdeo Initiative*”.⁶ Elements of this initiative⁷ are highlighted in Box 2.2.

BOX 2.2: PROPOSALS FOR GROWTH OF REGIONAL AGRICULTURE

1. Redefinition of the agricultural sector to include the entire agri-product chain and the linkages with tourism and other economic activities;
2. Rethinking the importance of the regional markets, including the tourism and hospitality industries, and those markets made available through the CARICOM bilateral trade agreements;
3. Strengthening the region’s negotiating stance to secure the best conditions possible for production and trade;
4. Appropriate packages of support for both the traditional and new areas of production;
5. Policy reorientation fully grounded in the changed context for agriculture;
6. Institutional realignment, away from traditional structures and organisational forms, toward smart public-public, private-private and public-private sector partnerships and alliances;
7. Technological readiness to change existing structural systems and build flexibility and capacity to achieve product realignment and relevance within changing product preferences and to provide the critical supply side mass to deal with supply chain consolidation;
8. Physical and regulatory infrastructure underpinning the entire agri-food/product production, distribution and trade system to reduce transaction costs and facilitate expanded trade;
9. Human resource development, to facilitate the mastering of information and knowledge-driven practices.

6 In 2004, at the CARICOM Heads of Government Meeting, President Jagdeo of Guyana presented a paper called “A framework for the repositioning of Caribbean Agriculture”

7 Adopted from Private Sector Commission of Guyana Limited (2007), Technical Information Bulletin No. 8 October 2007, The Jagdeo Initiative.

CHAPTER 2: DOMESTIC, REGIONAL AND INTERNATIONAL CONTEXT

The Caribbean economies were also susceptible to economic shocks, as evidenced by the international economic fallout in 2009. This prompted a response measure by members of the Eastern Caribbean Currency Union (ECCU) in the form of the 8-point Stabilisation Plan. Box 2.3 highlights elements of the Plan.

BOX 2.3: ELEMENTS OF 8-POINT STABILISATION PLAN

1. Suitably adapted Financial Programmes for each country
2. Fiscal Reform Programmes
3. Debt Management Programmes
4. Public Sector Investment Programmes
5. Social Safety Net Programmes
6. Financial Safety Net Programmes
7. Amalgamation of the Indigenous Commercial Banks
8. Rationalisation, Development and Regulation of the Insurance Sector

CHAPTER 3



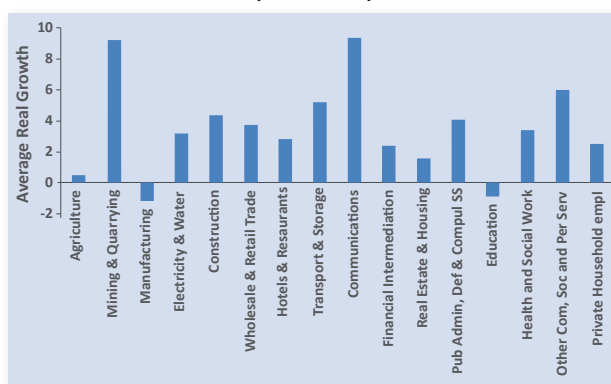
CHAPTER 3: THE DOMESTIC ECONOMY

3.1 ECONOMIC REVIEW (1999-2010)

3.1.1. AGGREGATE GDP GROWTH

The Real Gross Domestic Product of St. Vincent and the Grenadines was estimated at EC\$1.07 billion in 2000. It subsequently expanded at an average annual rate of 2.7 percent. During this period, the major performers were Communications, Mining and Quarrying, Transport, and Other Services. Manufacturing and Education experienced average negative growth while Agriculture realised average growth rates of 0.5 percent. The decline in Education was associated with the closure of the Medical College. Figure 3.1 presents this information.

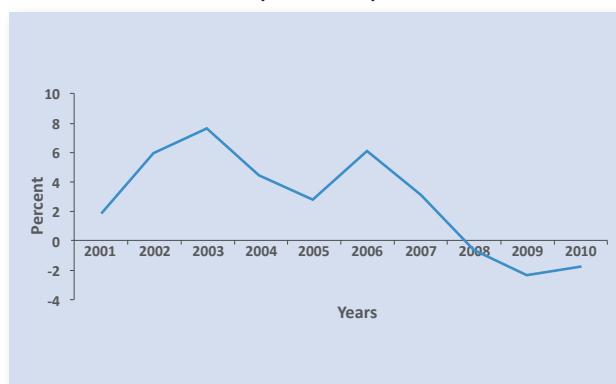
FIGURE 3.1: AVERAGE REAL GROWTH BY ECONOMIC ACTIVITY (2001-2010)



Source: Statistical Office, Ministry of Finance and Economic Planning

In 2001, the economy of St. Vincent and the Grenadines registered real growth of 1.8 percent. Thereafter, the economy continued to realise positive real growth up to 2008, with 2005 being the lowest (2.8%) and 2003 being the highest (7.6%) as can be seen in Figure 3.2. The performance in 2003 was influenced by a positive spill-off from the liberalisation of the telecommunications sector as well as activities in the hotel and restaurant and construction sectors. There was another peak in 2006 (6.0%), fuelled by activities in the Financial Intermediation, Communication, Hotels and Restaurants, Government Services, Wholesale and Retail Trade, Transportation and Construction sectors.

FIGURE 3.2: REAL GDP GROWTH RATE (2001-2010)



Source: Statistical Office, Ministry of Finance and Economic Planning

In 2008, St. Vincent and the Grenadines was affected by the global economic fallout. As a result, there was negative growth of 0.6 percent. Several sectors were adversely affected, resulting in declines. These include construction (10.3%), Hotels and Restaurants (5.5%) and Agriculture (4.1%). Despite the adverse economic climate, some sectors still managed to post growth. These are Public Administration, Defence and Compulsory Social Security (8.0%), Private Household Employment (9.4%), Wholesale and Retail Trade (3.9%), Communications (1.8%), Mining and Quarrying (5.1%), Real Estate and Housing (2.1%) and Health and Social Work (5.4%).

The economic turmoil continued into 2009 as the economy experienced negative growth of 2.3 percent. The major contributors to the contraction were Hotels and Restaurants which declined by

CHAPTER 3: THE DOMESTIC ECONOMY

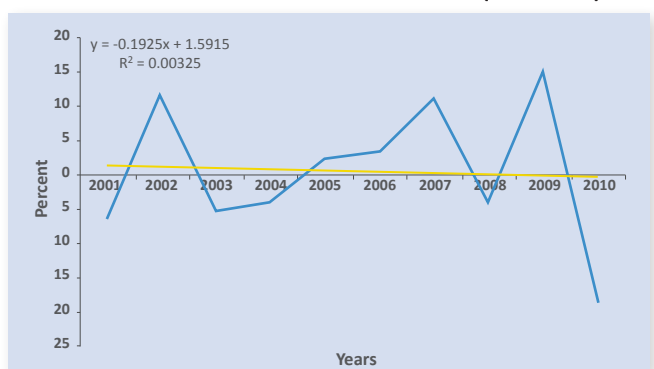
22.1 percent and Construction which declined by 8.3 percent. Manufacturing as well as Mining and Quarrying also experienced significant declines of 8.6 and 8.3 percent, respectively. Notwithstanding the prevailing economic conditions, some sectors posted positive growth. These included Financial Intermediation (1.4%), Health and Social Work (4.6%) and Agriculture (15.2%).

3.1.2. SECTORAL PERFORMANCE

AGRICULTURE AND FISHERIES

Although there was an average annual growth of 0.5 percent in the agricultural sector from 2001 to 2010, the performance of this sector fluctuated during that period. Its average contribution to GDP gradually declined from 2000 to 2006 and showed slight increases in 2007 and 2009. Bananas’ contribution to GDP declined from 2.6 percent in 2000 to 0.3 percent in 2010. ‘Other crops’ continued to be the largest contributor to the agricultural sector, moving from 42.0 percent in 2000 to 72.3 percent in 2010. Figure 3.3 seeks to establish the trend over time.

FIGURE 3.3: PERFORMANCE OF AGRICULTURE (2001-2010)



Source: Statistical Office, Ministry of Finance and Economic Planning

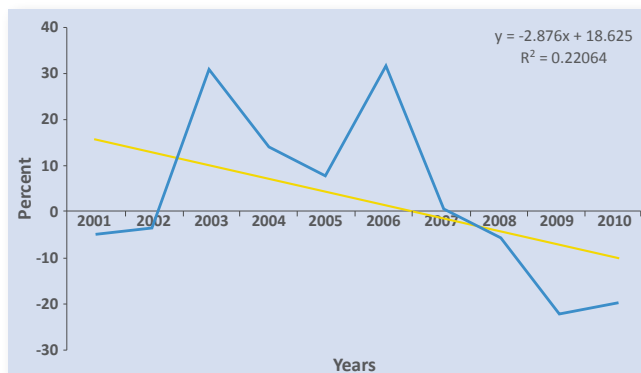
The weakest performance in the agricultural sector was registered in 2001 (6.6% decline). This decline was mainly on account of the fall in banana output and exports and a decline in the livestock subsector. The strongest performance was realised in 2009 (15.2% growth), as livestock and other crops sub-sectors grew by 56.3 and 3.7 percent, respectively.

TOURISM

Tourism as represented by the Hotels and Restaurants sector grew on average by -2.9 percent during the period 2001–2010. Performance was uneven with the sector experiencing high growth of 31.1 percent in 2003, increasing marginally to 31.3 percent in 2006. Marked negative growth of 22.1 percent and 20.0 percent was recorded in 2009 and 2010 respectively.

The sector registered contractions of 4.6 percent in 2001 and 3.2 percent in 2002, attributed to the fallout from the September 11, 2001 terrorist attacks in the USA. Stay over visitors declined by 3 percent in 2002, but increased by 20 percent in 2005. There was marginal growth in 2006 and 2007 of 1.3 and 1.7 percent, respectively. In 2008, there was a contraction of 2.7 percent. This sub-sector further declined by 10 percent in 2009. The downward trend is seen in Figure 3.4.

FIGURE 3.4: PERFORMANCE OF THE TOURISM SECTOR (2001-2010)

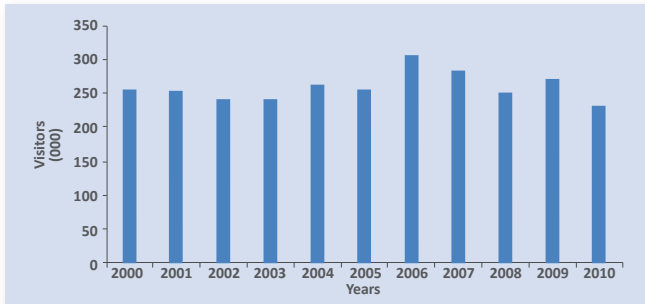


Source: Statistical Office, Ministry of Finance and Economic Planning

In 2000, total visitor arrivals stood at 256,040. This figure increased by an average annual rate of 0.5 percent from 2001 to 2010, with fluctuating performances between those years. The first period of decline occurred from 2001 to 2003, in wake of the September 11, 2001 terrorist attacks in the United States in 2001. In 2004, visitor arrivals showed recovery and then declined by 2.1 percent in 2005. The years 2006 and 2007 posted good performance as the world economy improved. Nonetheless, 2007 posted a 7.5 percent decline over 2006, as residents in source markets began to feel the effects of rising food and energy costs. Figure 3.5 graphs the arrivals data.

CHAPTER 3: THE DOMESTIC ECONOMY

FIGURE 3.5: VISITOR ARRIVALS



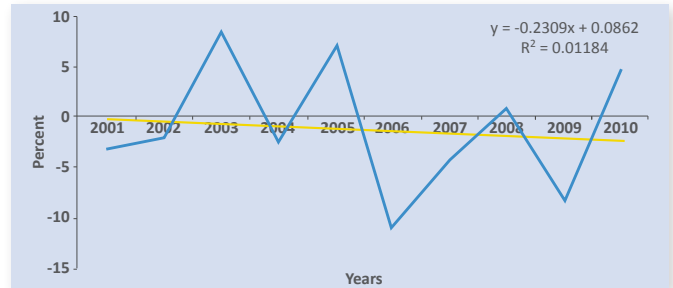
Source: Statistical Office, Ministry of Finance and Economic Planning

In 2008, visitor arrivals further declined by 11.9 percent, exacerbated by a global financial meltdown. Despite declines in stay-over, same-day and yacht visitors in 2009, an approximate 48 percent increase in cruise ship visitors was enough to affect an estimated 12 percent increase in total visitor arrivals over 2008. As in many countries across the globe, the tourism sector in St. Vincent and the Grenadines continued to feel the ripples of the global downturn during 2009. During the year, recession abounded in most major source markets. All visitor categories posted declines, with the exception of cruise ship visitors. However, visitor arrivals increased by 8.4 percent, attributable to a 28.1 percent increase in cruise ship visitor arrivals, as visitors opted for the cheaper alternative of short cruises than vacations in hotels. In 2010, visitor arrivals decreased by 14.7 percent as the stay-over, excursionist, and cruise ship subsectors declined by 3.9, 1.9 and 25.8 percent, respectively.

MANUFACTURING

Activities in the manufacturing sector declined on average by 1.2 percent annually, over the period 2001–2010, as the country grappled with high production costs and increased competition from regional and international producers. There was general decline in the sector during the period, with the exception of 2003, 2005 and 2010. The performance is seen in Figure 3.6.

FIGURE 3.6: PERFORMANCE OF THE MANUFACTURING SECTOR (2001-2010)

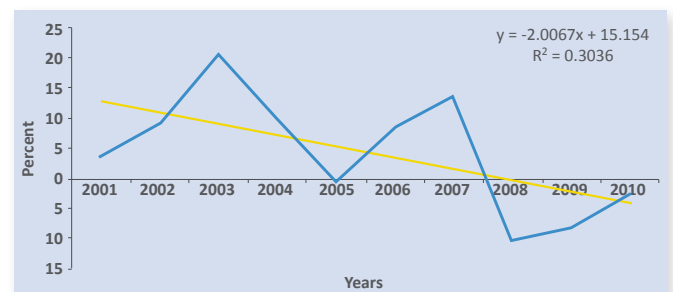


Source: Statistical Office, Ministry of Finance and Economic Planning

CONSTRUCTION

The Construction sector recorded an average growth of 4.4 percent over the period 2001–2010. The weakest performance in this sector (10.4% decline) occurred in 2008, reflecting a decrease in private investments following the global credit crunch. The sector’s strongest performance (20.6%) occurred in 2003. Between the period 2001–2004, the sector showed strong performances with average annual growth of 10.8 percent. It then declined by 0.5 percent in 2005. Overall cyclical movement is seen in Figure 3.7.

FIGURE 3.7: PERFORMANCE OF THE CONSTRUCTION SECTOR (2000-2010)



Source: Statistical Office, Ministry of Finance and Economic Planning

Construction activities showed a positive 13.0 percent growth during 2007, an improvement over the 8.6 percent growth recorded in 2006. This improvement was due to the effects of major public and private sector

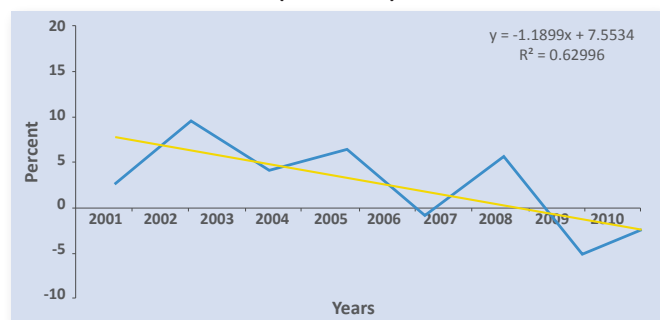
CHAPTER 3: THE DOMESTIC ECONOMY

projects. Among these, there were the Windward Highway Rehabilitation project, the upgrading of the Arnos Vale Playing Field, Canouan Airport Extension and private tourism-related projects.

FINANCIAL INTERMEDIATION SECTOR

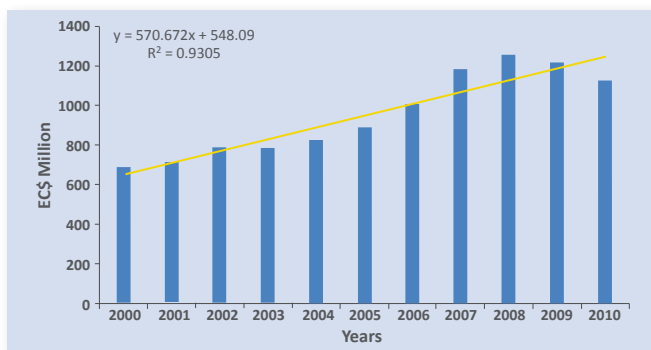
The Financial Intermediation sector grew by an average annual rate of 2.4 percent during the 2001-2010 period. Its contribution to GDP averaged 7.5 percent. In 2001 and 2003, liquidity in the commercial banks showed modest improvements, mainly on account of the decline in domestic credit. For instance, domestic credit decreased by 4.9 percent in 2003, compared with 14.0 percent decrease in 2002. In 2004, the loans to deposit ratio moved from 69.0 percent to 71.2 percent. Thereafter, the ratio increased on an annual basis, except during 2009 and 2010 as commercial banks sought to increase liquidity by reducing the amount of credit. Throughout the period, the commercial banking sector held enough reserves to meet normal demand for withdrawals, signalling ample liquidity. The performance of the various components of the sector is seen in Figures 3.8 to 3.12.

FIGURE 3.8: PERFORMANCE OF THE BANKS AND INSURANCE SECTOR (2001-2010)



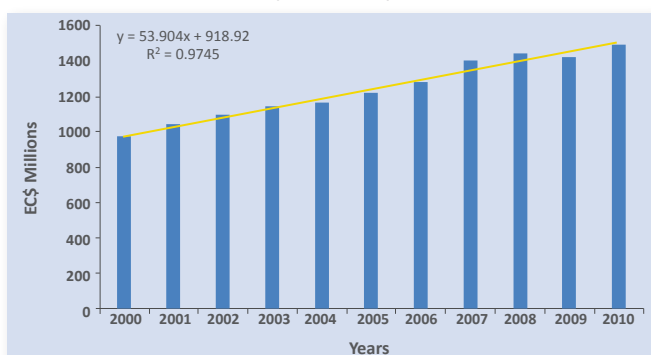
Source: Statistical Office, Ministry of Finance and Economic Planning

FIGURE 3.9: COMMERCIAL BANKS – TOTAL DEPOSITS BY DEPOSITORS (2000-2010)



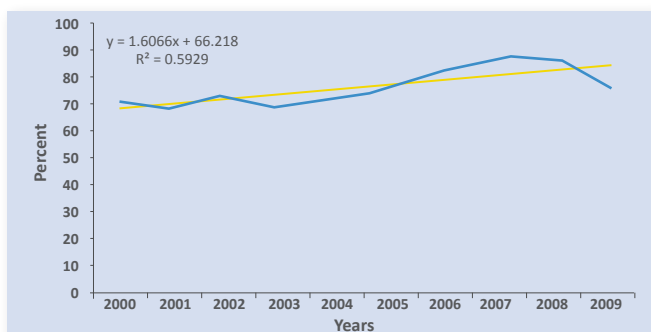
Source: Eastern Caribbean Central Bank

FIGURE 3.10: COMMERCIAL BANKS' TOTAL LOANS AND ADVANCES (2000-2010)



Source: Eastern Caribbean Central Bank

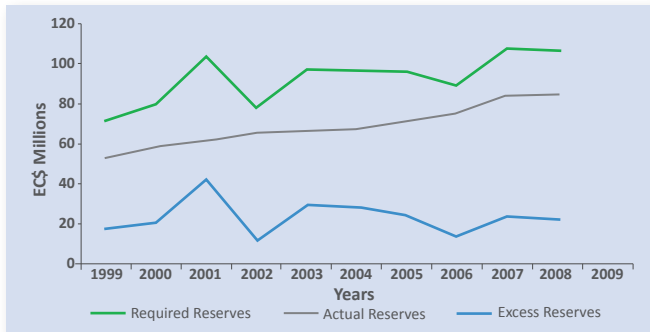
FIGURE 3.11: LOANS TO DEPOSIT RATIO IN THE BANKING SECTOR (2000-2009)



Source: Eastern Caribbean Central Bank

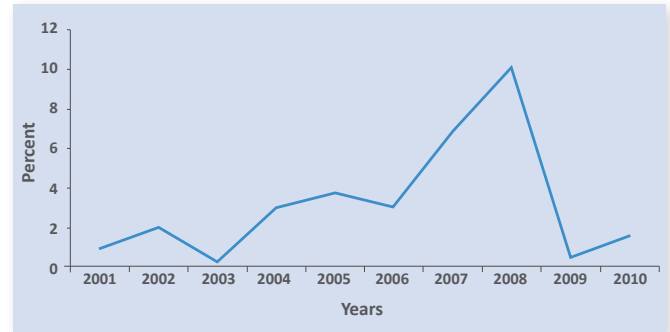
CHAPTER 3: THE DOMESTIC ECONOMY

FIGURE 3.12: COMMERCIAL BANKING RESERVES (1999-2008)



Source: Eastern Caribbean Central Bank

FIGURE 3.13: AVERAGE INFLATION (2001-2010)



Source: Statistical Office, Ministry of Finance and Economic Planning

3.1.3. INFLATION

On average during the period 2002–2006, the point-to-point inflation increased annually by 2.2 percent. During this time, the highest point-to-point inflation rate was recorded in 2005 (average of 3.8%). Groups influencing this increase were “Food” (5.9%), “Fuel and Light” (17.1%), “Alcoholic Beverages & Tobacco” (4.3%) and “Housing” (0.9%). The main food items that contributed to this upward movement in the index were chicken legs, full cream milk, cheese, tomatoes and carrots. The largest decrease in prices was registered in the group “Transport and Communication”, specifically the sub-group “Communication” recorded a 2.2 percent decrease. This decrease resulted from a lowering in the cost of telephone service.

The years 2007 and 2008 proved unorthodox, as record food and energy prices were experienced globally. Through the trade mechanism, these resulted in imported inflation. In 2007, the inflation rate stood at 6.9 percent occasioned mainly by a 9.4 increase in food prices and an 8.4 percent increase in fuel and light. While ‘fuel and light’ increased by 2.7 percent in 2008, ‘food’, the heaviest weighted category on the consumer price index (CPI), increased by 14.3 percent. Figure 3.13 reflects the average inflation rate for the period 2001-2010.

As a result, an average point-to-point inflation rate of 10.1 percent was recorded in 2008. In 2009, the inflation rate was 0.5 percent amidst a global reduction in both food and fuel prices. In 2010, inflation remained virtually unchanged before rising to 3.2 percent in 2011, and falling again in 2012 to 2.6 percent.

3.1.4. FISCAL OPERATIONS

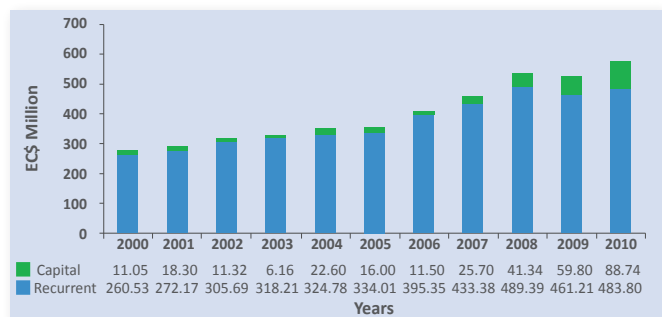
During the period 2000–2010, the Government of St. Vincent and the Grenadines maintained a relatively prudent fiscal policy stance. This is reflected by continuous growth in revenue (in all of the years except 2009), accompanied by contained expenditure. For the 2011 fiscal year, the Central Government’s fiscal position weakened when compared to 2010. Current revenue of EC\$462.48 million was 5.6 percent less than that of 2010. Current expenditure of \$495.19 million was 5.0 percent lower. The current deficit of EC\$32.7 million was 4.0 percent more than that of 2010.

REVENUE

Total revenue grew by an average of 7.1 percent annually during the period 2000–2010. The largest increase was in the year 2006 (16.3%), while the most adverse change occurred in 2009 (-2.8%) as seen in Figure 3.14. In addition, Recurrent Revenue averaged 23.7 percent of GDP while Capital Revenue averaged 1.4 percent of GDP.

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FIGURE 3.14: TOTAL REVENUE (2000-2010)



Source: Ministry of Finance and Economic Planning

Recurrent Revenue grew on average by 6.1 percent annually during 2000 and 2010. In 1999, Recurrent Revenue stood at EC\$256.0 million (28.7% of GDP) and grew steadily by an average of 4.6 percent up to 2005, followed by a step increase in 2006 (18.9%). Normal growth resumed in 2007, followed by growth of 21.2 percent in 2008 mainly as a result of growth in receipts from taxes on international trade and on domestic transactions, as they both benefited by the Value Added Tax (VAT). Despite the global financial downturn, the preceding high import commodity prices proved beneficial to VAT receipts. In 2009 however, recurrent revenue declined by 5.8 percent. This reflected a fall in private consumption and capital formation, which, among other things, resulted from adverse speculation amidst the global financial crisis.

During the 2000-2010 period, the largest contributor to Recurrent Revenue was Taxes on International Trade (41.0%) followed by Taxes on Income and Profits (25.5%). These averaged 9.6 and 6.0 percent of GDP, respectively, as seen in Figure 3.15. Taxes on Income and Profits declined in 2001 and 2003 by 1.2 and 12.4 percent, respectively. These declines were all due to a reduction in revenue from corporation taxes.

Movements in taxes on international and domestic transactions were less uneven, declining only once during the period prior to 2009. Taxes on international trade declined by 7.2 percent in 2000 to EC\$102.4 million. This decline was mainly due to reduced receipts

from import duties and consumption taxes as a result of a fall in imports during that year. Taxes on Domestic Trade declined in 2002 by 4.2 percent as a result of falls in revenue generated from Consumption Duty (4.7%), Stamp Duty (17.3%), Hotel Tax (17.1%) and Interest Levy (5.0%).

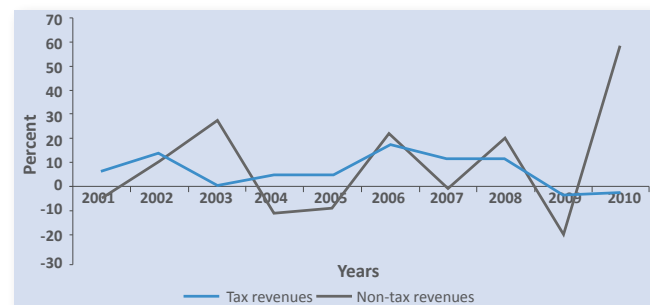
Recurrent revenue for the year 2010 increased by 3.7 percent to EC\$483.80 million when compared with 2009. This was due to a significant improvement in receipts from non-tax revenue including fees, fines and permits; interest, rents and dividends and other revenue. Other revenue increased significantly. This was due to the receipt of funding for budget support from the European Union, sale of Shares at the National Commercial Bank and proceeds from the sale of Special Drawing Rights (SDRs). Figures 3.15 and 3.16 reflect the revenue trends.

FIGURE 3.15: RECURRENT REVENUE AS A PERCENTAGE TO GDP (2000-2010)



Source: Ministry of Finance and Economic Planning

FIGURE 3.16: PERCENTAGE CHANGE IN RECURRENT REVENUE COMPONENTS (2001-2010)



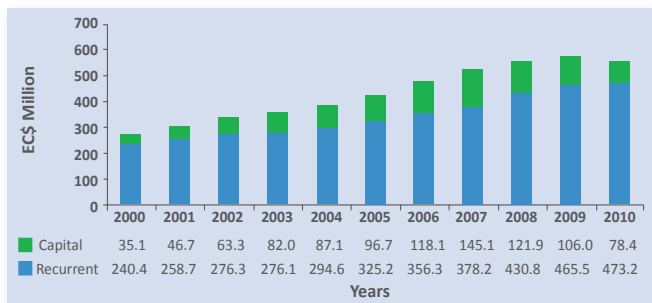
Source: Ministry of Finance and Economic Planning

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EXPENDITURE

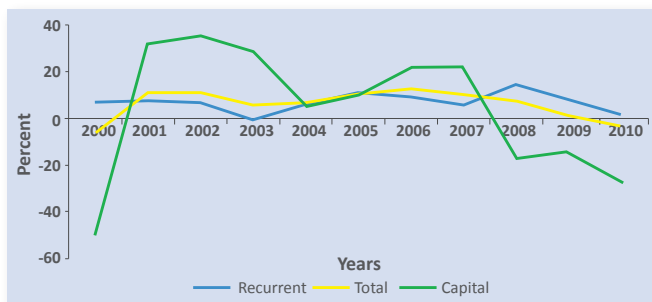
Total Expenditure increased by an average annual rate of 6.1 percent from 2000 to 2010. The largest increase occurred in 2006 (12.4%). In 2000, total expenditure declined by 6.3 percent. All of the other years during this period showed expenditure increases ranging from 5.4 to 12.4 percent. In this period also, Recurrent Expenditure averaged 21.8 percent of GDP while Capital Expenditure averaged 5.8 percent of GDP. Figures 3.17 to 3.19 show the expenditure patterns while Figure 3.20 summarises fiscal operations.

FIGURE 3.17: TOTAL EXPENDITURE (2000-2010)



Source: Ministry of Finance and Economic Planning.

FIGURE 3.18: PERCENTAGE CHANGE IN EXPENDITURE (2000-2010)



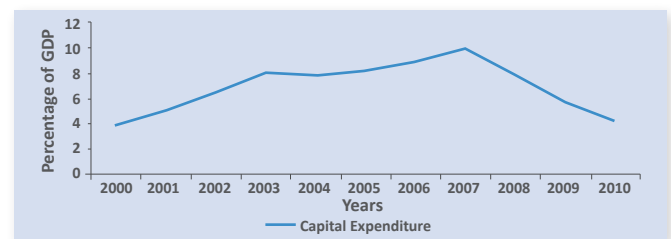
Source: Ministry of Finance and Economic Planning

In 2000, Recurrent Expenditure stood at EC\$240.4 million. This grew by an average annual rate of 7.1 percent up to 2008. During the period, the largest contributor was personal emoluments. In 2009, Recurrent Expenditure was EC\$465.5 million (29.6% of GDP).

In 2000, Capital Expenditure stood at EC\$35.1 million, or 7.7 percent of GDP. There was also average annual growth in this category of 5.1 percent during the 2000

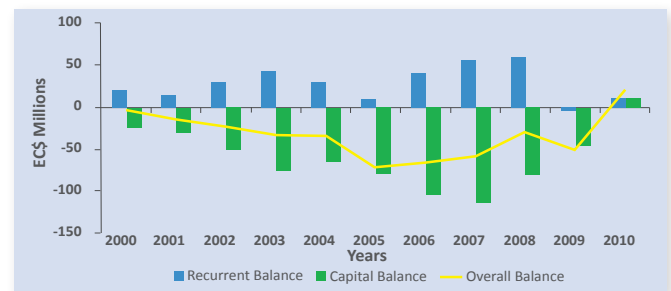
to 2010 period. There were reductions in the absolute expenditure by 48.9 percent in 2000, 16.0 percent in 2008, and 13.0 percent in 2009. With the exception of these years, Capital Expenditure grew annually by an average of 23.2 percent. Capital Expenditure fell by 39.7 percent in 2010. The Capital Expenditure for 2011 was EC\$72.52 million.

FIGURE 3.19: CAPITAL EXPENDITURE AS A PERCENTAGE OF GDP (2000-2010)



Source: Ministry of Finance and Economic Planning

FIGURE 3.20: FISCAL OPERATIONS (2000-2010)



Source: Ministry of Finance and Economic Planning

During the period, there was an average surplus on the Recurrent Account of EC\$29.4 million. However, there was an average deficit on the Capital Account of EC\$65.9 million. Consequently, there was an average overall deficit of the Fiscal Account of EC\$37.3 million.

With regard to the movement of the overall balance, there was an improvement in 2000, followed by a gradual decrease up to 2004. This was then followed by a drastic increase in 2005 mainly attributed to increases in personal emoluments and other expenditures on the Recurrent Account. The balance further improved in 2006 then declined in 2007, attributable to a 10.5 percent increase in personal emoluments accompanied by a 22.9 percent increase in Capital Expenditure. In 2008, there was a 47.3 percent improvement in the

CHAPTER 3: THE DOMESTIC ECONOMY

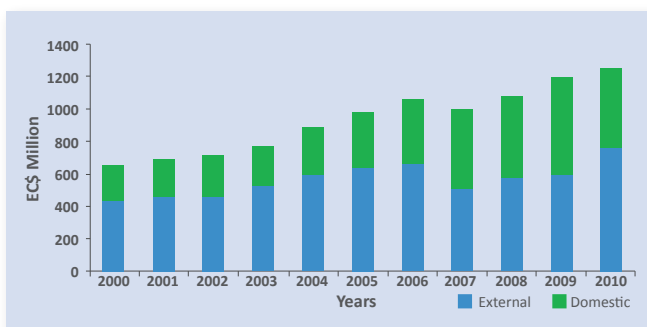
overall balance, as a result of a 16.0 percent reduction in Capital Expenditure with an accompanying 33.4 percent improvement in Capital Revenues on the one hand, and a 12.9 percent increase in Recurrent Revenues on the other. In 2009, there was a 62.4 percent deterioration in the overall balance, as the balance on the Recurrent Account, the larger component on the fiscal account, declined by 107.3 percent. It moved from a surplus of EC\$58.6 million in 2008, to a deficit of EC\$4.3 million, in 2009. The Capital Account improved by 42.7 percent.

3.1.5. PUBLIC DEBT

In 2000, the total outstanding public debt stood at EC\$649.6 million, of which EC\$432.2 million comprised external loans, and EC\$217.4 million was domestic loans. The debt stock then increased gradually up to 2004. At the end of that year, it increased by 13.2 percent, mainly as a result of bonds issued in 2004. In 2005 and 2006, the outstanding debt stock increased by 9.2 and 8.5 percent, respectively.

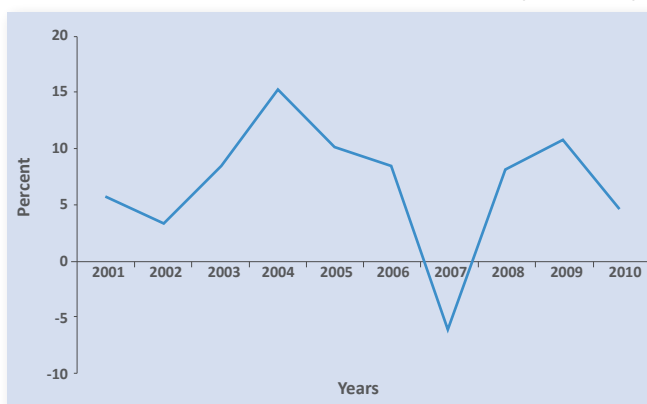
At the end of 2007, total public sector debt stood at EC\$991.4 million, comprised of external debt of EC\$511.83 million and domestic debt of EC\$479.5 million. This represented a reduction of 6.0 percent over the stock of EC\$1,054.7 million recorded at the end of December 2006, largely on account of the debt forgiveness associated with the Ottley Hall Shipyard Project. At the end of 2008, total public sector debt stood at EC\$1,072.6 million, comprised of external debt of EC\$566.0 million and domestic debt of EC\$506.6 million. This represented an increase of 9.0 percent over the stock of EC\$991.4 million recorded at the end of December 2007. In 2009, the debt stock increased by 7.3 percent from EC\$1,072.6 million to EC\$1,156.1 million. This represented external debt of EC\$588.9 million and domestic debt of EC\$597.4 million. At the end of 2010, total outstanding public debt stood at EC\$1,203.8 million, of which, EC\$753.7 million was external debt and EC\$488.2 million was domestic debt. This can be seen in Figures 3.21 and 3.22.

FIGURE 3.21: TOTAL PUBLIC DEBT (2000-2010)



Source: Ministry of Finance and Economic Planning

FIGURE 3.22: PERCENTAGE CHANGE IN PUBLIC DEBT (2000-2010)



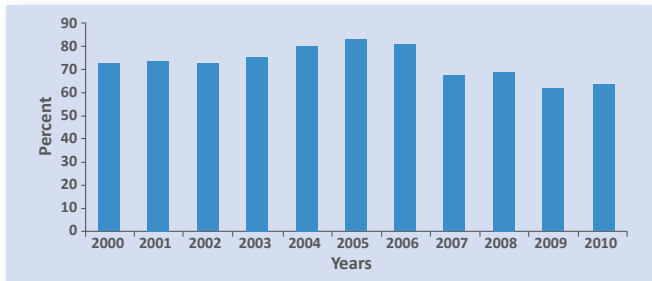
Source: Ministry of Finance and Economic Planning

DEBT TO GDP RATIO

In 2000, the debt stock represented 60.7 percent of GDP. Following this, there was a decline in 2001 and 2002, before increasing again in 2003, 2004 and 2005. After a strong economic performance in 2006, debt as a percentage of GDP declined to 63.9 percent. It further declined to 53.7 percent at the end of 2007, consistent with the aforementioned debt forgiveness. The Debt to GDP ratio then increased to 57.1 percent by the end of 2008, and further to 63.5 percent of GDP, in 2009. At the end of 2010, Debt to GDP ratio increased slightly to 65.5 percent. Figure 3.23 presents debt ratios for the period.

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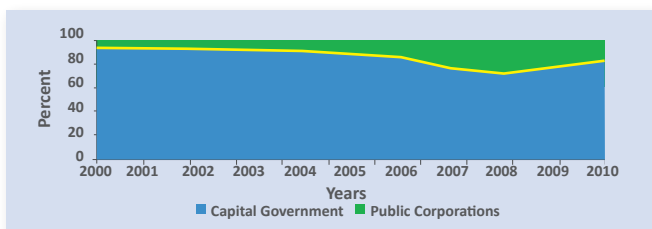
FIGURE 3.23: DEBT AS A PERCENTAGE OF GDP (2000-2010)



Source: Ministry of Finance and Economic Planning

Central Government continues to account for the greater proportion of the total public debt, averaging 86.0 percent during the period. In 2000, Central Government accounted for 93.5 percent of the outstanding debt, mainly as a result of the capitalisation of the Ottley Hall loan the previous year. This ratio remained virtually constant up to 2002, then gradually decreased up to the end of 2004. The rate of decline further increased slightly up to the end of 2006, following which there was a significant decrease. Figure 3.24 presents the picture.

FIGURE 3.24: PERCENTAGE CONTRIBUTION TO PUBLIC DEBT (2000-2010)



Source: Ministry of Finance and Economic Planning

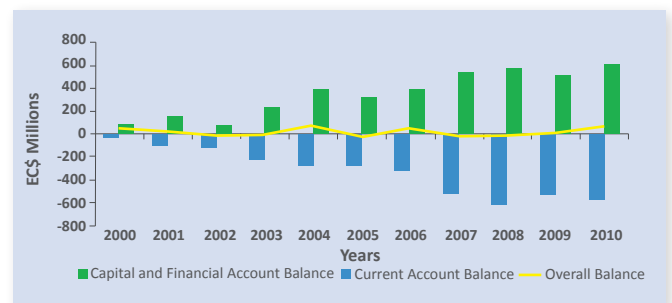
At the end of 2008, Central Government accounted for 75.2 percent of the total debt stock. At the end of 2010, Central Government accounted for 84.1 percent of the total debt stock.

3.1.6 BALANCE OF PAYMENTS

The overall Balance of Payments fluctuated during the period 2000 – 2010, from a deficit of 3.5 percent of GDP in 2000 to a surplus of 3.7 percent of GDP in 2010.

This movement was largely influenced by the widening of the Current Account deficit and the expansion of the capital and financial account surplus. During the period, most years recorded surpluses on the overall balance. The year 2004 registered the largest surplus on the overall balance of EC\$68.6 million (4.9% of GDP). Figure 3.25 presents the performance on the Balance of Payments while Figure 3.26 focuses on the Current Account.

FIGURE 3.25: ST. VINCENT AND THE GRENADINES BALANCE OF PAYMENTS (2001-2010)



Source: St. Vincent and the Grenadines Statistical Office.

FIGURE 3.26: CURRENT ACCOUNT COMPONENTS (2000-2010)

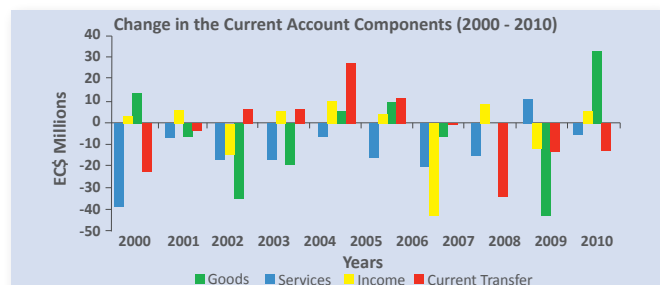


Source: St. Vincent and the Grenadines Statistical Office.

The Current Account deficit grew over the period. The deficit rose from 2.1 percent of GDP in 2000 to 30.6 percent of GDP in 2010. This outcome was largely attributable to the worsening of the merchandise account deficit, which rose from 20.0 percent of GDP in 2000 to 37.6 percent of GDP in 2010. Additionally, decline in net inflows from the services account contributed to this performance. Figure 3.27 shows the annual changes in the components of the current account.

CHAPTER 3: THE DOMESTIC ECONOMY

FIGURE 3.27: ANNUAL CHANGE IN THE CURRENT ACCOUNT COMPONENTS (2000 -2010)



Source: St. Vincent and the Grenadines Statistical Office

In 2010, the merchandise or *goods account* deficit amounted to 37.6 percent of GDP compared with a deficit of 36.0 percent in 2009. This performance mainly reflects increases in the level of imports of goods at f.o.b prices.

Net inflows from the services account fell during the period to 6.9 percent of GDP. This movement was mainly influenced by developments in the travel and government services sub-accounts. Net earnings from travel declined from 18.2 percent of GDP to 10.6 percent of GDP. This decline was accounted for by lower volume of total visitor arrivals. The global economic downturn contributed to declines in stay-over visitors, the largest spending group of visitors, as well as excursionists and yacht visitors. The government services net flows increased due to higher payments made by Central Government.

In 2010, the surplus on the Capital and Financial Account of EC\$604.8 million (33.5% of GDP) compared favourably with the surplus of EC\$519.96 million (29.1% of GDP) in 2009. The improvement in the capital account net inflows resulted from increases in capital grants from foreign governments and other donor agencies. Meanwhile, net inflows on the financial account expanded from EC\$ 373.52 million (20.8% of GDP) in 2009 to EC\$456.7 million in 2010 (24.7% of GDP). This expansion is attributed to higher inflows from foreign direct investment projects, mainly related to tourism development, increased equity inflows and land sales to non-residents.

In 2011, the Overall Balance on the Balance of Payment fell to a deficit of 3.3 percent of GDP compared

with a surplus of 3.7 percent of GDP in 2010. The Current Account deficit narrowed to 28.8 percent of GDP as a result of the improvement in the merchandise trade balance associated mainly with the decline in the levels of imports of goods, and the increase of the surplus on the services account. The surplus on the Capital and Financial Account deteriorated in 2011, representing 25.7 percent of GDP due to declines in net inflows on the Capital Account.

3.2 SOCIAL REVIEW

3.2.1 EDUCATION

Prior to 2001, the major challenges in the Education Sector were under-coverage of early childhood education, low Common Entrance pass rates, and inadequately trained teachers in the primary system. In the secondary and post-secondary systems, restricted access featured as the main obstacles to development.

During the last decade, 2001 to 2011, revolutionary changes were implemented in the education sector under the fundamental policy of ‘No Child Left Behind’.



Photo 3.1: Early Childhood Education

Reflecting this policy, expenditure in education has consistently been a significant proportion of the national budget. During the period 2000–2010, education represented on average, 16.8 percent of the total budget allocation, as shown in Table 3.1.

CHAPTER 3: THE DOMESTIC ECONOMY

Table 3.1: Central Government's Budgetary Allocation to Education – 2000-2010 (\$ millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Recurrent Budget allocated to Education	53.9	56.8	55.8	57.1	60.5	63.9	65.4	73.3	84.0	98.2	104.3
Capital Budget allocated to Education	19.5	23.2	24.9	20.4	21.5	30.5	23.9	28.8	42.5	24.3	25.3
Total Budget allocated to Education	73.3	80.1	80.6	77.6	81.9	94.4	89.3	102.1	126.5	122.5	129.6
Total Budget allocation	424.1	437.7	419.5	459.8	483.5	587.1	581.0	630.1	757.4	750.9	913.5
Percentage of Total Budget allocation	17.3	18.3	19.2	16.9	16.9	16.1	15.4	16.2	16.7	16.9	14.2

Source: Ministry of Finance and Economic Planning

This relatively high expenditure on education has provided the opportunity for sustained development in the sector, including increased avenues for training and enhanced quality of delivery. Most importantly, consistently high expenditure in the sector led to the achievement of universal access to primary and secondary education in 2001 and 2005 respectively. Universal early childhood education has been identified as a major thrust for social and economic development in St. Vincent and the Grenadines and is, therefore, given due regard in the Plan.



Photo 3.2: Early Childhood Centre, Troumaca Government School

Notwithstanding the attainment of universal access to primary and secondary education, there remain some challenges which, if not systematically addressed, may compromise the achievements of the established targets. Accordingly, this Plan recognises the need to ensure that universal access is accompanied by universal completion of quality education.

New challenges have also emerged at the secondary education level. In addition to the short-term surge in enrolment and the corresponding need for staff and physical space, strategic remedial interventions have become necessary to meet the requirements of students without the requisite academic foundation. Thus, the Plan foresees the implementation of support measures to avoid problems with poor performance and quality of delivery.

ACADEMIC PERFORMANCE

As a measure of the investment made in human capital, academic performance in general has shown marked improvements. Whilst there remains concern in specific areas, particularly performance at the primary level, St. Vincent and the Grenadines has had notable accomplishments in performance at the secondary and tertiary levels.

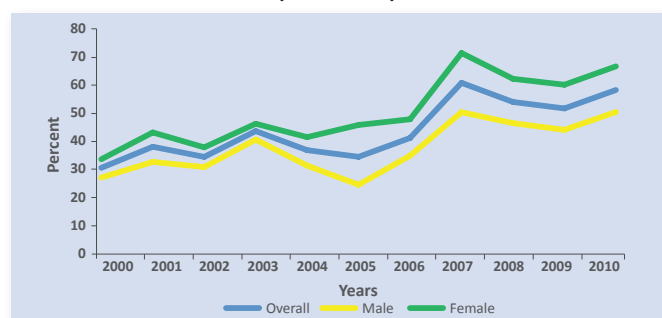
The main assessment tool for academic performance at the primary level is the local Common Entrance Exam

CHAPTER 3: THE DOMESTIC ECONOMY

completed by students at the end of their tenure in Grade Six. This exam also serves as the entrance exam to secondary level education. Data for the years 2000-2010 have shown a less than acceptable performance, with an average pass rate of 42.3 percent. There was some improvement, but more needs to be done: the pass rate improved from 31% in 2000 to 56% in 2013. To address this situation, this Plan envisages the continued and accelerated implementation of a targeted, deliberate, and wide-spread teacher training programme and other interventions.

As a first sign of encouragement, in 2007, the pass rate for the Common Entrance Examination rose to 60.1 percent and an above-50 average was maintained through to 2010. In 2009, 51.3 percent of students sitting these exams were successful. Girls consistently outperformed boys at these exams with an average pass rate of 47.7 percent for the period 2000-2010, (showing an improved average of 64.2% during 2007-2010). In comparison, boys showed an average pass rate of 36.7 percent for the entire period and 45.9 for 2007-2010. This can be seen in Figure 3.28.

FIGURE 3.28: PERFORMANCE IN COMMON ENTRANCE EXAMINATIONS (2000-2010)

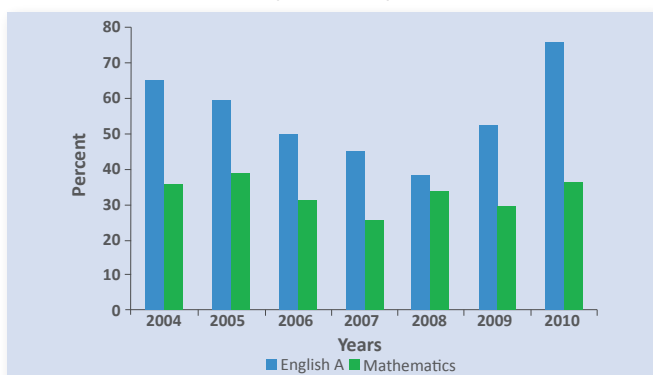


Source: Ministry of Education, St. Vincent and the Grenadines

At the secondary level, an assessment of academic performance could be gained from the regional Caribbean Examinations Council’s (CXC) Caribbean Secondary Education Certificate (CSEC) examination. During the period under review, entries at this level increased markedly from 7,210 in 2000 to 10,315 in 2010. Pass rates during this period were relatively stable ranging between 71 percent in 2000 and 72.6 percent in 2010.

Assessment of performance in the two core subject areas, English and Mathematics, provides further analysis on the effectiveness of the investment at this level. For the years 2004-2010, success rate for English Language stood at 54.9 percent. Mathematics remains an area of deep concern, with an average pass rate of 37.9 percent recorded for the same period: Figure 3.29 presents the comparative performance. The need to address this situation cannot be overstated.

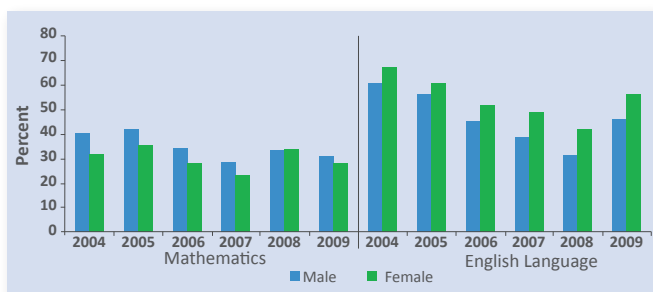
FIGURE 3.29: PASS RATES FOR CXC MATHEMATICS AND ENGLISH (2004-2010)



Source: Ministry of Education, St. Vincent and the Grenadines

It is also instructive to note the gender difference in performance for these two subject areas. For the years 2004-2010, male entries were outnumbered by female entries by a ratio of 1:1.6 for both Mathematics and English. While girls significantly outperformed boys in English by an average of 8.2 percentage points, boys performed better at Mathematics by an average of 4.7 percentage points. This can be seen in Figure 3.30.

FIGURE 3.30: PASS RATES IN CXC MATHEMATICS AND ENGLISH BY SEX (2004 -2009)

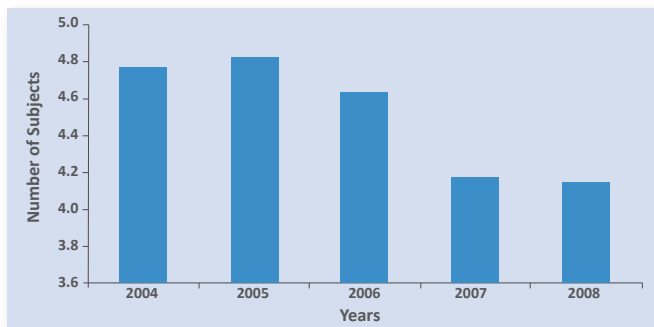


Source: Ministry of Education, St. Vincent and The Grenadines

CHAPTER 3: THE DOMESTIC ECONOMY

During the review period, the average number of passes obtained by each student declined slightly from 4.7 subjects in 2004 to 4.1 subjects in 2008, as can be seen in Figure 3.31.

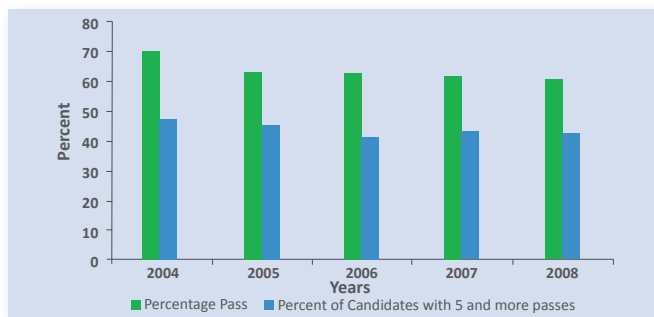
FIGURE 3.31: AVERAGE NUMBER OF CXC/O LEVEL SUBJECT PASSES PER STUDENT (2004-2008)



Source: Ministry of Education, St. Vincent and the Grenadines

However, these figures are above those of 2000, where on average, students gained 3.8 subjects. Further, the number of students obtaining five or more subject passes (often required for entry into the labour market and matriculation to higher level education) significantly increased. In 2000, 32.9 percent of students obtained a total of five or more subject passes. In 2008 this figure was 42.3. The more recent performance is shown in Figure 3.32.

FIGURE 3.32: PERCENTAGE PASSES AT CXC OR CSEC O LEVEL EXAMINATIONS (2004-2008)



Source: Ministry of Education, St. Vincent and the Grenadines

Analysis of results at the Advanced Level reveals that entries have tripled in recent years, owing in part to an increase in access to post-secondary education. In 2000, the number of subject entries was 364 while in 2010 this figure increased to 2,201 [inclusive of entries at the Caribbean Advanced Proficiency Examination (CAPE)]. The average pass rate during the period 2000 - 2010 (GCE A Levels) was 60.0 percent. As with performance at the CXC level, the number of students gaining the essential two Advanced Level passes (excluding General Paper) has increased in recent years.

Data indicate significant increases in the number of Vincentian students enrolled in degree programmes at universities and colleges in the Caribbean and elsewhere. At two campuses of the University of the West Indies, students from St. Vincent and the Grenadines constitute the second largest contingent, surpassed only by the respective host country. This Plan builds on these successes and aims to have on average, one university graduate per household.

3.2.2 HEALTH

Recent basic health indicators for St. Vincent and the Grenadines have been positive. Most notably, access to medical facilities is at a satisfactory level, with 95 percent of births being attended to by skilled personnel and 24 nurses registered per 1000 population (as at 2005). Particularly in infant and maternal health, expansion in primary health care coverage has brought this country on target to achieve Millennium Development Goal (MDG) Number Four, “Reducing Child Mortality” by 2015. There is full immunisation coverage for the under-5 age group and maternal deaths (per 1000) are negligible. Fertility rate is at a stable 1.8 children per woman with an average life expectancy at birth of 74.3 years, comparable to that of developed countries. The performance on key health indicators is summarised in Table 3.2.

CHAPTER 3: THE DOMESTIC ECONOMY

Table 3.2: Health Indicators

Indicators	Scores	Most Recent Year
Life Expectancy	72	2009
Infant Mortality Rate per 1000	16.8	2010
Maternal Mortality Rate per 1000	1.1	2010
Fertility rate (child/woman)	1.8	2008
Peri-natal Mortality rate per 1000	32.5	2010
Registered Nurses per 1,000 population	25.8	2010
Physicians per 10,000 population	6.6	2010
Immunisation Coverage in Infants < 1 Year:		2010
DPT	100%	
OPV	100%	
BCG	91.0%	
MMR	99.7%	
Hospital beds per 1000 population	2.8	2010
Births attended by Skilled Personnel	98.3%	2010
Total Expenditure on Health	\$55.4 m	2010
% Health Expenditure of GDP (factor cost in current prices)	3.7	2009
Calories consumed per day	2,660	2004
Population with access to drinking water(mainland)	96.0%	2008

Source: Ministry of Health and the Environment

Despite these positive indicators, St. Vincent and the Grenadines has recorded a rapid increase in lifestyle-related diseases over the past several years. These, primarily Chronic Non-Communicable Diseases are now the leading causes of mortality (accounting for more than 80 percent of deaths in 2004 in both males and females). Together with HIV/AIDS, Non-Communicable Diseases feature as the primary health threat to the people of St. Vincent and the Grenadines and the main focus of the sector. Although the social and economic impact has not been fully assessed, the financial burden alone is tremendous, with most human and technical resources being used in the treatment of these diseases.

These challenges are not confined to St. Vincent and the Grenadines but represent a wider regional problem. As such, there is collaboration with countries of the OECS and wider CARICOM region in attempting

to reverse these trends. Primarily, in the case of HIV/AIDS management, the region has been able to attract international assistance (financial, human and technical resources) from which St. Vincent and the Grenadines has benefited.

3.2.3 SOCIAL PROTECTION

Another indicator of social development in St. Vincent and the Grenadines is the measure of protection and provision of social services received by residents. The provision of basic services is satisfactory; 95 percent coverage in terms of electricity and potable water on mainland St. Vincent, and access to adequate shelter. However, more can be done regarding the protection available to the population. For that reason, appropriate assessments must be carried out on a regular basis to inform the requisite programmes.

Through several line ministries, an array of social assistance programmes is implemented to address vulnerability in the population. These include the Social Investment Fund,⁹ Basic Needs Trust Fund, Social Welfare Programme and the National Insurance Scheme Non-contributory programme among others. This Development Plan proposes measures to foster greater coordination and cohesion of these programmes.

3.2.4 POVERTY

St. Vincent and the Grenadines has traditionally been an agriculture-based economy. Over the review period, several developments on the international front, including WTO trading agreements and reduction in trade preferences, have adversely affected small primary producers seeking diversification and transformation of the economy (*Kairi 2009*). In 2003, the Government of St. Vincent and the Grenadines, in tandem with civil society developed an interim Poverty Reduction Strategy Paper (PRSP). Also, during the 2000-2010 period, St. Vincent and the Grenadines expended significant sums of money on programmes aimed at poverty reduction. According to Kairi Consultants in their Country Poverty Assessment 2007/2008 Report, there is clear evidence that St. Vincent and the

⁹ A programme funded by the EU, now discontinued.

CHAPTER 3: THE DOMESTIC ECONOMY

Grenadines has pursued pro-poor policies. The policies have produced programmes and activities that have benefited the poor significantly. As a result of these and other initiatives there has been a reduction in abject poverty and improvements in living conditions.

According to Kairi's assessment, the Poverty Headcount Index stood at 30.2 percent, down from 37.5 percent in 1996, while the Gini coefficient fell from 0.56 in 1996 to 0.41 in 2008, suggesting an improvement in income equality. The indigence level moved from 25.7 percent in 1996 to 2.9 percent in 2008. These achievements, particularly the latter must not be slighted. Although considerable progress has been made with respect to the reduction of abject poverty, the vulnerability levels remain a great cause for concern. According to the assessment, the vulnerability level, an index not produced in 1996, stood at 48.2 percent in 2008. The rural and banana farming population was identified as being at high risk and needing particular poverty reduction strategies. Other identified characteristics of the poor included large families and predominantly female single parent households.

St. Vincent and the Grenadines achieved MDG1 and WFO goal on under-nourishment, and with this ranks among the top 18 countries worldwide.

3.2.5 THE ELDERLY

St. Vincent and the Grenadines is conscious of the need for services, care and support for the elderly as more of the population ages. Accordingly, a Year of the Elderly was launched in 1999, through which several initiatives were implemented. Two day-care facilities for the elderly, dubbed "Golden Years Activity Centres" were opened in 2004 and 2005. In addition, the Ministry of Social Development instituted a Home Help for the Elderly Programme in 2002. A critical aspect of this programme included an extensive training component for the care-givers. In 2010, expenditure on this programme amounted to \$985,000. The programme employs 88 (eighty-eight) Help Providers and 2 (two) Supervisors who work with over four hundred (400) elderly country-wide.

3.2.6 GENDER AND DEVELOPMENT

One aphorism states that, "*If women are left out of development, half the world is left out.*" Whilst significant strides have been made in terms of women's participation in development in St. Vincent and the Grenadines, they remain among the most vulnerable and economically powerless. Indeed, 53 percent of the unemployed are young females. Interestingly, most senior public servants in St. Vincent and the Grenadines are females.

St. Vincent and the Grenadines has also signed a myriad of international treaties and conventions for the protection and empowerment of women. In support of these policy decisions, an important administrative change occurred in 2001, with the establishment of a Gender Affairs Division as opposed to a Women's Desk. This division also includes at least one male, recognising the need for gender harmonisation in dealing with gender issues.

In addition, the establishment of the Family Court (FC) in 1995 provided augmented support to females. Previously, women went to the Magistrates and High Courts or Social Services with their complaints of non-payment of family maintenance. With the institution of the Family Court, women now have improved avenue for recourse. Particularly in the areas of domestic violence, the FC has empowered women so that their voices can be heard and there is a place where their problems can be handled with confidentiality. The FC is set up "in camera" with only the key parties.

3.2.7 YOUTH AND DEVELOPMENT

Youth participation and contribution are integral to the future development of St. Vincent and the Grenadines. Over the period of review, youth have notably contributed to development, although the areas of contribution could be improved. Young people contribute to, and participate in, the political process of the State. Over the last two elections, their participation was assessed to be relatively high.

According to the 2001 Population and Housing Census, youth (individuals 15-29 years) made up 27.8

CHAPTER 3: THE DOMESTIC ECONOMY

percent of the total population. The census indicated that 12.7 percent of the unemployed fell in that group. Census data also revealed that in total, 38.6 percent of youth were unemployed, as can be seen in Table 3.3.

Youth unemployment, life skills and attitudes are a source of concern to society. As such, a National Youth Policy was developed and approved by Cabinet. This policy, among other things, promotes socialisation and the development of life skills among youths. It has also guided youth development programmes, including those administered by the Youth Affairs Division (YAD).

Table 3.3: Unemployed Youths 2001

Category	Number of Individuals
Youth unemployed	11,402
Total Youth	29,523
% Youth unemployed	38.6

Source: Population and Housing Census Report 2001

One of the major programmes managed by the YAD is the Taiwan-sponsored Youth Empowerment Service (YES) programme, which started in 2001. Beneficiaries are trained and then sent on attachments (ranging from 6-12 months) to various public and private organisations, where they receive on-the-job

training and a monthly stipend. Among the areas that participants are exposed to are: clerical duties; basic laboratory procedures; physiotherapy; dental care; child development; hospitality; radio and television broadcasting; plant propagation; personal development and many more. Upon completion of job training, participants receive a certificate. Many have since used these certificates to obtain jobs and gain entry into learning institutions. To date, over 3,000 persons were placed on job attachments under this programme. In 2005, over 950 persons benefitted from the programme, of which 650 were new applicants.

The Youth Affairs Division also hosts an annual youth conference. This provides an additional forum for interface between the target beneficiaries (youths) and policy makers. Out of this initiative, several targets were identified for youth development.

These included:

1. To enhance the educational and skills development of youth.
2. To promote and enhance the holistic wellness of youth in St. Vincent and the Grenadines.
3. To prepare youth for meaningful employment.
4. To integrate youth into national development, nation building and national service.
5. To improve the management of youth development initiatives.

CHAPTER 4



CHAPTER 4: STRENGTHS AND CHALLENGES

A SITUATIONAL ANALYSIS OF ST. VINCENT AND THE GRENADINES

4.1 STRENGTHS

Intrinsic to this strategic Plan, is the determination to make St. Vincent and the Grenadines a globally competitive State, propelled by the ingenuity and commitment of a productive citizenry. In light of this overarching objective, there is need to assess the strengths and challenges characterising this small State, an analysis which will no doubt provide the framework for action going forward.

Thus, regarding the existing developmental strengths, there is consensus that, if harnessed, these will allow for the realisation of growth and advancement. They may be placed into six broad categories as follows:

1. Macro-economic Stability
2. Political Stability
3. Social Stability
4. Effective Justice and Legal System
5. National and Citizen Security
6. Regional and International Solidarity.

Given the dynamics of the global socio-economic environment, some may take on greater or lesser importance as the situation dictates.

4.1.1 MACRO-ECONOMIC STABILITY

A stable macro-economic environment is pivotal to the goal of re-engineering growth as well as securing the fundamentals of social capital. The achievement of macro-economic stability in Saint Vincent and the Grenadines has been underpinned by monetary stability, fiscal prudence in Central Government operations, and a regime of low inflation.

4.1.1.1 MONETARY STABILITY AND STABILITY OF THE FINANCIAL SYSTEM

As a member of the Eastern Caribbean Currency Union (ECCU), St. Vincent and the Grenadines has shared the benefits with its other member countries of a stable monetary system. This derives in part from the fixed parity to the US Dollar which has been maintained since 1976.

4.1.1.2 LOW TO MODERATE INFLATION

St. Vincent and the Grenadines experienced fluctuations in its inflation rate between 2006 and 2011. The rate moved from 3 percent in 2006 to 10.1 percent in 2008, and was reduced significantly in 2011 to 3.2 percent. The fluctuations are attributed mainly to the movement of oil prices on the international market.

4.1.1.3 FISCAL PRUDENCE

St. Vincent and the Grenadines has maintained a manageable level of public debt. As at 2010, the Debt to GDP ratio was 62.9 percent.

4.1.1.4 GOOD INVESTMENT CLIMATE

The enabling framework includes enhancement in the use of ICT; improvement in air access, specifically the Canouan jet port; ease of doing business; fair, balanced and facilitating taxation regime, supported by sound economic and financial policies, law and order and political stability.

4.1.2 POLITICAL STABILITY

As a critical issue underpinning economic development, political stability is an important factor in attracting foreign direct investment and sustaining a reliable, transparent environment for doing business. The following positive factors characterise St. Vincent's political environment:

- St. Vincent and the Grenadines has a democratic political system which is based on free and fair elections.
- A stable political climate.

CHAPTER 4: STRENGTHS AND CHALLENGES

- An extensive bundle of fundamental rights and freedoms enforced through an independent court system.

4.1.3 SOCIAL STABILITY

The building of social capital and social solidarity promotes an environment in which the benefits of development can be widely shared throughout society in a more equitable manner. In view of this, concentrated efforts have been made to strengthen social cohesion.

EDUCATION

- Universal access to primary and secondary education. The latter was achieved in the 2005/2006 academic year.
- High percentage of trained teachers.
- Well-trained and educated workforce.
- Near universal access to early childhood education.
- Widespread access to post secondary and tertiary education.

HEALTH

There have been positive developments in health. These include:

- Full access to primary health care.
- Maternal deaths per 1000 are negligible.
- Less than 2 percent infant mortality rate.
- Average life expectancy at birth is 72 years (2009).
- Full immunisation coverage for the under 5 age group.

SOCIAL SECURITY AND COMMUNITY DEVELOPMENT

- Financially sound National Insurance Services (NIS).
- Extensive public assistance programmes for indigent and economically disadvantaged persons.
- Rich cultural heritage.

HOUSING

- A relatively high number of home owners.
- High quality housing stock.
- The Government facilitates the provision of affordable housing.

4.1.4 JUSTICE AND LEGAL SYSTEM

As a complement to political stability, the legal justice system provides the enabling framework for good governance and a secure business environment. The following factors indicate the breadth of the legal provisions in St. Vincent and the Grenadines:

- Membership in an integrated OECS legal system known for efficiency, transparency, and reliability.
- An independent and sound judicial system.

4.1.5 NATIONAL AND CITIZEN SECURITY

National security is intricately related to the development and maintenance of an environment for sustainable growth and confidence in social systems. St. Vincent and the Grenadines offers the following security features:

- A relatively safe place to live, work and raise families.
- Maintenance of law and order by the law enforcement and national security authorities.

4.1.6 REGIONAL AND INTERNATIONAL SOLIDARITY

St. Vincent and the Grenadines has extensive bonds of solidarity with other countries, regionally and internationally, and with a range of institutions/organisations, including CARICOM, OECS, the EU, ALBA, the UN, the Caribbean Development Bank, the Commonwealth Secretariat, the World Bank and the IMF. They provide vital solidarity and support in the development thrust of St. Vincent and the Grenadines.

CHAPTER 4: STRENGTHS AND CHALLENGES

4.2 CHALLENGES

St. Vincent and the Grenadines faces several formidable challenges, both internally and externally. Given the capacity of these challenges to easily erode the gains made and to undermine the achievement of the goals set forth in the Plan, it is imperative that they be effectively addressed. These challenges have been grouped into four categories:

1. Economic Challenges
2. Physical Constraints
3. Environmental Concerns
4. Social Infrastructure Challenges

ECONOMIC CHALLENGES

Within the economic arena, the challenges to be addressed include:

- Enhancement of our country's capacity to address more efficaciously, in our nation's interest, the country's external environment.
- Increasing opportunity as a member of the Commonwealth and several regional and international organisations such as CARICOM, OECS, ACS, OAS, CELAC, ALBA, UN and others.
- Change in rural social economy consequent upon a decline in the value-added in the banana industry.
- Impact of trade liberalisation and WTO policies.
- High vulnerability to external shocks such as global economic crises and volatility in oil prices.
- Strengthening of private sector capacity.
- Exploration of new market opportunities and broadening of the export base.
- Expanding hotel accommodation.
- Increasing the access to credit for agriculture and manufacturing ventures.

- Expansion of capital markets.
- Increased interest and participation in research and development.
- Improvement in data collection, production and dissemination.
- Small size and limited material resources.
- Susceptibility to natural disasters.

PHYSICAL CONSTRAINTS

The physical constraints affecting the proposed development goals within this Plan include:

- Under-developed physical infrastructure.
- Limited air and sea access.
- Inadequate collaboration with Eastern Caribbean Civil Aviation Authority to ensure compliance with regulatory standards.
- Insufficiently liberalised and modernised telecommunications sector.
- Inadequate and insufficiently maintained road network.

ENVIRONMENTAL CONCERNS

Addressing the following environmental concerns will be paramount in achieving the goals set forth in the Plan:

- Implementation of sustainable environment policy.
- Adoption of environmentally sustainable farming practices.
- Vulnerability to natural and man-made disasters.
- Impact of climate change on the economy.
- Need for strengthening of national capacity to respond to and mitigate disasters.
- Need to address issues of sustainable and renewable energy.

CHAPTER 4: STRENGTHS AND CHALLENGES

SOCIAL INFRASTRUCTURE CHALLENGES

The social challenges to be addressed are as follows:

EDUCATION

- Increasing interest and enrolment in Science, Technology, Engineering and Mathematics (STEM) in addition to English and other languages and Critical Thinking.
- Development of programmes to ensure that principals and teachers have the capacity to manage the schools and deliver curriculum through the integration of ICT.
- Reorganisation and improvement in the structure for Technical Vocational Education Training (TVET).
- Improvement in student performance, especially in critical subject areas and sustaining quality in universal primary and secondary education.
- Encouraging more responsible parenting.
- Facilitating quality teaching and leadership in schools
- Encouraging critical thinking.
- Inculcating values of our Caribbean civilisation within the context of universalism.

HUMAN RESOURCES

- Improving manpower planning.
- Increasing the cadre of persons with trained technical and vocational skills.
- Improving the work ethic and attitudes to work and production.

YOUTH

- Development of a comprehensive youth integration plan.
- Providing greater investment resources to facilitate youth development.
- Facilitating greater coordination of youth organisations/groups.

HEALTH

- Reduction in the incidence of non-communicable and lifestyle-related diseases.
- Improving access to tertiary health care.
- Decreasing the number of HIV/AIDS cases.
- Providing national health insurance coverage.

NATIONAL SECURITY

- Providing greater levels of human and financial resources to tackle crime more effectively.
- Providing resources to secure national borders.
- Challenges of Crime and Citizen Security

This assessment of the strengths and challenges characterising the development process in St. Vincent and the Grenadines makes clear the pathway of opportunity that must be seized. Fundamentally, the co-ordination of limited resources and the maximisation of efforts among all agencies involved will be imperative to achieving the goals as set out in this Plan.

PART TWO
STRATEGIC GOALS AND PLANS

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

This Plan envisages the continued development and strengthening of national institutions and the necessary technical and administrative capacity to deal with threats, in order to capitalise on opportunities presented. The vision set for St. Vincent and the Grenadines, and the proposed development strategies for the country will, if carefully pursued, lead to balanced, comprehensive and sustainable development.

Five strategic goals are advanced to realise the vision that has been articulated. These goals, under the theme, *“Re-engineering Economic Growth: Improving the Quality of Life for all Vincentians”*, are shown below:

THE FIVE STRATEGIC GOALS



FIGURE 5.1: STRATEGIC GOALS 2013-2025

Having set these five strategic goals, successful implementation depends on the allocation of financial, human and other resources. In working towards the achievement of these strategic goals, this Plan establishes that a collaborative approach with the private sector, civil society organisations (CSOs) and the Government is imperative. In so doing, clear responsibilities will be assigned to Ministries and Departments. Private sector and civil society institutions will be encouraged to conjoin the public sector in realising this national objective. Mechanisms will be devised to execute and to track progress against set targets.

In addition to this inclusive approach to the success of this Plan, an underlying assumption is that the OECS integration process will continue to be a vital component of St. Vincent and the Grenadines development agenda.

The remainder of this chapter presents the objectives, strategies and targets that will be pursued over the next thirteen (13) years to achieve each broad goal and consequently to realise the national vision. Each goal advanced is introduced by an overall position statement. This is followed by a presentation of the objectives, the strategic interventions or actions required and the expected outcomes of that particular goal.

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5.1 GOAL ONE: RE-ENGINEERING ECONOMIC GROWTH

Globalisation, economic liberalisation and the recent global financial and economic crises pose particular challenges to developing countries, including St. Vincent and the Grenadines. The more immediate effects are evident in the reduction of aid flows, the erosion of preferential access to traditional markets, the slowdown of Foreign Direct Investments FDIs, the drop in remittances, and the decline in tourist arrivals.

In addition, political, administrative and cultural constraints delay development in St. Vincent and the Grenadines. The Country has also had to cope with the ravages of disasters, both man-made and natural. As this Plan enters its finalisation process, the recent rise in oil prices and hikes in commodity prices especially for staple foods, have potential to further test the resilience of the economy.

In St. Vincent and the Grenadines, these impacts have been manifested in fluctuating growth rates over the five year period 2006 to 2010, ranging between a high of 6.0 percent and a low of -2.3 percent.



Photo 5.1: Construction Site - Argyle International Airport

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It is against this backdrop that this Development Plan advances a programme for re-engineering economic growth and fostering development by increasing productivity in agriculture, fisheries, tourism and related services. Developments in agriculture, fisheries and tourism will be augmented by human and social development particularly in health, education, improvements in the physical infrastructure, environmental preservation and the building of national

pride, identity and culture. These would facilitate the Plan's overarching vision of *"re-engineering economic growth: improving the quality of life for all Vincentians"*.

OBJECTIVES

Eleven broad objectives are identified in this Plan to re-engineer economic growth as outlined below:

STRATEGIC OBJECTIVES:

Goal One: Re-engineering Economic Growth



CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

OBJECTIVE 1.1: TO MAINTAIN STRONG MACROECONOMIC FUNDAMENTALS

The Government's macroeconomic framework will be designed to maintain long-term economic stability. Volatility in output, employment and inflation add to uncertainty for firms, consumers and the public sector, and reduce the economy's long-term growth potential.

In an increasingly integrated global economy, financial and economic instability in one region or country can easily lead to contagion, and as is the case of St. Vincent and the Grenadines, reduced growth. Flexible markets play an important role in dealing with these shocks, allowing the economy to adjust quickly and efficiently, with minimum impact on output and employment. A macroeconomic framework designed to maintain long-term stability is also critical in allowing the economy to adjust smoothly to global shocks.

While macroeconomic stability strongly influences the long-term growth performance of the economy, it should be seen in a broad context, since such stability entails more than just preserving price stability and sustainable fiscal balances. It is also about avoiding large fluctuations in economic activity. The recent financial crises underscore the importance of maintaining well-regulated domestic and regional financial systems.

Strategic Interventions 1.1

- Continue the implementation of sound fiscal and financial policies.
- Further strengthen tax administration.
- Reduce the debt to GDP ratio within acceptable prudential limits.
- Develop niche markets for new and existing exports.
- Maintain a stable currency within the Eastern Caribbean Currency Union (ECCU) and ensure efficacious regulation of the banking system.
- Reduce and maintain stable inflation rate.
- Increase employment opportunities.
- Strengthen linkages between productive sectors.
- Strengthen investment regime.
- Regulate all non-banking financial institutions.

Outcomes 1.1

- Increased national wealth.
- Investment base of the productive sectors is increased.
- Economic activity is increased as a result of a more equitable distribution of income and wealth in St. Vincent and the Grenadines.
- Jobs created.
- Poverty reduced, consistent with MDGs.
- Increased annual rates of returns from productive sectors.
- Debt to GDP ratio not exceeding 60 percent.
- The attainment of near to full employment.
- Average real economic growth in excess of 6.0 percent, annually.
- Minimum Central Government savings of 3.0 percent of GDP.
- Average annual inflation rate not exceeding 3 percent.
- An external current account deficit not exceeding 2.5 percent of GDP.
- Current revenue to GDP ratio of 30 percent.

OBJECTIVE 1.2: TO REVITALISE THE AGRICULTURAL AND FISHERIES SECTOR

St. Vincent and the Grenadines' economy remains significantly agrarian in nature in spite of the growth of the service sectors and the declining contribution of the banana industry. The agricultural lands and human capability are among the major resources available to boost economic growth. Agriculture is vital to achieve national food and nutrition security and hunger and poverty reduction, as enshrined in the first Millennium Development Goal. It is also critical in its potential for job creation.

During the Plan period, the strategic focus for agriculture will be to boost the sector's competitiveness and promote economic diversification. The small size of St. Vincent and the Grenadines, coupled with its mountainous terrain, restrict large-scale agricultural practices. Consequently, agriculture is practised on small holdings. Notwithstanding significant threats

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faced by small-scale farming, this Plan proposes that with the appropriate investment in modern technology and agricultural research, the agricultural sector can rebound.

In revitalising the agricultural sector, linkages with tourism and other sectors will be forged, thereby maximising its economic growth potential.

Strategic Interventions 1.2

- Stimulate private sector investment in the agricultural sector and encourage public-private partnership.
- Modernise, increase productivity, efficiency and competitiveness in the agricultural sector.
- Increase export market access for diversified agricultural produce.
- Improve the legislative and institutional framework to foster commercialisation of the agricultural sector.
- Encourage the facilitation of agricultural credit.
- Create an effective policy formulation mechanism and improve the policy framework for agricultural development.
- Promote the sustainable use of land, forestry and marine resources.
- Further develop the fisheries sector.
- Facilitate the commercialisation of the livestock sector.
- Expand agro-processing.
- Increase youth involvement in agriculture, especially through agricultural training and access to land.

Outcomes 1.2

- Increased yields and earnings.
- Improved food security.
- Increased market access for agricultural produce.
- Sustainable use of land, forestry and marine resources.
- Increased contribution of agriculture to the domestic economy.

OBJECTIVE 1.3: TO STIMULATE GROWTH IN THE TOURISM SECTOR

Declining economic activities in major source markets, rising cost of fuel, limited and often expensive air travel have negatively affected earnings from the tourism industry. Although St. Vincent and the Grenadines possesses certain advantages based on its exotic allure, specific actions are necessary for the success of the tourism industry while ensuring sustainability. The Plan outlines the following strategic interventions:

Strategic Interventions 1.3

- Increase the awareness of the value of the tourism industry in St. Vincent and the Grenadines.
- Fashion a comprehensive marketing strategy that capitalises on the diverse characteristics of the multi-island State.
- Strengthen sectoral linkages with tourism and other sectors of the economy.
- Increase capacity for tourism and the quality of tourism plant.
- Develop a more authentic tourism product that protects the environment and utilises as far as possible local inputs.
- Facilitate the development of quality small hotels and ancillary facilities by local entrepreneurs.
- Encourage viable FDIs in the tourism sector.
- Improve skills base.

Outcomes 1.3

- A flexible, reliable and responsive tourism industry.
- Increased awareness of the Vincentian cultural heritage.
- Increased tourism earnings.
- Increased employment opportunities for citizens.
- A competitive and viable tourism sector.

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OBJECTIVE 1.4: TO DEVELOP THE FINANCIAL SECTOR

Financial services are fundamental to economic growth and development. Banking, savings and investment, insurance, and debt and equity financing help private citizens save money, provide a buffer against financial shocks, and build credit. A properly functioning financial services sector also facilitates the start-up of new businesses, and promotes increased efficiency of existing businesses, thereby providing opportunities for them to compete in local and international markets. These services reduce vulnerability and enable better management of assets.

Strategic Interventions 1.4

- Develop and modernise the non-banking financial sector in the context of financial market efficiency.
- Expand the financial sector in keeping with international standards.
- Review legislative and institutional framework to facilitate further development of the international financial services sector.
- Expand the range of financial assets in which Vincentians at home and abroad can invest.
- Enhance the 'doing business' strategy for St. Vincent and the Grenadines.
- Actively encourage the amalgamation and strengthening of indigenous commercial banks.
- Encourage the growth of capital markets.
- Develop a financial literacy strategy.
- Develop new opportunities for SMEs to access credit.

Outcomes 1.4

- Tax revenues and foreign exchange inflows are increased.
- Increased ratio of domestic savings to GDP and investment.
- Substantial growth in the non-bank financial sector.
- A modern financial and capital market.
- Improvement in the range of financial services.
- Increased entrepreneurship.
- Boost employment opportunities.

OBJECTIVE 1.5: TO ENHANCE THE ROLE OF THE PRIVATE SECTOR AND MANUFACTURING IN



Photo 5.2: Local Enterprise

In St. Vincent and the Grenadines the private sector is characterised by a predominance of small and micro enterprises. Building on this reality, this Plan advances several strategic interventions aimed specifically at the development of small and medium-sized enterprises. Private sector development in St. Vincent and the Grenadines is constrained by inadequate technical capacity and 'know-how', institutional capacity of private sector associations, access to capital and timely and reliable business information.

Strategic Interventions: 1.5

- Implement the existing comprehensive policy framework to influence the private sector into more productive activities.
- Strengthen the institutional and regulatory capacity of public sector entities for promoting private sector development.
- Strengthen public and private sector partnerships.
- Promote innovation and productivity at all levels within the private sector.

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- Facilitate increased private sector representation in regional, hemispheric and global negotiations.
- Increase the use of ICT in private sector development.
- Promote improved access to affordable financing.

Outcomes 1.5

- A significant increase in the contribution of the private sector to the country's economic and social development.
- A vibrant private sector.
- Increased efficiency and competitiveness in the productive sectors of the economy.
- Enhanced quality of goods manufactured in St. Vincent and the Grenadines for both domestic use and export.

OBJECTIVE 1.6: TO ATTAIN A STRONG AND SUSTAINABLE EXTERNAL TRADE POSITION

Trade plays a significant role in St. Vincent and the Grenadines' economy. The country is fiscally dependent on international trade transactions for revenue. Earnings from exports are also vital for foreign exchange.

Against this background, export growth, particularly in the services sectors is key to its development prospects. The balance of payments data at Appendix VIII indicate that export volumes and revenue have slowed in recent years due, in part, to the erosion of preferences and increased competition from foreign suppliers. The strategic interventions and actions advanced in this Development Plan are focused on stimulating the growth of exports.

Strategic Interventions 1.6

- Develop and implement an export strategy in collaboration with regional and international trading agreements.
- Target niche markets for new and existing agricultural produce and manufacturing goods.
- Modernise and expand agricultural production

for export.

- Further develop the services sector.
- Promote the development and export of new types of services, in particular professional, cultural, sports, educational, health and other services.
- Promote the awareness and possibilities available for export under the Economic Partnership Agreement (EPA).
- Provide appropriate incentives to stimulate export development.
- Enhance the range and quality of goods manufactured in St. Vincent and the Grenadines for both domestic consumption and export.
- Improve institutional capacity in investment promotions.
- Safeguard intellectual property as far as possible.
- Establish a research-driven Market Institute to inform our export production thrust.

Outcomes 1.6

- Export strategy finalised and implemented by 2015.
- A significant increase in the penetration of new markets.
- Increased volume of exports.
- Increased foreign exchange earnings.
- An operational market intelligence system.
- Improve the level of agriculture contribution to trade.

OBJECTIVE 1.7: TO DEVELOP THE INFORMATION AND TELECOMMUNICATIONS SERVICES SECTOR

Advances in Information and Communication Technology (ICT) continue to transform business and society. Every aspect of human activity has been affected by the changes introduced through ICT. From this revolution has emerged the information economy – in which information is a critical resource and the basis for competition. The information economy creates both the challenge and the means for successful adjustment.

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Photo 5.3: Centre of Excellence Learning Institute

ICT also creates new possibilities for tackling problems of poverty, inequality, and environmental degradation. Successfully implementing technological changes will enhance the potential to achieve unprecedented gains in economic and social development. In keeping with this outlook, this Development Plan outlines strategic interventions which promote widespread growth in the ICT Sector in St. Vincent and the Grenadines. These interventions provide the impetus for the establishment of a “Knowledge-Based Society” for all citizens. To be successful, citizens should have access to the full range of information and communications technologies and capabilities, with the opportunity to apply them in their daily lives, including access to free on-line educational programmes, thus affording them the opportunity for life-long learning.¹⁰ As the global and regional economies continue to incorporate information as a fundamental resource, St. Vincent and the Grenadines’ economy must also adopt such knowledge-based features.

Strategic Interventions 1.7

- Formulate and implement a clearly focused national policy for information and communication technology interventions.
- Strengthen the regulatory framework of the information and telecommunications services sector.

¹⁰ With institutions like Harvard and MIT placing most of their tertiary programmes online and accessible to the world, citizens of St. Vincent and the Grenadines can avail themselves of opportunities to advance their education, whether or not to secure certificates for their efforts. See <http://mitx.mit.edu/>

- Explore opportunities offered by developments in information technology.
- Enhance inflows of technology into the economy through the use of knowledge parks and centres of excellence.
- Encourage and support the provision of requisite human resource development by both private and public sectors, and through opportunities for life-long learning provided by distance education.
- Continue to liberalise the telecommunications sector.
- Establish a comprehensive e-government system.

Outcomes 1.7

- Highly computer literate Vincentians.
- At least one computer in each household.
- Most adults engaged in adult education.
- An increase in the range of business enterprises utilising modern information and communication technology.
- Improved availability and dissemination of accurate and timely public data.
- Economic maturation of ICT by 2025.
- Improved incubators for ICT research and innovations.

OBJECTIVE 1.8: TO ENHANCE PRODUCTIVITY AND COMPETITIVENESS



Increasing the rate of economic growth implies an expansion in the quantity and quality of the goods and services produced by domestic economic agents. Unfortunately, entrenched in the social and cultural norms of the country, are many practices and attitudes that impede maximum efficiency and productivity in a commercial production setting. These practices and attitudes have persisted for many years and today pose

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a threat to economic advancement.

The potential benefits of the available development opportunities and the current capacity for undertaking these developments depend significantly on an improved work ethic and output.

Strategic Interventions 1.8

- Promote best practices and increase training opportunities to enhance productivity. Ensure that resources are channelled into the most productive activities.
- Reduce the costs of doing business in St. Vincent and the Grenadines by, *inter alia*:
 - improving energy efficiency;
 - increasing productivity;
 - enhancing efficiency in public delivery of doing business;
 - implementing a judicious mix of fiscal and monetary policies.
- Encourage more research and development.
- Facilitate the application of technology, the growth of e-commerce and the development of an appropriate regulatory environment.
- Expand social protection programmes for workers.

Outcomes 1.8

- A significant increase in the number of new enterprises established and licensed.
- A substantial increase in St. Vincent and the Grenadines' international price and quality competitiveness.
- A productivity institute established by 2015.
- Improved organisational performance.
- An improved labour environment that facilitates increased productivity and satisfaction.

OBJECTIVE 1.9: TO MAXIMISE BENEFITS THROUGH INTEGRATION INTO THE OECS ECONOMIC UNION, CSME AND GLOBAL ECONOMY

For CARICOM countries, regional integration has been identified as pivotal in responding to exogenous shocks, the effects of which are amplified on small and vulnerable island States. It is also a means to bolster bargaining power in trade negotiation. The CSME

continues to be the main platform for addressing the challenges of globalisation by creating the framework for increased competitiveness of goods and services.

The ability of the factors of production – goods, services, capital and people – to move freely across member States of the Caribbean Community, provides opportunities for investments and profits. By removing barriers to trade in goods and services and opening up new opportunities for CARICOM nationals, the CARICOM Single Market and Economy (CSME) will stimulate growth and add to the potential for international competitiveness of the CARICOM member States. This is necessary since the present global economic climate and new trading regimes demand that Caribbean countries, especially small island economies such as St. Vincent and the Grenadines, become more competitive in all their activities. The CSME and the OECS Economic Union will thus facilitate greater integration of St. Vincent and the Grenadines and other Caribbean economies into the global economy.

Strategic Interventions 1.9

- Maximise opportunities for the trade of goods and services within the OECS, CSME, the Americas, Europe and other regions.
- Continue to implement OECS and CSME provisions with the objective of creating a common market across the Caribbean.
- Encourage Vincentian businesses to establish strategic alliances to capitalise on market opportunities regionally and internationally.
- Clearly define and advance strong positions in support of the CSME in such negotiations as the FTAA, the ACP-EU, and the WTO.
- Encourage and support family-owned businesses to divest and enlist in the Regional Securities Markets.

Outcomes 1.9

- Improved capacity of St. Vincent and the Grenadines' firms to compete.
- Global networks and strategic alliances established.
- Increased movement of skilled labour.

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OBJECTIVE 1.10: TO BOOST ECONOMIC ACTIVITY IN THE CONSTRUCTION SECTOR

Construction is a major contributor to economic growth in St. Vincent and the Grenadines, and also a significant source of employment, with approximately 15 percent of the employed engaged in this sector. The sector generates considerable local value-added through the provision of local building materials and labour. This Plan proposes to boost activities in the construction sector through several strategic interventions.

Strategic Interventions 1.10

- Improve the physical infrastructure including roads, bridges and government buildings.
- Enhance training programmes for certification of skilled artisans.
- Strengthen cooperation with the private sector to encourage an apprentice system.
- Enhance the enabling environment for investment in the construction sector.

Outcomes 1.10

- Increased investment in construction.
- Increased employment for all Vincentians.
- Increased growth.
- Increased number of skilled artisans.

OBJECTIVE 1.11: TO OPTIMISE THE ECONOMIC CONTRIBUTION MADE BY OCEAN RESOURCES

The oceans deliver a broad range of services to the people of St. Vincent and the Grenadines, many of which have particular economic and social value. Of these, tourism, shipping and fishing play a dominant role in the economy. The area of marine waters under the jurisdiction of St. Vincent and the Grenadines is estimated to be 10,600 square nautical miles, over 70 times the area of land. The ocean therefore represents a significant opportunity for future sustainable economic growth. The full potential of oceans is not being realised. Barriers to realising greater opportunities and benefits need to be addressed so that the ocean can play a fuller, more central role in economic development.

Proper management and utilisation of St. Vincent and the Grenadines' oceans and coasts will contribute to the sustainable, 'Green' economy which is envisaged in this Plan. The establishment of an integrated ocean governance framework can address this need and responds to all five strategic goals outlined in this Plan.

Strategic Interventions 1.11

- Establish and implement a comprehensive integrated ocean governance policy.
- Strengthen the existing legal and institutional frameworks to encourage integrated approaches to marine management and to reduce environmental degradation.
- Identify economic priorities for future development of marine sectors/resources in St. Vincent and the Grenadines.
- Develop and employ methodologies for the economic assessment and accounting of marine resources.
- Increase public awareness with regard to ocean governance issues.

Outcomes 1.11

- Increased coordination of marine management among agencies.
- Enhanced economic contribution of existing marine-based activities.
- Increased trade and economic activity.

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5.2 GOAL TWO: ENABLING INCREASED HUMAN AND SOCIAL DEVELOPMENT

The attainment of a high level of human and social development fosters the climate necessary for promoting economic growth. As such, this Plan views human well-being as one of the principal goals of development and thus focuses on meeting the basic needs of citizens through improved living conditions and modern health and educational services. This involves the development of a skilled, enterprising and adaptable workforce through poverty reduction, improved access to quality education and training, including post-school access, improved health and housing, community development, youth empowerment and recreation and protection of vulnerable groups:

- **Poverty Reduction:** The 2007/2008 St. Vincent and the Grenadines Country Poverty Report indicates that there has been a drastic reduction in the level of abject poverty. Notwithstanding this, poverty in general remains high and its reduction is critical. This Plan accords high priority to poverty reduction and advances a comprehensive range of programmes to improve the plight of poor and vulnerable groups.
- **Education and Training:** St. Vincent and the Grenadines recognises that its most valuable resource is its people, and significant resources have been allocated for education and training. The proposals in this Plan build on the achievements already made and identify additional investments needed for human capital formation.
- **Health:** Access to good quality and affordable health care is considered fundamental, and this Plan proposes measures to ensure continued provision of these services. Focus is therefore placed on lifting the general health status of the population, and increasing life expectancy through the implementation of a wide range of programmes and the enhancement of existing programmes such as the “Wellness Revolution”.
- **Housing:** An improvement in living conditions is central to human development. Accordingly, emphasis will be placed on providing access to quality housing as a component of poverty reduction programmes.
- **Community Development:** At the community level, networks within and between various groups are vital to facilitate deeper interaction. Communities are complementary to the national development process and allow citizens to pool efforts and resources and reap the benefit of synergies.
- **Youth Empowerment:** Based on the 2001 Population and Housing Census, young people (under the age of 30) account for 58.5 percent of the population in St. Vincent and the Grenadines. With such a significant composition of the population, it is essential that youth development issues remain at centre stage. First, specific attention must be paid to the challenges facing Vincentian youth including unemployment, incidence of HIV/AIDS, drug and alcohol use, sexual and physical abuse, crime and general risk-taking behaviours that negatively affect our social and economic stability. Second, strategic and targeted programmes are recommended to provide the youth with the right tools for development.

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- Protection and Inclusion of Vulnerable Groups:**
 This Plan acknowledges that social development cannot be fully realised without the protection of the vulnerable groups in society. It is imperative that provision is made to protect the rights and meet the needs of special populations such as infants, the differently-abled, mentally ill, the elderly and other high-risk groups. Further, programmes should

facilitate the inclusion of these and other marginalised groups as they too, represent a productive capacity of the population.

OBJECTIVES

Eight broad objectives are identified in this Plan in respect of increasing human and social development, as outlined below.

STRATEGIC OBJECTIVES

Goal Two: Enabling Increased Human and Social Development



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OBJECTIVE 2.1: TO REDUCE POVERTY

Poverty is a multi-dimensional, complex phenomenon that needs to be addressed for the attainment of social and economic development. Evidence suggests that high levels of poverty impede economic growth. St. Vincent and the Grenadines has made significant strides in its poverty reduction initiatives and as a consequence, the incidence of poverty in 2007/08 was reported as 30.2 percent. This Plan advances proposals to address poverty reduction at all levels.

Strategic Interventions 2.1

- Formulate a National Poverty Reduction Strategy.
- Foster greater collaboration among public policy makers, civil society, private sector and academics to develop appropriate solutions to poverty.
- Create the enabling environment for greater job opportunities and for persons to become more self-sufficient.
- Strengthen social protection networks.
- Enhance rural development.

Outcome 2.1

- Improved standard of living and quality of life of the poor.
- Reduction in the levels of poverty.
- Reduction in inequality.

OBJECTIVE 2.2: TO CREATE JOBS AND REDUCE THE LEVELS OF UNEMPLOYMENT

The Plan is predicated on the realisation that there can be no progress in St. Vincent and the Grenadines without jobs. Specific steps are proposed which, if implemented, will create investments leading to job growth and to a reduction in the levels of unemployment.

Strategic Interventions 2.2

- Facilitate private sector development.
- Increase efficiency in the implementation of the

Public Sector Investment Programme.

- Focus on skills training, particularly among the youth.
- Enhance the image of agriculture in the population.
- Encourage innovation and entrepreneurship, including ICT.
- Encourage “green growth”.

Outcome 2.2

- Reduction of levels of unemployment, particularly among young people.
- Higher rates of implementation of capital programmes.
- Increased market-specific skill sets among the working population.
- Re-creation of an agrarian culture and increased land usage for food production.
- Greater levels of innovation and creativity.
- Increased employment in “green economy” jobs.

OBJECTIVE 2.3: TO DEVELOP AN ADAPTABLE, FUNCTIONAL AND LITERATE POPULATION

Through education, a society is better able to contribute and benefit from scientific advancements. An adequately trained population is essential to allow St. Vincent and the Grenadines to achieve the necessary levels of poverty reduction, growth and development. Moreover, evidence suggests that higher levels of education impact positively on income levels, leading to improved standard of living.

Strategic Interventions 2.3

- Improve organisational structure for management and delivery of education.
- Ensure that the curricula are specifically tailored to meet the needs of the society.
- Encourage greater participation in Science, Technology, Engineering and Mathematics (STEM).
- Improve the quality of primary and secondary education.

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- Enhance the capability of post-secondary institutions.
- Improve the level of participation and achievement of males in the school system.
- Strengthen the management and delivery of adult and continuing education and access to post-school opportunities for life-long education.

Outcomes 2.3

- Adaptable curricula consistent with development needs.
- Improved academic performance at all levels of the education system.
- Improved skills set in St. Vincent and the Grenadines.
- Increased use of ICT in the delivery of the curricula.
- Improved participation and achievement of males at all levels of the education system.
- Increased worker productivity.

OBJECTIVE 2.4: TO PROMOTE SELF-CARE INTERVENTIONS AND HEALTHY LIFESTYLE PRACTICES

Health is a key determinant of sustainable development as identified through the internationally agreed Millennium Development Goals (MDGs). St. Vincent and the Grenadines has a relatively good primary health care programme. Some of the more pressing challenges facing the health sector in St. Vincent and the Grenadines are: fiscal constraints; changing family structures; ageing population; high rates of unemployment; an upsurge in chronic non-communicable diseases; relatively high levels of communicable diseases; and an increase in levels of substance abuse.

The launch of the “Wellness Revolution” in 2008 as part of efforts to promote a holistic approach to health and well-being has heightened interest in this regard. Since then, improvements have been made to further emphasise the importance of exercise, sports, and recreational activities in the promotion of healthier lifestyle choices.



Photo 5.4: “Making Holistic Wellness Contagious”

To address the aforementioned challenges, this Plan proposes measures to improve access to and affordability of primary, secondary and tertiary health-care services.

Strategic Interventions 2.4

- Expand secondary and tertiary health care services to include new treatment modalities.
- Strengthen primary health care programmes and services.
- Institutionalise sustainable health care financing modality.
- Modernise the administrative, policy and legislative framework within the health sector.
- Strengthen programmes for the prevention and control of both communicable and non-communicable diseases.
- Strengthen health and relevant multi-sectoral systems to provide appropriate, comprehensive, integrated HIV prevention, treatment, care and support programmes.
- Strengthen the mental health services.
- Foster the environment for an active, physically and mentally fit nation.

Outcomes 2.4

- Increased health and productivity of the working segment of the population.
- Increased life expectancy.
- Reduced infant mortality rate.
- Improved quality of geriatric services.
- Improved quality of mental health services.

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- Reduced incidence of chronic non-communicable and communicable diseases.
- Reduced incidence of HIV and the mortality rate of PLWHA.
- Increased wellness and physical fitness of the nation.

OBJECTIVE 2.5: TO FACILITATE SOCIAL, CULTURAL AND ECONOMIC DEVELOPMENT AT THE COMMUNITY LEVEL

At the community level, the quality of life of Vincentians is influenced by the interplay of social, cultural, political and economic factors. The Plan proposes comprehensive programmes to facilitate sustainable development at the community level, with special regard to the poorest communities.

Strategic Interventions 2.5

- Encourage and support community-based and private sector initiatives.
- Improve physical and social infrastructure at the community level.
- Promote good governance in civil society organisations.
- Facilitate community participation in national development.

Outcomes 2.5

- More resilient communities.
- Comprehensively developed, balanced and integrated communities.
- Enhanced community participation in national development.

OBJECTIVE 2.6: TO EMPOWER THE YOUTH TO PARTICIPATE MEANINGFULLY IN AND CONTRIBUTE TO NATIONAL DEVELOPMENT

A high level of youth participation and contribution is integral to the future development of St. Vincent and the Grenadines. This Plan recognises the youth as future leaders of the society and thus makes provisions

for their deepened creative expression, as well as their involvement and contribution to the economic development of St. Vincent and the Grenadines.

Strategic Interventions 2.6

- Build the entrepreneurial capacity of the youth.
- Increase youth involvement in agriculture.
- Enhance avenues for development including, *inter alia*; arts, culture and sports.
- Develop and implement programmes to re-integrate at-risk youth into society.
- Use media and social marketing to engender positive values in the youth.
- Enhance the ability of the youth to compete within CSME and the global environment.
- Strengthen partnership with the private and public sectors to facilitate mentorship and internship programmes.
- Modernise the legal, judicial and security systems for the protection of the youth.

Outcomes 2.6

- Increased youth employment.
- Increased youth entrepreneurship.
- Increased youth contribution to growth.
- Increased youth involvement in community development.
- Increased marketability of youth.

OBJECTIVE 2.7: TO IMPROVE THE HOUSING AND LIVING CONDITIONS OF THE POPULATION

This Plan acknowledges that access to adequate shelter is a basic right for all, and accordingly recommends measures for every citizen to have access to safe and affordable housing. The recommendations include further collaboration between the State, the private sector and other agencies to attain this objective. They also include proposals to enforce existing building codes and regularisation of informal human settlements, in the context of heightened environmental risks faced by the society.

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Photo 5.5: Low Income Housing Project, Peter’s Hope

Strategic Interventions 2.7

- Implement the National Physical Development Plan.
- Regularise existing squatter settlements.
- Implement legislative and other measures to prevent further squatter settlements.
- Strengthen land titling policy.
- Increase access to housing.
- Strengthen the legislative framework governing housing.

Outcomes 2.7

- Increased home ownership in St. Vincent and the Grenadines.
- Decreased homelessness and sub-standard living conditions.
- Reduced number of squatter settlements.
- Homes which are more resilient to hurricanes and other natural disasters.

OBJECTIVE 2.8: TO FACILITATE THE PROTECTION AND INCLUSION OF VULNERABLE AND MARGINALISED GROUPS

Another important aspect of enabling human and social development is creating specific mechanisms to support and protect vulnerable groups in society. In St. Vincent and the Grenadines there has been a steady increase in the proportion of the population aged 65 and over, mainly due to a decline in birth rates, increased life expectancy as well as the return of retired nationals from abroad. The Plan pays attention to this group as well as other vulnerable populations such as the geographically

remote, infants and children, and the mentally and physically challenged. The following are the strategic interventions advanced to support these groups.

Strategic Interventions 2.8

- Strengthen and implement specifically targeted safety net programmes.
- Reform social security.
- Modernise legislation to protect special populations from discrimination.
- Improve governance of social investment programmes.
- Encourage greater participation and inclusion of historically marginalised groups in the development process.
- Review, upgrade and implement policies to improve the welfare of the elderly and the differently-abled.

Outcomes 2.8

- Equal rights and opportunities in place for vulnerable groups.
- Social security benefits and coverage increased for the elderly and underprivileged.
- Increased participation of marginalised groups in national development.



Photo 5.6: Consulting with Community

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

5.3 GOAL THREE: PROMOTING GOOD GOVERNANCE AND INCREASING THE EFFECTIVENESS OF PUBLIC ADMINISTRATION



Photo 5.7: Prime Minister, St. Vincent and the Grenadines, Addressing United Nations

Governance concerns the ability of the State to serve its citizens. It refers to the rules, processes, and behaviour by which interests are articulated, resources are managed, and power is exercised in society. Goal Three advances support for the practice of good governance as an essential prerequisite for growth, as it facilitates the adoption of sound development policies. The Plan promotes public sector reform, the strengthening of civil society, and greater public confidence in the judicial and legal system.

National Security: This Plan acknowledges the importance of safety and security for orderly and peaceful development. To achieve this, an integrated national security plan will be developed.

Judicial System: The Plan seeks to ensure that there is confidence and trust in the judicial system of St. Vincent and the Grenadines. Citizens should have equal access to justice regardless of ethnicity, religious persuasion, political affiliation, cultural, social or economic standing.

Civil Society: The Plan encourages the growth and development of CSOs as a critical element in the process of governance.

Diplomacy: This aspect of governance allows the State to further its national interest by engaging in discussions and alliances with other countries. Although the constraints to achieving these objectives may be many and varied, it is imperative that the State maintain physical representation in key capitals around the world.

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

OBJECTIVES

Five broad objectives are identified in this Plan in respect of governance and public administration.

STRATEGIC OBJECTIVES

Goal Three: Promoting Good Governance and Increasing the Effectiveness of Public Administration



OBJECTIVE 3.1: TO ENHANCE PARTICIPATORY DEMOCRACY, ACCOUNTABILITY, TRANSPARENCY, EFFECTIVENESS AND EFFICIENCY IN THE PROVISION OF PUBLIC GOODS AND SERVICES

For any democracy to function properly, public administration should be conducted in a transparent and accountable manner. The strategic interventions proposed in this Plan are geared towards achieving this objective. In particular, the legal framework would examine the levels of “fiscal responsibility”, and the compliance with the Finance Administration Act. Enhanced transparency and accountability also includes the functioning of the Public Accounts Committee (PAC).

Strategic Interventions 3.1

- Improve the legislative framework governing public administration.
- Strengthen the procurement legislation.
- Strengthen the institutional capacity for monitoring and evaluation.
- Encourage the public’s participation in assessing the transparency, quality and reliability of services provided.
- Modernise the public relations communication system.
- Improve private and public sector partnerships.
- Increase the use of ICT and e-government in the delivery of services.

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Outcomes 3.1

- Timely publication and dissemination of statistical and other public data.
- Increased confidence in the functions and undertakings of government.
- A highly productive and innovative public sector.
- Improved operational standards and procedures within the Public Service, including revised procurement legislation.

OBJECTIVE 3.2: TO DEVELOP AND MAINTAIN A PEACEFUL, SAFE AND SECURE ENVIRONMENT

The delivery of security services is one of the crucial functions of an effective State. The Plan acknowledges that national security is at the core of social stability and that an effective and well-managed security sector protects citizens and visitors alike. Additionally, it supports democracy and human rights, encourages national and international investment, and provides an enabling environment for sustainable social and economic development.

Strategic Interventions 3.2

- Enhance institutional capacity in modern detection techniques and crime-solving.

- Broaden legislative framework to address new forms of crime.
- Improve security of national borders.
- Enhance rehabilitation programmes within penal reform institutions.
- Improve the policy framework for the governance of the security sector.
- Strengthen the institutional capacity for the delivery of security services.

Outcomes 3.2

- Enhanced border security.
- Reduction in criminal activities.
- Improved relations between civilian population and security services.
- Improved security services to the population.

OBJECTIVE 3.3: TO LIFT THE QUALITY OF THE JUDICIAL AND LEGAL SYSTEM AND TO ENHANCE PUBLIC CONFIDENCE IN IT

Confidence in the fair, equitable and transparent treatment of the citizen before the courts of the land is essential to the rule of law, and guarantees the observance of civil rights of the citizen by other citizens and by the State.



Photo 5.8: Admiralty Bay, Bequia

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Strategic Intervention 3.3

- Increase public awareness of the judicial and legal system.
- Provide avenues to ensure that justice is available and accessible to all.
- Provide mechanisms for accountability of persons in the legal fraternity.
- Strengthen the institutional capacity of the justice system to deliver better services.

Outcomes 3.3

- The public is educated about their legal rights and avenues for redress.
- The public is aware of the operations of the judicial and legal system.
- Greater access to legal services.
- An efficient and effective judicial system.
- Improved confidence in the legal and judicial system.

OBJECTIVE 3.4: TO ENHANCE THE ROLE OF CIVIL SOCIETY IN THE MAINTENANCE OF DEMOCRACY



Photo 5.9: Chateaubelair Community Partnership Group

Active civil society participation is essential to the development of any state. As such, civil society organisations, including NGOs have a recognised role in governance of the society. The strategic interventions advanced under this objective aim to foster wider participation in the decision-making processes.

Strategic Interventions 3.4

- Institutionalise consultations with civil society on economic, political and social policies.
- Ensure government policies are more responsive to the needs of civil society.

Outcomes 3.4

- Wider participation of the civil society in decision-making and governance.
- Increased understanding by civil society of government policies.
- Increased policy dialogue within NESDC and the wider society.

OBJECTIVE 3.5: TO WIDEN AND DEEPEN DIPLOMATIC RELATIONS

The global economic and political environment is increasingly characterised by emerging trading regimes, fierce trade competition and increased challenges to peace and stability. Together with the increased uncertainties that the world faces, these can prove to be overwhelming, especially for resource-deficient States such as St. Vincent and the Grenadines.

In this interdependent world, engagement and interaction with the international community is *sine qua non* for advancing the economic and social development goals of St. Vincent and the Grenadines. The strategies advanced in this Plan fully recognise these factors, and this objective of strengthening of diplomacy aims to fulfil St. Vincent and the Grenadines’ international obligations with the dignity and diligence of an independent and sovereign Nation State.

Strategic Interventions 3.5

- Deepen and widen regional and international strategic alliances.
- Develop mechanisms to exploit fully agreements at the regional level.
- Ensure effective representation.
- Enhance the engagement of the Diaspora in decision-making and the State’s foreign policy.

Outcome 3.5

- Enhanced benefits emanating from diplomatic relations.

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

5.4 GOAL FOUR: IMPROVING PHYSICAL INFRASTRUCTURE, PRESERVING THE ENVIRONMENT AND BUILDING RESILIENCE TO CLIMATE CHANGE

A sustainable development programme for St. Vincent and the Grenadines involves, inter alia, developing the physical infrastructure, while preserving the country's delicate environment, as well as mitigating the effects of climate change. Though challenging, it is essential that the requisite methodology be developed and adhered to for achieving this goal.



Photo 5.10: North River, Kingstown

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Investment in physical infrastructure is a key element in the promotion of competitiveness and the generation of sustainable economic growth and development. Roads, water and sewerage, coastline protection, energy, information and communication technology and all other components of infrastructure will be designed for good service delivery to all citizens.

The quest for socio-economic development has placed tremendous demands on existing natural resources in St. Vincent and the Grenadines which has a relatively high population density of over 707 persons

per square mile. In this regard, the Plan places great emphasis on the sustainable use of natural resources – including land, water, flora and fauna – that are used to maintain livelihoods.

Over the last two (2) decades, the effects of climate change have become a development challenge. Small countries such as St. Vincent and the Grenadines are at potential risk of negative impact, disproportionate to their contribution to climate change. Accordingly, the Plan advances mitigating measures to reduce these effects.

STRATEGIC OBJECTIVES

Goal Four: Improving Physical Infrastructure, Preserving the Environment and Building Resilience to Climate Change



CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

OBJECTIVE 4.1: TO OPTIMISE THE USE OF LIMITED LAND SPACE

Land is a primary source of wealth creation and social status. It is the basis of economic opportunities, especially in the rural areas, while becoming an increasingly scarce resource in the urban areas. In St. Vincent and the Grenadines, land is limited in supply due to the small territorial area, the topography, population demands and other physical constraints. Therefore, land use and environmental management are vital in ensuring efficiency, sustainability and equity in the country's development process.

Strategic Interventions 4.1

- Develop a comprehensive system for the sustainable management of land resources.
- Develop national land use policies and land-use zoning plans.
- Develop a national land bank system to reduce the amount of under-utilised arable land.
- Encourage and support security of tenure for lands.
- Enhance the capacity for land management in St. Vincent and the Grenadines.
- Preserve critical forest areas.

Outcomes 4.1

- Better coordinated land-use policy.
- Increased use of arable land for agriculture.
- Modern land bank system in place.
- Increased agricultural production.
- Legislative framework in place to manage land use.

OBJECTIVE 4.2: TO UPGRADE THE ROAD NETWORK IN ST. VINCENT AND THE GRENADINES

A well-developed road infrastructure is essential for economic growth and sustainable development. It facilitates efficient movement of people, goods and services. The strategic interventions proposed are aimed at improving the road network in St. Vincent and the Grenadines through the rehabilitation and upgrading of

roads and bridges, routine maintenance and expansion of the road network.



Photo 5.11: Road Network, Casson Hill

Strategic Interventions 4.2

- Develop a comprehensive road maintenance programme.
- Upgrade village and feeder roads to facilitate greater rural economic activity.
- Embark on a comprehensive drainage building programme.

Outcomes 4.2

- Increased economic activities in rural communities.
- Reduction in vehicular operating costs.
- Reduction in road accidents.
- Reduction in traffic congestion.
- Well maintained roads.
- The efficient movement of people, goods and services.

OBJECTIVE 4.3: TO IMPROVE AIR ACCESS TO ST. VINCENT AND THE GRENADINES, INCLUDING THE CONSTRUCTION OF AN INTERNATIONAL AIRPORT

The Government of St. Vincent and the Grenadines is cognisant of the potential impact of adequate air access to economic growth and social development. It is within

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

this context that Government has embarked on several initiatives aimed at enhancing airport development throughout the State.



Photo 5.12: Overlooking Site of Argyle International Airport Project

Strategic Interventions 4.3

- Complete construction of the Argyle International Airport.
- Develop a marketing plan geared towards attracting long-haul carriers.
- Develop and improve quality of airport facilities.
- Increase operational safety of airports.
- Enhance institutional capacity in line with international standards.

Outcomes 4.3

- Increased economic growth.
- Increased tourist arrivals.
- Increased exports.
- Increased access to non-traditional markets.
- Improved efficiency in the movement of people, goods and services.
- Higher levels of employment.

OBJECTIVE 4.4: TO MODERNISE AND EXPAND SEAPORT FACILITIES

Modern seaport facilities are critical for economic growth and development as they are important components in the expansion of trade. St. Vincent and the Grenadines, a multi-island State, depends on

imports and exports for the stimulation of economic activities. Accordingly, the Government is committed to ensuring that seaports are adequately resourced.

Strategic Interventions 4.4

- Improve the infrastructure at existing seaports.
- Continue strengthening and upgrading the security at the ports.
- Strengthen institutional capacity at seaports.
- Sensitise the public on port administration and security measures.

Outcomes 4.4

- Increased revenue.
- Improved border security.
- Increased trade and economic activity.
- Strengthened quarantine measures.
- Increased overall efficiency in seaport operations.



Photo 5.13: Cruise Ship and Ferry Berth, Kingstown

OBJECTIVE 4.5: TO ENHANCE THE CAPABILITY OF ST. VINCENT AND THE GRENADINES TO PREPARE EFFECTIVELY FOR, RESPOND TO AND MITIGATE DISASTERS.

The geographic location of St. Vincent and the Grenadines exposes it to both natural and man-made disasters. Given this vulnerability, there is the need to enhance the disaster preparedness and mitigation

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

mechanisms. This is an important consideration in development planning over the medium to long term and will be addressed through several initiatives. These include strengthening the national capacity to respond to and mitigate disasters, enforcement of building codes, participation in regional initiatives regarding catastrophic risks and institutional strengthening.



Photo 5.14: Flash Flood

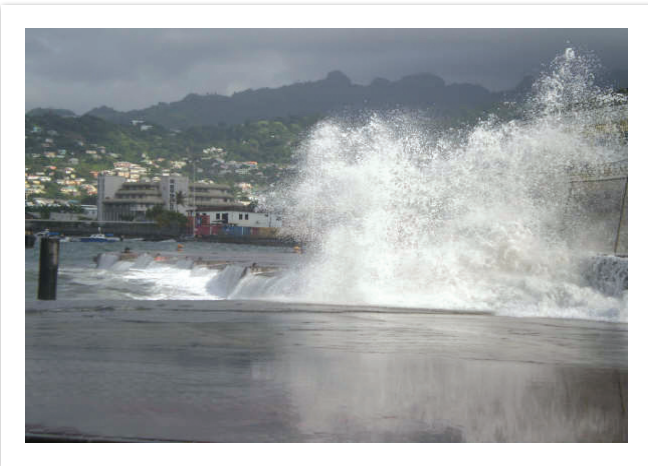


Photo 5.15: Storm Surge

Strategic Interventions 4.5

- Establish an effective hazard modelling system.
- Revise the existing National Disaster Management Plan to incorporate climate change.
- Build resilience at the community level.
- Strengthen capacity to undertake search and rescue operations.

Outcomes 4.5

- Enhanced public health system that would adequately respond to major emergencies and quarantine capabilities.
- Built environment better able to withstand disasters.
- Reduction in hazardous land occupancy.
- Reduction in maritime hazards.
- Communities better equipped to prepare, respond to and mitigate disasters.
- Reduced casualties and damage to property consequent upon disaster.
- Strengthened search and rescue arrangements.

OBJECTIVE 4.6: TO ENSURE AN ADEQUATE, SAFE, RELIABLE AND SUSTAINABLE SUPPLY OF WATER

The Plan aims to ensure that every citizen has access to high quality potable water. The quality of water supplied is determined by the physical, chemical, and biological characteristics of the catchment areas. During this period, the emphasis will be on conserving water and maintaining its safety and continued supply.

Strategic Interventions 4.6

- Expand the water supply and distribution system to include the Grenadines.
- Improve the protection and management of water resources.
- Develop measures to promote sustainability of the water supply.
- Improve the quality of the potable water supply.
- Establish a national water commission.
- Strengthen the existing Integrated Watershed Management Plan.
- Upgrade the system for the collection, monitoring and management of hydrological and other data on water resource.
- Review and amend legislation regarding water supply and usage.

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Outcomes 4.6

- Access to potable water by all households.
- Cost-effective and efficient water provision.
- Improved potable water quality.
- Provision of a reliable water supply to the Grenadines.
- Improved national water management system.

OBJECTIVE 4.7: TO CONSERVE THE NATURAL RESOURCES OF THE COUNTRY THROUGH EFFECTIVE UTILISATION AND MANAGEMENT

St. Vincent and the Grenadines has a limited resource base that is highly vulnerable to natural and man-made hazards. Development pressures have resulted in deterioration of the natural resources. Thus, the use and management of the natural environment are critical to several important economic sectors including Tourism and Agriculture. Additionally, the conservation of biological diversity is an integral part of the development process. It provides a large number of goods and services that sustains lives and ensures that healthy and viable biological resources are available for future generations.

St. Vincent and the Grenadines aims to protect the varieties of organisms within and between species, and the ecosystems. This is essential for the sustainable functioning of agriculture, forestry and natural ecosystems upon which human survival and health depend. Several strategic interventions are proposed below:

Strategic Interventions 4.7

- Develop appropriate measures to restore and protect the natural resources of the country.
- Develop alternative and sustainable livelihood programmes for local communities in protected areas.
- Develop and employ methodologies for the economic assessment and accounting of natural resources.
- Develop and implement a Coastal Area Management Plan.

- Strengthen the existing legal and institutional frameworks to discourage environmental degradation.
- Advance research on biological resources.

Outcomes 4.7

- Reduced deforestation.
- Improved management of natural resources.
- Increased community awareness and involvement in protection and management of resources.
- Environmental impact assessment integrated within the development process.
- Economic valuation of natural resources.
- Improved watershed and coastal management institutionalised.
- Enhanced and supportive legal and regulatory frameworks.
- Improved database for the preservation of biodiversity.

OBJECTIVE 4.8: TO ENSURE A CLEAN, SAFE AND HEALTHY ENVIRONMENT

St. Vincent and the Grenadines generates approximately 32,000 tonnes of solid waste per year, an amount that is likely to grow as the economy develops. This has effects on the health of the people, the tourism industry and the environment in terms of the forest, quality of water supply and coral reefs. Hence, effective waste management is essential for the sustainability of a healthy Vincentian environment. The Plan places emphasis on the development of appropriate standards for both solid and liquid waste management, in accordance with international and regional practices.

Strategic Interventions 4.8

- Strengthen the nationwide waste management system.
- Manage terrestrial and eco-systems in a sustainable manner.

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Photo 5.16: Protected Wildlife



National Bird of St. Vincent and the Grenadines: Amazona Guildingii



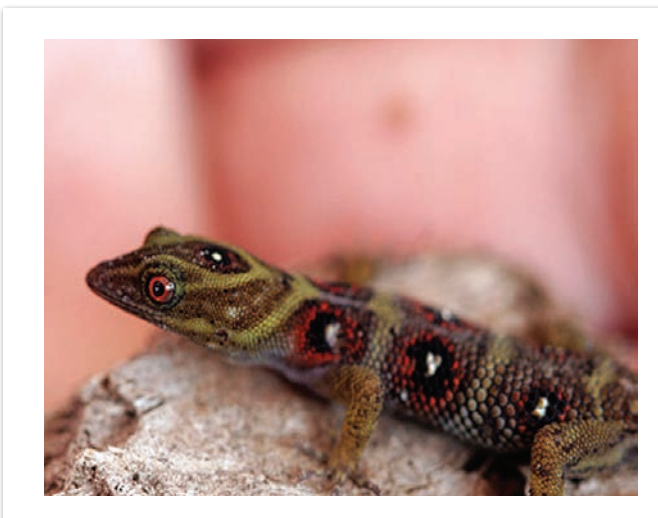
Iguana



Hawksbill Sea Turtle



Grenadines Congo Snake



Lizard



St. Vincent Congo Snake

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

- Enhance the capacity of the Ministry responsible for the environment as well as strengthen its ability to collaborate with other agencies.

Outcomes 4.8

- Reduction in the level of pollutants in the environment.
- A comprehensive and effective recycling programme established.
- Safe and sustainable use of natural resources.
- Waste to energy initiative developed.

OBJECTIVE 4.9: TO REDUCE THE DEPENDENCE ON IMPORTED FUEL

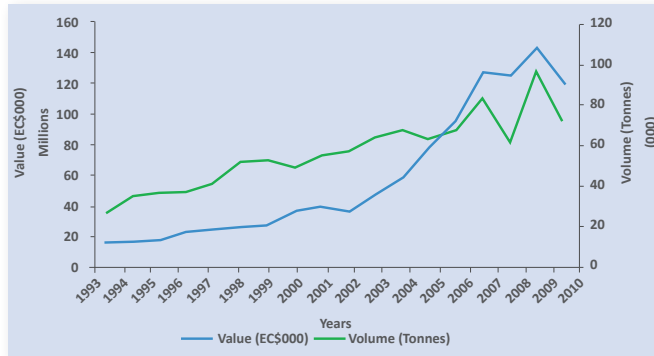
St. Vincent and the Grenadines, like most developing and non-petroleum producing countries, is dependent on imported energy for generating economic activity. Since 1993, the cost of imported petroleum has climbed steadily, moving from US\$17.9 per barrel to US \$145 in 2008. Figure 5.2 illustrates imports of petroleum by St. Vincent and the Grenadines over the period.



Photo 5.17: Snorkelling, Owia Salt Pond

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

FIGURE 5.2: ST. VINCENT AND THE GRENADINES' ENERGY IMPORTATION (1993-2008)



Source: Ministry of Finance and Economic Planning

It is the policy of the Government of St. Vincent and the Grenadines to encourage investment in renewable energy, such as geothermal, wind and solar power, in an effort to minimise the effects of the rising price of petroleum. In addition, the use of renewable energy should reduce the country's carbon footprint and also allow for adherence to the 1998 Kyoto Protocol.

Government recognises that in order to reduce the dependence on imported fuel, a multi-dimensional approach (political, regulatory, financial, technical and policy) is required. Given pricing volatility, environmental concerns and uncertainty surrounding supplies and the potential for causing economic shock to economies, this Plan proposes a partnership with the private sector in the implementation of the Energy Plan.

Strategic Interventions 4.9

- Encourage research and exploration of renewable sources of energy.
- Develop a legislative framework to promote energy efficiency.
- Establish an energy conservation plan.
- Encourage production and use of renewable forms of energy.

Outcomes 4.9

- Legislation in place to promote energy efficiency and alternative sources of energy.
- Increased energy efficiency of public and private buildings.
- Private enterprises established to complement the production of renewable energy.
- A modern, expanded and adaptable power grid to accommodate various energy inputs.
- Increased production and use of energy from renewable sources.
- Public utilities commission established.

OBJECTIVE 4.10: TO REDUCE THE ADVERSE IMPACTS OF CLIMATE CHANGE

Many scientists have argued that there is a direct relationship between climate variability and global warming. The frequency and intensity of some natural disasters and hazards in various parts of the world are signs of this phenomenon. Climate change negatively impacts the global environment and threatens sustainable development, as evidenced by:

- Increases in air and sea surface temperatures.
- Rising sea levels.
- Changes in weather patterns.
- Losses and changes in marine and terrestrial biodiversity.
- Increase in vector-borne diseases, e.g. dengue fever.
- Loss of livelihoods.

The Plan proposes several adaptation measures to reduce future restoration costs and to protect the natural environment. Public education and awareness of the potential negative effects of climate change would be at the forefront of this Plan.

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Strategic Interventions 4.10

- Increase public awareness with regard to climate change issues.
- Build resilience to minimise damage to settlement and infrastructure.
- Minimise damage to beach and shoreline integrity and marine ecosystems.
- Minimise the negative impact of climate change on agriculture and human health.
- Develop appropriate legislative and regulatory framework, for proper environmental management, and institutional systems for responding and mitigating effects of climate change.

Outcomes 4.10

- Increased awareness and responsiveness of the public in mitigating effects of climate change.
- Improved protection of the coastal and forested environment.
- Increased use of technology to minimise the effects of climate change on agriculture and human health.
- A legislative framework in place to build climate resilience.



Photo 5.18: Sea Defence, Layout Waterfront

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

5.5 GOAL FIVE: BUILDING NATIONAL PRIDE, IDENTITY AND CULTURE

The national spirit of a people is determined and fashioned by their culture and this in turn constitutes one of the critical ingredients for nation building. As such the development, conservation, renovation and maintenance of infrastructure for culture at all levels, will be pursued. This Plan articulates a vision for the positioning of culture in national life.

STRATEGIC OBJECTIVES

Goal Five: Building National Pride, Identity and Culture

- 5.1 To instil in the citizenry a sense of national pride and appreciation of the history of St. Vincent and the Grenadines.
- 5.2 To engender a greater sense of community and social responsibility.
- 5.3 To preserve, maintain and promote the cultural heritage of St. Vincent and the Grenadines.
- 5.4 To maximise the contribution of cultural industries to economic growth.

National Pledge of Saint Vincent and the Grenadines



***Land of my birth I pledge to thee,
My loyalty and devotion,
In all I think or say or do.***

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

OBJECTIVE 5.1: TO INSTIL IN THE CITIZENRY A SENSE OF NATIONAL PRIDE AND APPRECIATION OF THE HISTORY OF ST. VINCENT AND THE GRENADINES

Culture is essential for providing a sense of identity and belonging and is central to social and economic renewal. National symbols and emblems play a critical role in engaging citizens and evoking patriotism. They are representative of the many aspects of St. Vincent and the Grenadines’ culture and include the flag and the national anthem and Coat of Arms.

Strategic Interventions 5.1

- Encourage greater participation and involvement in nation building.
- Encourage civic education in national development.
- Engender greater respect for national symbols.
- Strengthen avenues for self-expression in culture.

Outcome 5.1

- A greater sense of appreciation and pride in being a Vincentian.

OBJECTIVE 5.2: TO ENGENDER A GREATER SENSE OF COMMUNITY AND SOCIAL RESPONSIBILITY

Culture affects all aspects of human life, and forms the basis for the development of values, objectives and outlook for the future. These values are learnt and taught, transmitted and inculcated through socialisation. As such, efforts need to be made to encourage a greater sense of community and instil an attitude of social responsibility through various channels of socialisation.

Strategic Interventions 5.2

- Promote greater community life and spirit.
- Promote greater integration of the diverse cultures in St. Vincent and the Grenadines.



Photo 5.19: National and Cultural Expressions

CHAPTER 5: STRATEGIC GOALS, OBJECTIVES AND OUTCOMES

Outcome 5.2

- Stronger, more integrated and vibrant communities.

OBJECTIVE 5.3: TO PRESERVE, MAINTAIN AND PROMOTE THE CULTURAL HERITAGE OF St. VINCENT AND THE GRENADINES

St. Vincent and the Grenadines has a history which encourages its people to promote their cultural expressions through religion, traditional folk forms and the creative arts – music, dance, drama and visual arts.

Strategic Interventions 5.3

- Promote greater awareness of Vincentian heritage, including its pre-Columbian past, and use of authentic indigenous cultural items and services.
- Improve the physical infrastructure to facilitate cultural expression.
- Encourage the documentation and preservation of Vincentian culture.

Outcomes 5.3

- Strengthened religious, moral, traditional and ethical values.
- Increased participation in and appreciation of Vincentian culture.

OBJECTIVE 5.4: TO MAXIMISE THE CONTRIBUTION OF CULTURAL INDUSTRIES TO ECONOMIC GROWTH

Despite the many efforts to promote St. Vincent and the Grenadines' culture, there is still more to be done. This Plan identifies mechanisms to recognise and encourage outstanding artistic and cultural achievements, stimulate the performing arts and strengthen traditional cultural forms.

Strategic Interventions 5.4

- Promote the continued production, marketing and distribution of cultural products.
- Provide adequate protection and enforcement of intellectual property rights.
- Develop and strengthen strategic alliances to promote cultural tourism and industries.
- Promote strategic alliances with the private sector.
- Facilitate the promotion of culture through opportunities available under the EPA and other agreements.

Outcomes 5.4

- An economically viable cultural industry.
- A more positive attitude to the value of culture.

CHAPTER 6



CHAPTER 6: SECTORAL OBJECTIVES AND STRATEGIES

This section presents the main objectives and strategies associated with the various sectors and areas in the economy that will assist in realising the vision and will outline the basis for formulating detailed sectoral plans. The main sectoral components are shown in the figure 6.1.



FIGURE 6.1: MAIN SECTORAL COMPONENTS

CHAPTER 6: SECTORAL OBJECTIVES AND STRATEGIES

6.1 ECONOMIC SECTOR

6.1.1 FISCAL AND MONETARY

OBJECTIVE: *TO STABILISE THE FISCAL ACCOUNTS OF THE GOVERNMENT THROUGH THE TRANSPARENT AND PRUDENT MANAGEMENT OF PUBLIC FINANCES*

Strategic Interventions:

A. Expenditure Management System

- Develop a more transparent and efficacious system for expenditure management.
- Ensure the existence of adequate legislative framework to govern the public financial management system including procurement, expenditure management, auditing and taxation.
- Continue the budget reform initiative aimed at:
 - a. Improving the budget preparation process through the implementation of a comprehensive budget and accounting classification system;
 - b. Introducing results-based management (performance management) to enhance the productivity and effectiveness of public expenditure;
 - c. Fully integrating the preparation of related recurrent and capital budgets.
- Prepare Medium Term Strategy Papers and develop rigorous mechanisms to ensure adequate linkage with the annual budget to more strategically align public expenditure with government development objectives and priorities.
- Develop a more effective monitoring mechanism to ensure proper control of government expenditure.
- Enhance the capacity of the audit department to improve oversight of government expenditure, including donor-funded capital expenditures.

B. Revenue Management

- Enhance the collection of revenue to finance government activities.
- Continue ongoing efforts to upgrade and modernise systems at the major revenue-collecting departments to increase the efficiency of tax administration.
- Develop e-government services to enhance the efficiency of transactions between the public and the relevant departments.
- Continue efforts to reform the tax system with the aim of broadening the tax base, reducing tax evasion and stimulating investment.
- Implement property tax by market value by 2014.
- Reduce the corporate and personal income tax rate to 30%.
- Continue to streamline the granting of discretionary concessions and develop adequate policies to ensure that they are granted in line with government's overall development objectives and CSME guidelines.

C. Debt Management

The main debt management objectives of the government are:

- To satisfy the financing needs of the public sector at minimum cost over the medium to long term, in a prudent and sustainable manner.
- To limit the exchange rate risk by minimising the non-US dollar denominated foreign debt.
- To promote the development of an efficient functioning money and capital market within the ECCU.

One of the main concerns in applying the debt management objectives involves the trade-off between minimising costs and reducing risks. Emphasis is placed on long-term cost, thus preventing the government from seeking short-term gains. Another important aspect of cost minimisation is the maintenance of the relatively "risk-free" status of government securities. This will be accomplished through prudent fiscal discipline and the establishment of reasonable limits on the public debt.

CHAPTER 6: SECTORAL OBJECTIVES AND STRATEGIES

The following principles will guide the government's debt management objectives:

- Conduct proper investment appraisal before embarking on major public sector projects.
- Work with intermediaries to enhance integrity and attract investors to government securities.
- Limit government's involvement in public-private partnership guarantee arrangements.
- Manage the composition of debt to mitigate interest rate and exchange rate risks.
- Seek to establish an optimum mix of instruments to keep cost low.
- Over the medium to long term, government aims to restrict the public debt to no more than 75 percent of GDP. Several factors including the cost of debt servicing and the ratio of revenue collection to GDP were considered in determining this debt level. In order to attain this target the following strategies will be adopted:
 - a. Establish strict limits on the contraction of new debt and ensure that projects to be financed are feasible in terms of their contribution to economic development and poverty reduction.
 - b. Reduce operational losses of public enterprises.
 - c. Issue all Government Securities on the RGSM.
 - d. Seek to contract concessional debt from multinational and bilateral creditors.
 - e. Where possible, publish a borrowing plan.

D. Money and Capital Market Development

Develop the regional money and capital market through collaborative efforts with the ECCB and other OECS countries.

- Promote a shareholding culture in St. Vincent and the Grenadines.
- Divest/reduce the shareholding of government in certain public enterprises.
- Prepare certain public enterprises to register on the Eastern Caribbean Securities Exchange (ECSE).

- Encourage successful private companies in St. Vincent and the Grenadines to be listed on the ECSE.
- Establish an Enterprise Development Fund and Unit Trust.
- Encourage the establishment of Investment Clubs in St. Vincent and the Grenadines to promote the use of the market by investors.

6.1.2 FINANCIAL SERVICES

The robust development of the financial services sector is critical for advancement of the country's economic growth. A vibrant financial space will provide the capital and investment needs and operational base for the economic actors in our country. However, the range of available financial instruments within the country continues to be limited.

OBJECTIVE 1: TO ESTABLISH A FULLY DEVELOPED FINANCIAL SERVICES SECTOR

Strategic Interventions:

- Establish in conjunction with other OECS States, the machinery for coordinating our responses to the standards that organisations such as the OECD, the IMF and the FATF are seeking to impose upon us.
- In conjunction with the Eastern Caribbean Central Bank (ECCB) and other OECS governments, implement measures to enhance the stability of the financial system and to improve the regulatory system for bank and non-bank institutions.
- Further improve the regulatory regime and the efficiency of regulatory agencies to promote an efficient and modern banking sector for local, regional and international activities.
- Facilitate the further diversification of the financial services sector that is dominated by the operations of commercial banks.
- Actively encourage the growth and strengthening of commercial banks through rationalisation of their operations.

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- Pursue the requisite policies to build on the past successes of non-bank financial institutions, which include credit unions, development banks, savings banks, mortgage and finance companies and insurance companies.
- Encourage the improvement of the operations and competitiveness of insurance companies and strengthen the role and competence of regulators.
- Ensure that the development of organised financial markets, principally the Eastern Caribbean Securities Market attains and maintains a status as the premier securities market in the region for capital mobilisation and investment.
- Continue to build and hone the offshore financial sector.
- Facilitate the evolution of offshore banking regulatory frameworks such that financial institutions are regulated and supervised in a manner consistent with best international practices.
- Create an enabling environment for improving the economic and financial literacy of the Vincentian citizenry.

6.1.3 AGRICULTURE AND FISHERIES

The agricultural sector, including fisheries, in St. Vincent and the Grenadines will continue to play a significant role in the country’s socio-economic development and protection of its environment. In order to maximise the benefits that can be derived, the sector must undertake continuous transformation in keeping with changes in the global production and trading environment. Such a transformation must take place at all levels: pre-production, production, harvesting, processing and marketing phases, and must take into account the realities of our capabilities.

OBJECTIVE 1: TO STRENGTHEN POLICY FORMULATION AND FRAMEWORK FOR AGRICULTURAL DEVELOPMENT

Strategic Interventions:

- Develop an operational participatory mechanism to facilitate effective involvement of the farming community in policy formulation.
- Adopt a participatory approach to problem analysis through community consultations.



Photo 6.1: Anchorage at Kingstown Fish Market

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- Establish a policy environment designed to attract investment to the agricultural sector.
- Provide fiscal incentives for private sector investment in modern marketing facilities.

OBJECTIVE 2: TO INCREASE PRODUCTIVITY, EFFICIENCY AND COMPETITIVENESS IN THE AGRICULTURAL SECTOR

Strategic Interventions:

- Continue the implementation of the national irrigation programme.
- Invest in research and development to increase growth in the sector.
- Develop human resources and facilitate the improvement of skills critical to the development of the sector.
- Establish accessible agriculture financing schemes.
- Establish an effective regime of sanitary and phyto-sanitary measures.

OBJECTIVE 3: TO INCREASE MARKET ACCESS FOR AGRICULTURAL PRODUCE

Strategic Interventions:

- Develop and maintain an effective information and market intelligence system.
- Develop and implement an export marketing thrust for agricultural produce.
- Improve marketing infrastructure.
- Deepen linkages between agriculture and other sectors, particularly tourism, manufacturing and the environment.
- Identify/research the required improvements in transportation and support services to ensure regular reliable movement of produce in the region and to international destinations.
- Promote local foods to consumers focusing on safety, wholesomeness and nutritional quality.
- Develop focused programmes and networking for marketing of agricultural produce within and outside the region, including expansion of opportunities for joint marketing.

OBJECTIVE 4: TO INCREASE YOUTH INVOLVEMENT IN AGRICULTURE

Strategic Interventions:

- Provide to the youth, access to arable lands through a Land Bank System.
- Provide credit products tailored to the circumstances of the youth.
- Operationalise the Agricultural Training Institute.
- Facilitate access to and encourage the use of ICT in agriculture.
- Broaden agricultural training to all primary and secondary schools.
- Provide incentives in agriculture to encourage collaboration and group activity of youth.

OBJECTIVE 5: TO IMPROVE THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK OF THE AGRICULTURAL SECTOR

Strategic Interventions:

- Conduct agri-food legislative review for harmonisation with the rest of the OECS.
- Develop legal mechanisms to utilise idle lands.
- Modernise legislation to facilitate transformation and development of the sector.
- Enact and enforce appropriate legislation for agro-ecological zoning.
- Develop and enforce regulations/practices prohibiting agricultural activities and systems of production that are environmentally degrading.
- Institutionalise a Land Use Authority.

OBJECTIVE 6: TO STRENGTHEN RISK REDUCTION AND RISK MITIGATION MEASURES

Strategic Interventions:

- Review systems to address praedial larceny.
- Establish a crop insurance scheme.
- Strengthen the institutional systems that respond to natural disasters.

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OBJECTIVE 7: TO PROMOTE THE SUSTAINABLE USE OF LAND, FORESTRY AND MARINE RESOURCES

Strategic Interventions:

- Implement soil conservation measures in agricultural districts.
- Implement appropriate water management practices, including; reforestation, soil conservation and river bank stabilisation.
- Establish incentive regimes to encourage compliance with land use policy.
- Institute measures to conserve bio-diversity and protection of the watershed.
- Strengthen coastal zone management system.

OBJECTIVE 8: TO CONTRIBUTE TO FOOD AND NUTRITION SECURITY ON A SUSTAINED BASIS

Strategic Interventions:

- Develop policies to promote the production and supply of healthy, nutritious foods to meet minimum requirements.
- Finalise and implement the National Food and Nutrition Policy and Plan.
- Promote the use of healthy and nutritious foods through various programmes.
- Establish efficient and effective advisory and regulatory support institutions and systems for food safety certification.

OBJECTIVE 9: TO INCREASE AGRICULTURAL EXPORTS

Strategic Interventions:

- Develop a comprehensive export strategy for agricultural produce.
- Provide incentives to increase productivity in agriculture.
- Provide the necessary infrastructure to improve production and export capabilities.

- Provide the enabling environment for private sector investment in transport services.

6.1.4 TOURISM

Tourism is the lead sector in St. Vincent and the Grenadines. It has the potential for stimulating activity in other sectors of the economy, promoting diversification of production and generating income from a wide array of activities directly linked to it. While the country possesses certain advantages based on its exotic allure, specific actions are required to maintain and improve tourism's contribution and ensure that its benefits continue to permeate other sectors and the economy as a whole.

OBJECTIVE 1: TO HEIGHTEN AWARENESS OF THE TOURISM INDUSTRY IN THE ST. VINCENT AND THE GRENADINES

Strategic Interventions:

- Develop and implement programmes aimed at educating students in primary, secondary and tertiary institutions and the population in general, about the importance of the tourism industry.
- Build awareness of Vincentian cultural heritage among young people and help in developing national pride in all things 'Vincy'.

OBJECTIVE 2: TO CREATE A MORE COLLABORATIVE PUBLIC-PRIVATE SECTOR APPROACH TO TOURISM DEVELOPMENT, MANAGEMENT AND MARKETING

Strategic Intervention:

- Strengthen working relations with stakeholders and appropriate private sector associations and institutions nationally, regionally and internationally.

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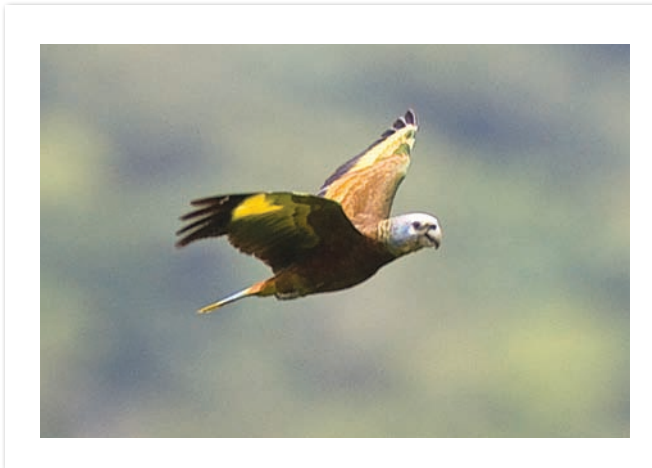


Photo 6.2: Amazona Guildingii: National Bird of St. Vincent and the Grenadines

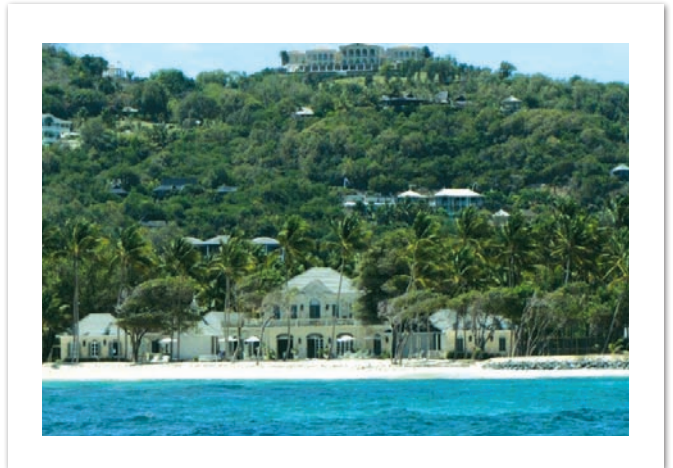


Photo 6.5: Houses in Mustique



Photo 6.3: Montreal Gardens

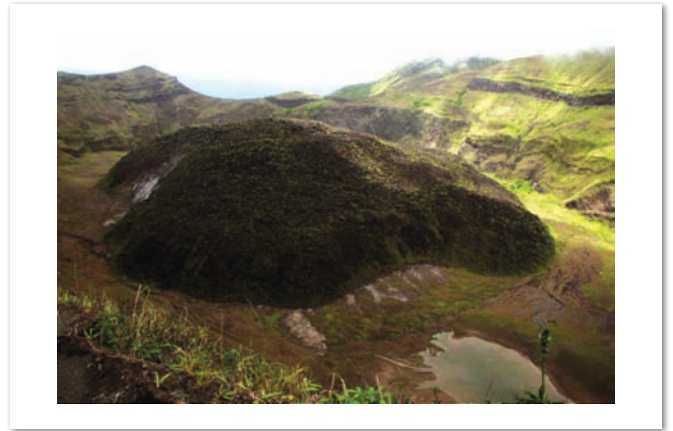


Photo 6.6: La Soufriere Volcano



Photo 6.4: L' Ansecoy Bay, Mustique

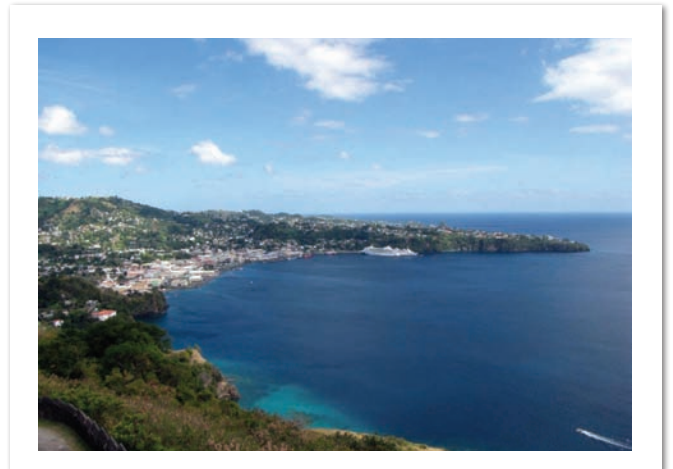


Photo 6.7: Kingstown Bay

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**Photo 6.8: Kingstown Methodist Church:
Constructed by Freed Slaves**

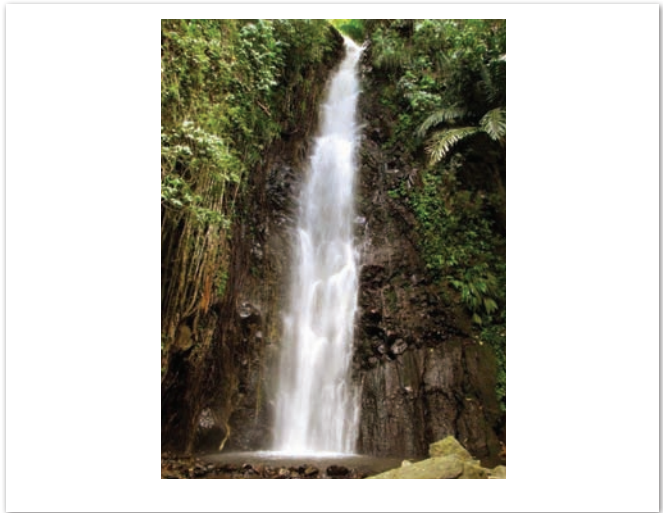


Photo 6.11: Dark View Falls



**Photo 6.9: Looking towards Fort Duvernette
and Young Island**



**Photo 6.12: Botanical Gardens:
Oldest in the Western Hemisphere**



Photo 6.10: Fort Hamilton: Bequia



Photo 6.13: Botanical Gardens

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Photo 6.14: Cumberland Bay



Photo 6.17: Snorkelling in the Tobago Cays



Photo 6.15: Owia Salt Pond



Photo 6.18: Coral Reefs in St. Vincent and the Grenadines

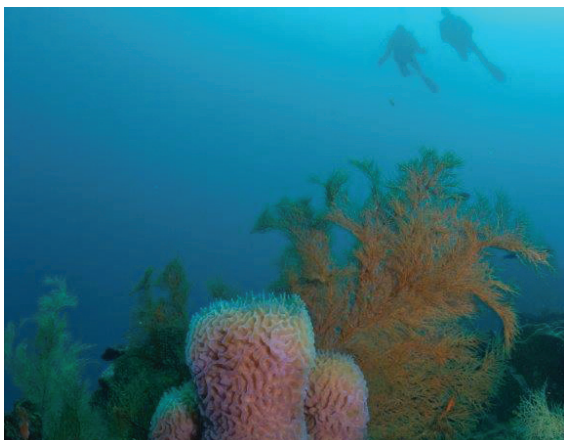


Photo 6.16: Snorkelling in the Tobago Cays



Photo 6.19: Argyle International Airport:
Northern View of Runway Under Construction

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Photo 6.20: Frigate Island , Union Island

OBJECTIVE 3: TO PROVIDE AN ENABLING ENVIRONMENT FOR AN INTEGRATED APPROACH TO TOURISM DEVELOPMENT

Strategic Interventions:

- Involve all appropriate agencies (national, social and cultural) in tourism development.
- Develop and implement appropriate legislation, incentives and a functioning licensing, inspection and monitoring system.

OBJECTIVE 4: TO CREATE AN ENVIRONMENT WITHIN WHICH GREATER LINKAGES ARE ESTABLISHED BETWEEN TOURISM AND OTHER SECTORS OF THE NATIONAL ECONOMY

Strategic Intervention:

- To develop a more authentic tourism product that utilises local inputs as far as possible.

OBJECTIVE 5: TO CREATE MECHANISMS THAT WOULD ENSURE ALL TOURISM DEVELOPMENT PROGRAMMES AND PROJECTS ARE SUSTAINABLE

Strategic Intervention:

- Develop SMART indicators which would guide government's decision-making on all tourism development programmes, projects and investments.

OBJECTIVE 6: TO CREATE A COMMUNITY-BASED TOURISM POLICY

Strategic Interventions:

- To utilise a participatory approach in the design of the policy framework.
- To ensure that the benefits from tourism are equitably distributed throughout the country.

OBJECTIVE 7: TO DEVELOP A BALANCED, HIGH QUALITY AND COMPETITIVE TOURISM PRODUCT IN ST. VINCENT & THE GRENADINES

Strategic Interventions:

- Enhance the competitiveness and viability of the tourism product.
- Establish training support system to assist in developing a high quality human resource base and service-oriented industry.
- Expand the use of IT in marketing the destination.
- Establish financial support system to assist in the upgrading of relevant facilities and services.

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OBJECTIVE 8: TO INCREASE VISITOR ARRIVAL AND EXPENDITURE IN TARGET MARKETS

Strategic Intervention:

- Strengthen the marketing strategy for St. Vincent and the Grenadines, thereby ensuring flexibility, relevance and responsiveness to the global environment.

6.1.5 MANUFACTURING

The competitiveness of the manufacturing sector has been affected by constraints such as company size, finance, management and increased liberalisation. The continued development of the manufacturing sector will be pursued.



Photo 6.21: Annual Easter Regatta, Bequia

OBJECTIVE 1: TO IMPROVE THE QUALITY AND EXPAND THE RANGE OF MANUFACTURED PRODUCTS IN ST. VINCENT AND THE GRENADINES

Strategic Interventions:

- Strengthen the capacity for quality and competitiveness improvement programmes.
- Improve standards to international levels within the sector.
- Strengthen education and training programmes in the private and public sectors.
- Develop sectoral linkages with the tourism and agricultural sectors.
- Enhance the culture of research and development.
- Improve the development and application of modern technology within the sector.
- Constantly review the macroeconomic framework including the incentive regime in order to attract investment in the sector.
- Encourage joint production and marketing arrangements.
- Improve mechanisms for the provision of credit to the manufacturing sector.
- Improve the regulatory and legal framework for business activity.

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- Provide training and technical assistance to small manufacturers in the areas of product development, quality assurance and standards.

OBJECTIVE 2: TO ENHANCE THE CAPACITY TO EXPORT MANUFACTURED GOODS

Strategic Interventions:

- Expand and implement market development and penetration programmes.
- Promote product differentiation programmes for export markets and high value-added production.
- Encourage new investment in the sector to facilitate employment creation.
- Conduct research and development on markets abroad.

6.1.6 TRADE

St. Vincent and the Grenadines is a small open economy which relies on income from the export of commodities and services to create jobs, buy imports, and maintain an overall healthy balance in external accounts. Trade plays a significant role in the economy. Furthermore, the country is fiscally dependent on international trade transactions for revenue. The interventions advanced in the trade sector complement those articulated in Objective 1.6; under Goal 1.

OBJECTIVE 1: TO ENSURE THAT ST. VINCENT AND THE GRENADINES PRODUCES INTERNATIONALLY COMPETITIVE GOODS AND SERVICES

Strategic Interventions:

- Encourage Public-Private Sector partnerships in Trade Policy Formulation, Negotiation and Implementation.
- Strengthen Trade Policy instruments and institutions as a basis of reform of existing Trade Policy regimes/tools.
- Facilitate an enhanced collection, dissemination, and analysis of trade-related information.

- Develop a strategy for trade in services.
- Participate actively in external trade negotiations at the multilateral, regional and bilateral levels.
- Secure best outcomes for St. Vincent and the Grenadines in external trade negotiations.
- Participate in regional and international trade promotional activities.
- Facilitate increased intra-regional trade.
- Amend requisite legislation in conformity with international obligations.
- Strengthen institutional capacity in the relevant Ministries and Departments.

6.1.7 INVESTMENT

It is recognised that acceleration of investment is essential to achieve significant increases in economic growth and development. This will be facilitated through higher levels of private foreign and domestic investment leading to, among other things, increased income, job creation and poverty reduction.

OBJECTIVE 1: TO FACILITATE INVESTMENT GROWTH

Strategic Interventions:

- Enhance fiscal incentives for investment.
- Consolidate the administrative responsibility for investment concessions in one location.
- Strengthen legislative frameworks conducive to both local and foreign investment.
- Modernise investment legislation and regulations.
- Facilitate export development and enhance trade promotion.
- Market remote e-facilitation access using the Investor Data-Base.
- Advocate for legislative and institutional support to enhance the business climate.
- Strengthen the institutional capacity for investment promotion.
- Streamline the process for doing business in St. Vincent and the Grenadines.

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6.1.8 PRIVATE SECTOR

The private sector continues to play a vital role in shaping the globalisation process and social development in many economies through the creation of jobs and incomes. To achieve the aforementioned, the private sector builds on the combined strengths

and linkages among large, medium, small and micro enterprises. This enables them to be more dynamic, to enhance productivity, transfer and diffuse new industrial technologies, maintain competitiveness, and contribute to entrepreneurship development and ultimately poverty reduction.



Photo 6.22: Buccament Bay Resort

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OBJECTIVE 1: TO ENHANCE PRIVATE SECTOR DEVELOPMENT AND ENTREPRENEURSHIP, THEREBY STIMULATING ECONOMIC GROWTH AND CONTRIBUTING TO POVERTY REDUCTION AND IMPROVED WELFARE

Strategic Interventions:

- Implement the existing policy framework to influence the private sector into more productive activities.
- Promote improved access to affordable financing.
- Strengthen the institutional and regulatory capacity of public sector entities for promoting private sector development.
- Create an enabling environment for private sector institutions to operate.
- Strengthen public and private sector partnerships.
- Promote productivity enhancement at all levels within the private sector.
- Facilitate increased private sector representation in regional, hemispheric and global negotiations.
- Increase the use of ICT in private sector development.

6.1.9 CULTURAL INDUSTRIES

The national spirit of a people is determined and fashioned by cultural identity. This constitutes one of the critical ingredients for nation-building. This Plan recognises the importance of culture in the development process and articulates a vision for the positioning of culture in national life.

OBJECTIVE 1: TO HARNESS AND NURTURE THE CREATIVITY OF OUR PEOPLE AND DEVELOP THE ECONOMIC POTENTIAL OF THE VARIOUS DIMENSIONS OF CULTURE

Strategic Interventions:

- To preserve and maintain the cultural heritage, spiritual values and mores.
- Promote the continued production, marketing and distribution of cultural products.
- Create an environment which allows for the maximisation of revenue generation by cultural practitioners.
- Facilitate the globalisation of the Vincentian fashion industry.
- Develop the local performing arts as a vital form of cultural expression and as a source of employment.
- Create public institutional structures to enable the sustainable development of the Vincentian cultural industries.

6.2 SOCIAL SECTOR

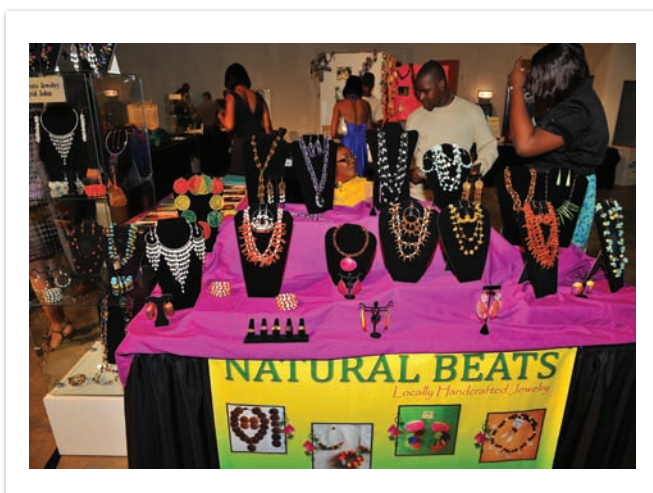


Photo 6.23: Locally Produced Jewellery

CHAPTER 6: SECTORAL OBJECTIVES AND STRATEGIES

6.2.1 EDUCATION

Education is vital for quality production, poverty reduction, social cohesion and the maintenance of cultural integrity. Hence, the development of the education system is an integral part of national development. Priority will be accorded to the development of requisite skills and competencies for productivity and economic growth, and ultimately the enhancement of the quality of life of all Vincentians. This is pivotal, given the framework of an enlarged and competitive labour market, further occasioned by the establishment of the Caribbean Single Market and Economy (CSME).



Photo 6.24: Primary School Children

OBJECTIVE 1: TO ESTABLISH A WELL-MANAGED, EFFECTIVE AND EFFICIENT EDUCATION SYSTEM THAT FOCUSES ON QUALITY AND RELEVANCE

Strategic Interventions:

- Improve organisational culture for management and delivery of quality education.
- Ensure the implementation of a curriculum that caters to the changing needs of society.
- Encourage greater participation in Science, Technology, Engineering and Mathematics (STEM).

- Provide accessible and modernised public libraries, archives and learning support centres.
- Improve the delivery of quality education through the use of ICT.
- Enhance early childhood education programmes.
- Improve standards of achievement by providing effective primary education.
- Upgrade secondary education programme for better delivery and results.
- Diversify the modalities by which post-secondary education is delivered, and access to life-long education is facilitated.
- Create a framework to integrate all aspects of technical and vocational education and training.
- Promote partnership in the management of schools between public and private sectors, NGOs, CSOs and FBOs.
- Improve the student-teacher ratio.
- Review and maintain school infrastructure.
- Increase the number of males who attain higher levels of education.

OBJECTIVE 2: TO PROMOTE STANDARDS OF EXCELLENCE AND PROFESSIONALISM IN PROGRAMME DELIVERY AND SERVICES

Strategic Interventions:

- Establish new and continue ongoing professional development programmes.
- Improve the learning environment.
- Establish standards of excellence in instruction and research.
- Strengthen the capability of tertiary institutions to deliver programmes and to produce a cadre of highly trained and certified teachers.
- Expand the system for accreditation of skilled professionals.
- Establish and support mentoring.

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OBJECTIVE 3: TO PROMOTE COMMUNITY INVOLVEMENT AND OPPORTUNITIES FOR CONTINUING EDUCATION THROUGHOUT ADULTHOOD

Strategic Interventions:

- Foster a culture of innovation and entrepreneurship to provide opportunities for lifelong learning.
- Establish and implement policies to ensure the inclusion of marginalised groups in the education system.
- Ensure that all learning resource centres are functional and provide the resources and programmes to meet the educational needs of the communities.
- Encourage involvement of parents in the educational development of the children.
- Encourage community mentorship programmes.

6.2.2 YOUTH

Youths account for just under 60 percent of the nation's population. Accordingly, serious efforts must be made to harness the full potential of Vincentian youth. Central to this is increasing the number of opportunities for training and avenues for obtaining gainful employment. The diverse challenges facing the youth must also be addressed as they have profound and indisputable socio-economic impact. To this end, positive values, which serve as protective factors in overcoming developmental challenges, must be engendered among the nation's youth.

OBJECTIVE 1: TO EMPOWER YOUTH TO MEANINGFULLY CONTRIBUTE TO NATIONAL DEVELOPMENT

Strategic Interventions:

- Strengthen the capacity of the Youth Affairs Department and the institutional framework for the provision of youth employment.

- Enhance the ability of youth to compete within CSME and the global environment through training and certification programmes.
- Build the entrepreneurial capacity of the youth.
- Enhance avenues for self-expression and personal development through arts and culture.
- Strengthen partnerships with the private and public sectors to facilitate mentorship and internship programmes.
- Implement social protection programmes for youth.
- Provide opportunities for vocational skills development and for 'second chance' programmes for completing secondary education.
- Extend and improve vocational coverage for marginalised youth.

OBJECTIVE 2: TO HIGHLIGHT AND ADDRESS YOUTH DEVELOPMENT ISSUES FROM THE LEVEL OF PUBLIC AWARENESS TO POLICY AND PROGRAMME IMPLEMENTATION

Strategic Interventions:

- Evaluate the impact of and strengthen programmes which address youth issues such as HIV/AIDS, drug and alcohol use, and unemployment.
- Update/implement policy for the care and protection of vulnerable youth.
- Develop and implement programs to reintegrate at-risk youth into society.
- Promote youth training and development as a pivotal component of the development process.
- Establish mechanism(s) whereby policies and programs for youth can be identified, formulated, implemented and evaluated.
- Provide avenues for leisure, self-expression, talent development and community service.

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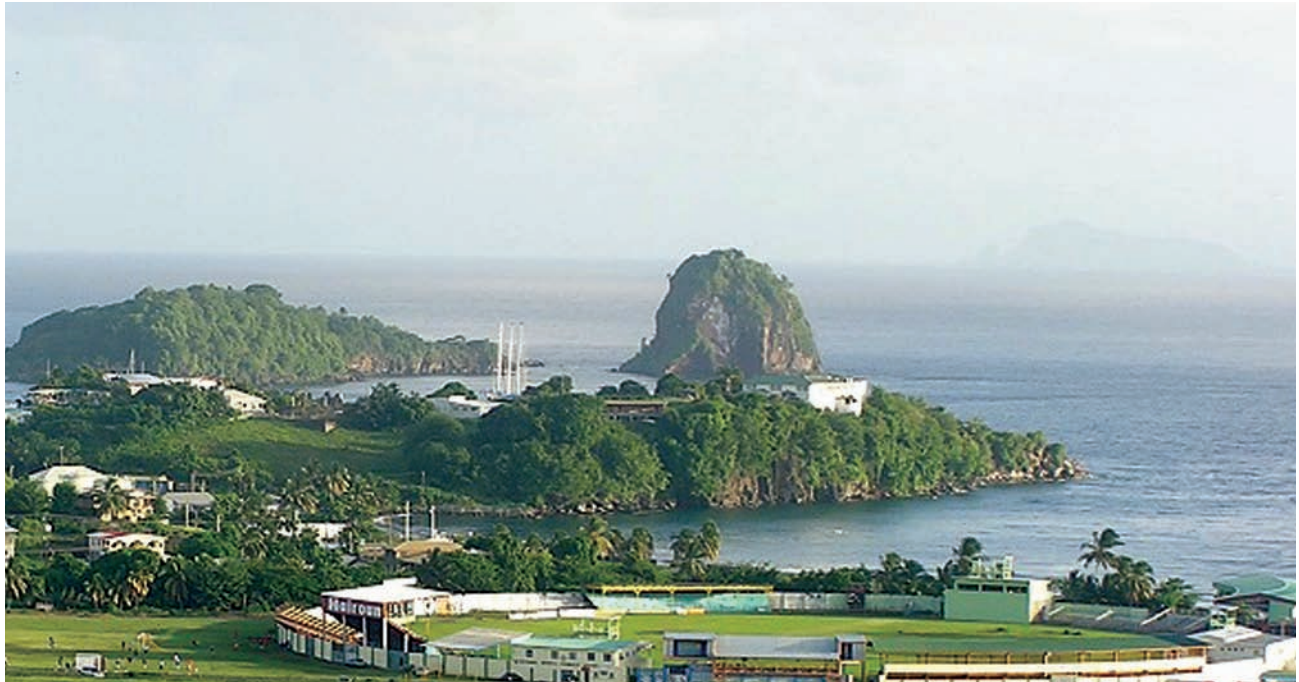


Photo 6.25: Arnos Vale Sporting Complex

OBJECTIVE 3: TO FOSTER AMONG YOUNG PEOPLE, IDEALS OF SOCIAL HARMONY, MUTUAL RESPECT, CULTURAL HERITAGE, NATIONAL VALUES AND INTERNATIONAL COOPERATION

Strategic Interventions:

- Increase opportunities for the youth to play effective roles in community-based programmes.
- Sensitise the youth to environmental problems and the concept of sustainable development.
- Provide technical and financial support to youth organisations, social and sports clubs.
- Encourage sound nutrition, physical education and sports among young people.
- Encourage and support exchange programmes and visits abroad.
- Promote youth participation in tourism and cultural events.

6.2.3 SPORTS

Human development includes physical development. Accordingly, it is imperative that this Plan advocates that St. Vincent and the Grenadines becomes a physically fit and healthy nation. This will be fostered through involvement by the population in physical education, sports and recreational activity.

OBJECTIVE 1: TO PROMOTE A HEALTHY ACTIVE AND PHYSICALLY FIT POPULATION THROUGH INVOLVEMENT IN PHYSICAL EDUCATION, SPORTS AND RECREATIONAL ACTIVITY

Strategic Interventions:

- Provide and maintain sporting and recreational facilities to acceptable standards.
- Ensure that physical education, sports and recreation are integral to Vincentian life.
- Stimulate greater public interest, support and participation in sports.

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- Establish and implement a national recreation and play policy especially for children.
- Upgrade the levels of skills and general competences of sports administrators.
- Encourage Sports Tourism as an integral component of national development.
- Encourage more persons to pursue sports as a career path.

6.2.4 COMMUNITY DEVELOPMENT

Community organisations serve as fundamental building blocks to national development. Development at the community level cannot be overlooked in the drive towards a better St. Vincent and the Grenadines. Community organisations (formal or informal) have a unique and vital role as they foster deeper interaction, and have potential for wider reach.

OBJECTIVE 1: TO FACILITATE SOCIAL, CULTURAL AND ECONOMIC DEVELOPMENT AT THE COMMUNITY LEVEL

Strategic Interventions:

- Encourage and support community-based and private sector initiatives.
- Provide more targeted technical and financial assistance programmes for business development.
- Improve physical and social infrastructure.
- Design and implement community development plans.
- Promote good governance in civil society organisations.
- Strengthen legislation governing civil society organisations.
- Facilitate community participation in national development.
- Institutionalise/formalise mechanisms for community involvement.

6.2.5 HOUSING

The elimination of sub-standard living conditions, through the provision of adequate housing is a major component of poverty reduction. In this regard, this Plan makes provision for widening access to housing financing, and to increase home ownership. Building codes must be effectively implemented and managed with ongoing monitoring and review, to ensure that codes sufficiently mitigate the threat of natural disasters and climate change.



Photo 6.26: Low Income Homes, Manning's Village, Byera

OBJECTIVE 1: IMPROVE THE HOUSING AND LIVING CONDITIONS OF ALL STRATA OF THE POPULATION

Strategic Interventions

- Implement the National Physical Development Plan.
- Develop a housing plan to address building codes and standards.
- Strengthen housing authority to effectively deliver mandate.
- Develop an effective land management and delivery system for housing development.
- Reduce the number of squatter settlements.
- Regularise and upgrade designated squatter settlements and relocate settlements where necessary.
- Increase access to housing.

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6.2.6 SOCIAL SECURITY

The relatively high dependency ratio and ageing population, as identified in the 2001 Population and Housing Census, require that proper attention be paid to the delivery of social services in St. Vincent and the Grenadines.

The institutional framework for the provision of social security must be enhanced to ensure that persons who can no longer actively contribute to the economy receive adequate care and protection. Focus should also be directed at reducing the number of persons in the 'poor and vulnerable' group.

OBJECTIVE 1: TO PROVIDE SOCIAL PROTECTION TO THE CITIZENS OF ST. VINCENT AND THE GRENADINES THROUGH PRUDENT FINANCIAL MANAGEMENT

Strategic Interventions:

- Transform social security into a programme designed to meet the present and future needs of the population.
- Increase the rate/degree of compliance in the collection of contributions.
- Expand coverage to target groups in the informal and formal sectors.
- Strengthen and reform the social security system to ensure sustainability.
- Increase the level of registration among the self-employed and voluntary contributors.
- Implement a prudent portfolio management approach to investment.
- Introduce a National Health Insurance System in St. Vincent and the Grenadines.

6.2.7 HEALTH

This Plan subscribes to the notion that access to good quality and affordable health care is critical to national growth and development. Priority will be accorded to

lifting the general health status of the population. Some of the more pressing challenges facing the health sector in St. Vincent and the Grenadines are fiscal constraints, changing family structures, ageing population, high rates of unemployment, relatively high levels of poverty, and an upsurge in non-communicable diseases.

OBJECTIVE 1: TO IMPROVE THE GENERAL HEALTH OF THE POPULATION

Strategic Interventions

- Strengthen administrative capacity in the health sector.
- Re-orient the primary health care system to create a more positive impact on the health status of the nation.
- Expand secondary and tertiary health care services to include new treatment modalities.
- Sustain health care achievements through health care financing and good governance.
- Strengthen inter-sectoral collaboration between public and private sectors in the delivery of health care services.
- Strengthen technical collaboration with local, regional and international partners, NGOs and civil society.

OBJECTIVE 2: TO IMPROVE THE NUTRITIONAL AND PHYSICAL STATUS OF THE POPULATION, THUS REDUCING THE BURDEN OF NUTRITIONAL DISORDERS AND CHRONIC NON-COMMUNICABLE DISEASES (CNCD) ON SOCIETY

Strategic Interventions:

- Establish the necessary mechanisms for inter-sectoral cooperation in food and nutrition.
- Establish and operationalise a National Food and Nutrition Surveillance System for assessment and monitoring of nutritional status and other related factors of the population.

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OBJECTIVE 3: TO ENHANCE THE MANAGEMENT OF COMMUNICABLE AND CHRONIC NON-COMMUNICABLE DISEASES

Strategic Interventions:

- Strengthen clinical management and improve surveillance of all communicable diseases.
- Improve all the supportive environments.
- Strengthen the human resource capacity for health care delivery.
- Enhance decision-making capacity through improved information systems, research, and monitoring and evaluation.
- Utilise behavioural modification techniques to encourage behavioural changes, targeting school children and adolescents.
- Introduce and conduct health promotion activities in the communities and at the workplaces.

OBJECTIVE 4: TO IMPROVE THE QUALITY OF MENTAL HEALTH CARE FOR THE POPULATION OF ST. VINCENT AND THE GRENADINES

Strategic Interventions:

- Strengthen community mental health outreach programmes.
- Enhance communication and education strategies on mental health issues.
- Provide modern, secure and appropriate facilities for the management of persons with mental disorders.
- Develop the supportive framework to mitigate against mental health disorders.

OBJECTIVE 5: TO REDUCE THE INCIDENCE OF HIV/AIDS AND IMPROVE THE QUALITY OF LIFE FOR PEOPLE LIVING WITH THE DISEASE

Strategic Interventions:

- Strengthen inter-sectoral management, organisational structures and institutional capacity.

- Strengthen HIV/AIDS prevention and control programmes.
- Strengthen care, support and treatment programme for people living with HIV/AIDS and their families.

6.2.8 POVERTY ERADICATION/REDUCTION

The Government of St. Vincent and the Grenadines has made a commitment towards achieving the Millennium Development Goals (MDGs) as a strategy to sharpen the increasingly challenging efforts of human advancement through poverty reduction.

OBJECTIVE 1: TO REDUCE POVERTY

Strategic Interventions:

- Formulate a National Poverty Reduction Strategy.
- Foster greater collaboration among public policymakers, civil society, private sector and academics to develop appropriate solutions to poverty.
- Strengthen the enabling environment for persons to become self-sufficient.
- Promote and facilitate the establishment of cooperatives as a mechanism for poverty reduction.
- Strengthen social protection networks.
- Strengthen the poverty information system.
- Enhance rural development.
- Promote community agri-business.
- Facilitate community-based tourism.
- Enhance the enabling environment for private sector investment.

6.3 GOVERNANCE

6.3.1 NATIONAL SECURITY

National Security is indispensable to the development of St. Vincent and the Grenadines. It is therefore imperative that capacity be enhanced to ensure a safe, peaceful and stable environment.

CHAPTER 6: SECTORAL OBJECTIVES AND STRATEGIES



Photo 6.27: Police Headquarters

OBJECTIVE 1: TO ENSURE A PEACEFUL, SAFE AND STABLE SOCIETY

Strategic Interventions:

- Improve and sustain initiatives that reduce criminality.
- Collaborate with member States of the OECS in particular, and the wider CARICOM region to ensure that the maritime resources of the nation are protected.
- Solidify initiatives to enhance border security including infrastructural development and training, ensuring a secure environment to conduct business.
- Enhance the information and intelligence-sharing mechanisms among the security forces locally, regionally and internationally.
- Amend legislation pertaining to national security, including the essential services.
- Collaborate with the international community on transnational and international security issues.

6.3.2 THE ROLE OF CIVIL SOCIETY

Active civil society participation is necessary for the good governance of the State. It is therefore imperative that CSOs, NGOs, FBOs, community-based groups and other interest groups play a role in policy-making and implementation.

OBJECTIVE 1: TO ENHANCE THE ROLE OF CIVIL SOCIETY IN GOVERNANCE

Strategic Interventions:

- Improve transparency and accountability in the public sector, civil society and the business community.
- Promote the role of the business community, trade unions, NGOs and CSOs in attaining and maintaining transparency and accountability.
- Ensure greater access to information and enhance the independent role of the media.
- Create an enabling environment for the development and empowerment of a non-partisan and autonomous civil society.
- Create an enabling environment for the greater integration of civil society in national development.



Photo 6.28: Consultation With Vincentians Abroad

6.3.3 DIPLOMACY

As a fledgling democracy, St. Vincent and the Grenadines must engage with more powerful, developed countries for the furtherance of national interests. The constraints to achieving this objective are many and varied.

Maintaining a physical presence in capitals around the world and attending international meetings and conferences where decisions impact national welfare are pivotal. These have proven to be costly. The Plan proposes several interventions with respect to the country's diplomacy.

CHAPTER 6: SECTORAL OBJECTIVES AND STRATEGIES

OBJECTIVE 1: TO STRENGTHEN DIPLOMACY

Strategic Interventions:

- Articulate and maintain a principled, focused and well-coordinated foreign policy.
- Deepen functional cooperation and widen regional economic space.
- Enable the free movement of labour and capital within CARICOM.
- Enhance the overseas missions' ability to undertake trade, tourism and investment promotions.
- Pursue joint representation with other OECS States and CARICOM Countries in important capitals around the world.
- Enhance existing bilateral relations.
- Support the mission of the United Nations to preserve and maintain international peace and security.
- Sensitise the citizenry about Government's foreign policy thrust.

6.3.4 INDUSTRIAL RELATIONS

Workers play a pivotal role in the development of any society. As such, careful attention must be paid to the relationship between workers and their employers. More specifically, focus must be vested upon the labour standards, occupational safety and the compensation for these wage earners. These aforementioned factors may impede the development thrust if they are unfavourable.

OBJECTIVE 1: TO PROMOTE HARMONIOUS INDUSTRIAL RELATIONS

Strategic Interventions

- Strengthen labour management entities to better deliver their functions.
- Develop appropriate guidelines to improve safety and health in the workplace.
- Improve the mechanisms within the Department of Labour for delivery of labour and industrial relations functions.

6.3.5 PUBLIC SECTOR REFORM

In order for the State to improve its standard of governance, this Plan articulates a vision for more efficient and effective delivery of public services.

OBJECTIVE 1: TO ENHANCE THE EFFECTIVENESS, EFFICIENCY AND EXPEDIENCY OF SERVICES PROVIDED BY THE STATE

Strategic Interventions:

- Encourage a customer friendly environment at all levels of the public service.
- Develop and maintain an effective communication network to facilitate and market the public sector to the entire citizenry.
- Strengthen the capacity of the public sector to manage the economy and deliver accountable, reliable and transparent public services.
- Improve cooperation between the public and private sector in formulating and implementing policies.

6.4 INFRASTRUCTURAL AND ENVIRONMENTAL SECTORS

6.4.1 ROADS

A properly functioning road network is essential for growth and development. As a consequence, the government has spent a significant proportion of its annual budget on the construction, upgrading and rehabilitation of roads. The road network has been improving over the years, in spite of challenges of the increased number and size of vehicles and the country's topography. Significant resources will be channelled to ensure that the road network is adequately maintained, upgraded and expanded.

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OBJECTIVE 1: TO UPGRADE THE COUNTRY'S ROAD NETWORK

Strategic Interventions:

- Develop a comprehensive road maintenance programme, supported by a time-bound asset management programme.
- Expand where possible, major roads to accommodate larger and longer vehicles.
- Reinforce and widen bridges.
- Upgrade village and feeder roads to facilitate greater rural economic activity.
- Embark on a comprehensive drainage-building programme.
- Redesign the Arnos Vale-Kingstown artery to alleviate the serious traffic problems at peak time.
- Develop a road safety public awareness programme.

6.4.2 AIRPORT DEVELOPMENT

The Government of St. Vincent and the Grenadines is cognisant of the positive impact of adequate air access to economic and social development. It is within this context that government has embarked on several initiatives aimed at enhancing airport development throughout the State. Strategic interventions regarding airport development are to a large extent, revolved around the completion and commencement of operations of the Argyle International Airport.

OBJECTIVE 1: TO IMPROVE AIR ACCESS TO ST. VINCENT AND THE GRENADINES

Strategic Interventions:

- Complete construction of the Argyle International Airport.
- Develop a marketing plan geared towards attracting long-haul carriers.
- Develop and improve quality of airport facilities.
- Increase operational safety of airports.
- Increase efficiency in the management of airport operations.

- Develop products and services for the air-transport industry.
- Enhance institutional capacity in line with international standards.

6.4.3 SEAPORT DEVELOPMENT

Modern seaport facilities are critical for growth and development and are an important component in the expansion of trade. St. Vincent and the Grenadines as a multi-island State depends heavily on sea transport for the intra-state movement of people and cargo. As a consequence, government is committed to ensuring that seaports are adequately maintained, well equipped and effectively managed.



Photo 6.29: Expanding Seaport Facilities

OBJECTIVE 1: TO MODERNISE AND EXPAND SEAPORT FACILITIES.

Strategic Interventions:

- Establish new ports.
- Improve the infrastructure at existing ports.
- Continue strengthening and upgrading the security at the ports.
- Upgrade security systems to prohibit the entry of illicit cargo.
- Improve the institutional capacity for seaport operation.

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- Sensitise the public on port administration and security measures.
- Ensure that all ports comply with industry standards, including safety and security measures.

6.4.4 INFORMATION AND COMMUNICATION TECHNOLOGY

The need to be on the cutting edge of information is important for St. Vincent and the Grenadines. The importance here is that at all times, firms and individuals must have access to the outside world, notwithstanding the different time zones.



Photo 6.30: Embracing technology

OBJECTIVE 1: TO INCREASE ACCESS AND USE OF INFORMATION AND COMMUNICATION TECHNOLOGY IN ALL ASPECTS OF LIFE

Strategic Interventions:

- Improve the quality of education and TVET through the integration of ICT.
- Encourage the use of ICT in all business operations.
- Expand e-government services.
- Improve educational management, administration and governance through effective ICT strategies.
- Enable greater equity in the allocation and use of health care resources by exploiting ICT

mechanisms to promote quality health care delivery and management in a cost effective manner.

- Increase access and affordability to broadband services.
- Increase bandwidth available to citizens.
- Increase the number of Information Technology Enabled Services (ITES).

OBJECTIVE 2: TO BUILD COMPETITIVENESS THROUGH THE USE OF ICT

The private sector can utilise new and emerging opportunities afforded them by ICT while bolstering their competitive edge in the CSME and the rest of the world.

Strategic Interventions:

- Encourage the use of ICT for transactions in the value chain and in the organisation.
- Increase institutional capacity within the ICT sector.
- Increase skills and capacity within the ICT sector.
- Advocate with other OECS members for lower telecommunication charges.
- Establish a comprehensive harmonised legal and regulatory framework.
- Encourage further investment in ICT.

OBJECTIVE 3: DEVELOP A ROBUST, COMPETITIVE, AND SUSTAINABLE NICHE ICT SECTOR DRIVEN BY SMES

Strategic Interventions:

- Fore-sighting and innovation mapping for the ICT sector to identify niche with a view to stimulating economic growth and development.
- Streamline the curriculum to create the critical mass to sustain the target niche.
- Establish the environment to bolster ICT incubators with a view to encouraging start-ups in priority areas.
- Create the policy environment to stimulate the telecommunication sector towards higher

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value-added products and services. This policy should speak towards access of independent value-added content providers to established networks.

- Utilise government procurement to stimulate capacity development of ICT start-ups/SMEs (current and potential).

6.4.5 ENERGY

The security of the energy supply is threatened by fears of declining global oil reserves, expansion in emerging industrial countries and continued conflict in some major oil-producing States. Consequent upon this, there is urgent need to explore renewable sources.

OBJECTIVE 1: TO HAVE AN ADEQUATE SUPPLY OF ENERGY AT AN AFFORDABLE PRICE

Strategic Interventions:

- Continue to explore other opportunities with friendly governments to obtain petroleum on concessionary terms.
- Liberalise the energy market to encourage private sector participation in renewable energy development.
- Improve the regulatory and administrative framework for the efficient functioning of the energy sector.
- Promote energy efficiency and conservation.

OBJECTIVE 2: TO ENCOURAGE EXPLORATION AND INCREASED UTILISATION OF RENEWABLE ENERGY TECHNOLOGIES

With the rising costs of fossil fuel, it is imperative that measures are employed to control energy consumption. This would not only impact positively on economic indicators but will also help in the preservation of the environment.

Strategic Interventions:

- Facilitate low-cost funding for solar water heaters in the household and business environments.
- Promote the use of photovoltaic cells.

- Establish wind farms in St. Vincent and the Grenadines.
- Explore the feasibility of geo-thermal energy.
- Encourage the use of bio-fuel at the industrial level.
- Adapt the national power-grid to accommodate grid-tie renewable energy.
- Maintain data base on relevant aspects of the energy sector.
- Encourage private sector participation in the development, financing and management of renewable energy projects.
- Develop expertise in renewable energy systems.

OBJECTIVE 3: TO PROMOTE ENERGY EFFICIENCY AND CONSERVATION PRACTICES AMONG CONSUMERS

With the increasing cost of non-renewable energy, there is a need to limit its use, while at the same time ensuring that the pace of development is not curtailed.

Strategic Interventions:

- Establish an extensive public education programme.
- Limit the purchase and use of vehicles which are not fuel efficient, in the public sector.
- Ensure that all newly constructed public buildings are energy efficient.
- Encourage research and adopt measures to minimise energy loss in transmission.
- Promote energy audits for key energy consuming sectors in industry, hotels, restaurants and public buildings.

6.4.6 ENVIRONMENTAL SUSTAINABILITY AND SOLID WASTE MANAGEMENT

Healthy ecosystems and the sustainable use of natural resources are integral components in the continued survival and development of human societies. Consequently, careful attention must be paid to environmental sustainability.

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OBJECTIVE 1: TO CONSERVE THE NATURAL RESOURCES OF THE COUNTRY

Strategic Interventions:

- Develop appropriate measures to protect the rich natural resources of the country.
- Develop alternative and sustainable livelihood programmes for local communities in protected areas.
- Provide incentives for the protection and restoration of natural resources.
- Develop and employ methodologies for the economic assessment and accounting of natural resources.



Photo 6.31: Dark View Falls Nature Walk

OBJECTIVE 2: TO EFFECTIVELY MANAGE BIOLOGICAL RESOURCES

Strategic Interventions:

- Manage and restore biological diversity where possible.
- Develop and implement an Integrated Watershed Management Plan.
- Develop and implement a Coastal Area Management Plan.
- Adopt measures to restore environmentally degraded areas.
- Strengthen the capacity of NGOs in environmental management.

- Strengthen the existing legal and institutional frameworks.

OBJECTIVE 3: TO ENSURE A CLEAN, SAFE AND HEALTHY ENVIRONMENT

Strategic Interventions:

- Minimise where possible, the discharge of pollutants in soils, water, air and the natural environment.
- Adopt and implement appropriate measures to adequately manage solid and liquid waste, including hazardous waste, and atmospheric pollutants.
- Develop a sustainable waste management system.
- Manage terrestrial, marine and atmospheric resources, organisms and eco-systems in a sustainable manner.
- Encourage the adherence to St. Vincent and the Grenadines' commitment under Multilateral Environmental Agreements (MEAs).
- Develop fiscal and other policy incentives to encourage environmentally sustainable imports and the use of local products with degradable content.

6.4.7 LAND USE PLANNING

St. Vincent and the Grenadines is a land of rugged terrain. Its development has been largely constrained by geographic and economic factors. Land space for ordered development or redevelopment is difficult to obtain except at high costs. It is therefore necessary to impose discipline on land-use, to better regulate it, and prevent the development of unplanned communities.

OBJECTIVE 1: TO MANAGE AND GUIDE THE GROWTH AND DEVELOPMENT OF THE STATE IN A SUSTAINABLE MANNER

Strategic Interventions:

- Create new growth poles along the north-east and western corridors to decentralise activities.
- Revitalise the other five towns to become

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multifunctional centres, thereby reducing the urge toward lower density development and encroachment on valuable agricultural lands.

- Restrict settlement in critical agricultural lands to ensure food security and agro-trade.
- Enforce land-use zoning legislation to protect the critical ecological balance and bio-diversity.

6.4.8 WATER

Access to safe drinking water is one of the basic human needs. It is therefore a key component of the development and survival of the Vincentian society. As the development process continues, competing uses of water create a strain on the supply of drinking water. This Plan advances strategies for the sustainable management of the country's water resources.

OBJECTIVE 1: TO ENSURE AN ADEQUATE, SAFE, RELIABLE AND SUSTAINABLE SUPPLY OF WATER AT AFFORDABLE PRICES

Strategic Interventions:

- Expand the water supply and distribution system.
- Improve the protection and management of water resources.
- Increase the economic viability of the provision of water services.
- Discontinue squatting, farming and other human activities around major water catchments.
- Develop and promote conservation measures and best water use practices to ensure optimal utilisation of the water resources.
- Improve the quality of the potable water supply.
- Expand the provision of potable water to the Grenadines.
- Upgrade the system for the collection, monitoring and management of hydrological and other data/information on water resources.



Photo 6.32 : Big Gut Water Catchment

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6.4.9 DISASTER MANAGEMENT

St. Vincent and the Grenadines is geographically located in an area that is highly vulnerable to natural disasters. It is therefore imperative that disaster preparedness mechanisms are enhanced.

OBJECTIVE: *TO ENHANCE THE CAPABILITY OF ST. VINCENT AND THE GRENADINES TO EFFECTIVELY PREPARE, RESPOND TO AND MITIGATE ALL DISASTERS*

Strategic Interventions:

- Establish a comprehensive Disaster Management Plan.
- Formulate procedures to ensure that all commercial and public buildings have disaster plans.
- Build resilience at the community level.
- Develop land-use and maritime plans.
- Ensure adherence to the Building Codes.
- Develop post-trauma needs assessment programmes.
- Acquire air-assets to perform search and rescue.



Photo 6.33: Sea Defence, Layou

CHAPTER 7



CHAPTER 7: IMPLEMENTATION, MONITORING AND EVALUATION

7.1 FINANCING AND IMPLEMENTATION

A multi-tiered planning horizon will be used in implementing the Plan. The 13-year Plan delineates a strategic roadmap to 2025 as well as an implementation agenda for the short- to medium-term. The long-term horizon involves the development of a 13-year perspective, from 2013 to 2025, which sets the overall development goal while the medium-term horizon provides specific objectives, strategies and action plans.

The recurrent expenditure is foreseen to be financed from local revenues. These are projected to grow in line with GDP growth, as well as gains from reform measures that address inefficiencies and waste. The capital financing depends significantly, in the medium term, on external grants and loans, moving in the long term to greater contributions from domestic revenues. The aggregate recurrent and capital expenditure for the three-year period, 2013-2015, is projected to be EC\$2.3 billion.

The preparation of medium-term strategies will be undertaken at three-year intervals to guide revisions to the long-term Plan. These revisions would inform the annual budgets. Although overall responsibility for monitoring and evaluating implementation of the Plan lies with the Ministry of Finance and Economic Planning, other public sector agencies, the private sector and NGOs also have critical roles.

In the medium term, capital expenditure is expected to sum to EC\$702.9 million. An estimated EC\$119.3 million will be financed by capital revenue, and EC\$136.1million through existing grant agreements. Another EC\$191 million will be financed by contracted external borrowing, most of which are on highly concessional terms. In addition to external borrowing and grants, domestic loan financing is projected at EC\$195.3 million. Further financing is required of EC\$61.2 million to complete implementation of the capital programme for the medium term.

The participation of the private sector and NGOs would increase the efficiency with which development projects and programmes are implemented and lead to sustainable development. Most importantly, it will empower the people of St. Vincent and the Grenadines to participate meaningfully in the decision-making process.

MONITORING AND EVALUATION

Monitoring and evaluation are vital to ensure higher performance and greater accountability. The government will thus give priority to continuous monitoring of progress on the 2013-2025 National Economic and Social Development Plan (NESDP). The Government will establish the modalities for annual monitoring as well as three-yearly reviews and a final review of the outcome of the Plan.

ANNUAL MONITORING

Ministries and agencies will be expected to report on Plan progress in their annual reports. The Ministry of Finance and Economic Planning will coordinate the monitoring of Plan progress by reviewing annual reports from Ministries, departments and agencies. Performance will be assessed, based on the indicators agreed to *a priori*, and appended.

CHAPTER 7: IMPLEMENTATION, MONITORING AND EVALUATION

The Ministry of Finance and Economic Planning will be required to report annually to the Cabinet on overall progress in the implementation of the Plan, through the Minister. In addition, triennial reviews will be undertaken with a view to assessing the relevance, efficiency and effectiveness with which it was implemented.

7.2 CONCLUSION

St. Vincent and the Grenadines, as a small island open economy faces challenges in adapting to a rapidly changing international environment and in re-orienting its relationship with it. The countries which are the destinations of its outward bound citizens and on which

it relied for foreign exchange earnings and investments, are themselves experiencing their own economic challenges. The governance structure has to conform to a participatory mode, engaging the entire citizenry in re-engineering its economy to face momentous change in the global economy. The challenge is reminiscent of earlier crises – the Great Depression, the collapse of the Federation of the British West Indies, and more recently, the elimination of preferences for its banana industry that was the mainstay of the economy and particularly vital for rural incomes. The Plan provides the framework over a medium to long term for the Government, private sector and civil society to coordinate their efforts in responding to these challenges, which if appropriately addressed, will result in improved quality of life for all Vincentians.



APPENDIX



APPENDIX I: PLANNING MATRIX - GOAL 1: RE-ENGINEERING ECONOMIC GROWTH

Objective	Strategic Interventions	Outcomes
<p>Objective 1.1: To maintain strong macroeconomic fundamentals.</p>	<ul style="list-style-type: none"> • Continue the implementation of sound fiscal and financial policies. • Further strengthen tax administration. • Reduce the debt to GDP ratio within acceptable prudential limits. • Develop niche markets for new and existing exports. • Maintain a stable currency within the Eastern Caribbean Currency Union (ECCU) and ensure efficacious regulation of the banking system. • Reduce and maintain stable inflation rate. • Increase employment opportunities. • Strengthen linkages between productive sectors. • Strengthen investment regime. • Regulate all non-banking financial institutions. 	<ul style="list-style-type: none"> • Increased national wealth. • Investment base of the productive sectors is increased. • Economic activity is increased as a result of a more equitable distribution of income and wealth in St. Vincent and the Grenadines. • Jobs created. • Poverty reduced, consistent with MDGs. • Increased annual rates of returns from productive sectors. • Debt to GDP ratio not exceeding 60 percent. • The attainment of near to full employment. • Average real economic growth in excess of 6.0 percent, annually. • Minimum Central Government savings of 3.0 percent of GDP. • Average annual inflation rate not exceeding 3 percent. • An external current account deficit not exceeding 2.5 percent of GDP. • Current revenue to GDP ratio of 30 percent.

APPENDIX I: PLANNING MATRIX - GOAL 1: RE-ENGINEERING ECONOMIC GROWTH

Objective	Strategic Interventions	Outcomes
<p>Objective 1.2: To revitalise the agricultural and fisheries sector</p>	<ul style="list-style-type: none"> • Stimulate private sector investment in the agricultural sector and encourage public-private partnership. • Modernise, increase productivity, efficiency and competitiveness in the agricultural sector. • Increase export market access for diversified agricultural produce. • Improve the legislative and institutional framework to foster commercialisation of the agricultural sector. • Encourage the facilitation of agricultural credit. • Create an effective policy formulation mechanism and improve the policy framework for agricultural development. • Promote the sustainable use of land, forestry and marine resources. • Further develop the fisheries sector. • Facilitate the commercialisation of the livestock sector. • Expand agro-processing. • Increase youth involvement in agriculture, especially through agricultural training and access to land. 	<ul style="list-style-type: none"> • Increased yields and earnings. • Improved food security. • Increased market access for agricultural produce. • Sustainable use of land, forestry and marine resources. • Increased contribution of agriculture to the domestic economy.
<p>Objective 1.3: To stimulate growth in the tourism sector</p>	<ul style="list-style-type: none"> • Increase the awareness of the value of the tourism industry in St. Vincent and the Grenadines. • Fashion a comprehensive marketing strategy that capitalises on the diverse characteristics of the multi-island State. • Strengthen sectoral linkages with tourism and other sectors of the economy. • Increase capacity for tourism and the quality of tourism plant. • Develop a more authentic tourism product that protects the environment and utilises as far as possible local inputs. • Facilitate the development of quality small hotels and ancillary facilities by local entrepreneurs. • Encourage viable FDIs in the tourism sector. • Improve skills base. 	<ul style="list-style-type: none"> • A flexible, reliable and responsive tourism industry. • Increased awareness of the Vincentian cultural heritage. • Increased tourism earnings. • Increased employment opportunities for citizens. • A competitive and viable tourism sector.

APPENDIX I: PLANNING MATRIX - GOAL 1: RE-ENGINEERING ECONOMIC GROWTH

Objective	Strategic Interventions	Outcomes
<p>Objective 1.4: To develop the financial sector.</p>	<ul style="list-style-type: none"> • Develop and modernise the non-banking financial sector in the context of financial market efficiency. • Expand the financial sector in keeping with international standards. • Review legislative and institutional framework to facilitate further development of the international financial services sector. • Expand the range of financial assets in which Vincentians at home and abroad can invest. • Enhance the 'doing business' strategy for St. Vincent and the Grenadines. • Actively encourage the amalgamation and strengthening of indigenous commercial banks. • Encourage the growth of capital markets. • Develop a financial literacy strategy. • Develop new opportunities for SMEs to access credit. 	<ul style="list-style-type: none"> • Tax revenues and foreign exchange inflows are increased. • Increased ratio of domestic savings to GDP and investment. • Substantial growth in the non-bank financial sector. • A modern financial and capital market. • Improvement in the range of financial services. • Increased entrepreneurship. • Boost employment opportunities.
<p>Objective 1.5: To enhance the role of the private sector and manufacturing in economic and social development in conjunction with the State and co-operative sectors.</p>	<ul style="list-style-type: none"> • Implement the existing comprehensive policy framework to influence the private sector into more productive activities. • Strengthen the institutional and regulatory capacity of public sector entities for promoting private sector development. • Strengthen public and private sector partnerships. • Promote innovation and productivity at all levels within the private sector. • Facilitate increased private sector representation in regional, hemispheric and global negotiations. • Increase the use of ICT in private sector development. • Promote improved access to affordable financing. 	<ul style="list-style-type: none"> • Achievement of significantly high computer literacy rate among all Vincentians. • At least one (1) computer per household. • An increase in the range of business enterprises utilising modern information and communication technology. • Availability and dissemination of accurate and timely data. • Economic maturation of ICT by 2025.

APPENDIX I: PLANNING MATRIX - GOAL 1: RE-ENGINEERING ECONOMIC GROWTH

Objective	Strategic Interventions	Outcomes
<p>Objective 1.6: To attain a strong and sustainable external trade position.</p>	<ul style="list-style-type: none"> • Develop and implement an export strategy in collaboration with regional and international trading agreements. • Target niche markets for new and existing agricultural produce and manufacturing goods. • Modernise and expand agricultural production for export. • Further develop the services sector. • Promote the development and export of new types of services, in particular professional, cultural, sports, educational, health and other services. • Promote the awareness and possibilities available for export under the Economic Partnership Agreement (EPA). • Provide appropriate incentives to stimulate export development. • Enhance the range and quality of goods manufactured in St. Vincent and the Grenadines for both domestic consumption and export. • Improve institutional capacity in investment promotions. • Safeguard intellectual property as far as possible. • Establish a research-driven Market Institute to inform our export production thrust. 	<ul style="list-style-type: none"> • Export strategy finalised and implemented by 2015. • A significant increase in the penetration of new markets. • Increased volume of exports. • Increased foreign exchange earnings. • An operational market intelligence system. • International airport operational by 2014. • Improve the level of agriculture contribution to trade.

APPENDIX I: PLANNING MATRIX - GOAL 1: RE-ENGINEERING ECONOMIC GROWTH

Objective	Strategic Interventions	Outcomes
<p>Objective 1.7: To develop the Information and Telecommunications services sector.</p>	<ul style="list-style-type: none"> • Formulate and implement a clearly focused national policy for information and communication technology interventions. • Strengthen the regulatory framework of the information and telecommunications services sector. • Explore opportunities offered by developments in information technology. • Enhance inflows of technology into the economy through the use of knowledge parks and centres of excellence. • Encourage and support the provision of requisite human resource development by both private and public sectors, and through opportunities for life-long learning provided by distance education. • Continue to liberalise the telecommunications sector. • Establish a comprehensive e-government system. 	<ul style="list-style-type: none"> • Highly computer literate Vincentians. • At least one computer in each household. • Most adults engaged in adult education. • An increase in the range of business enterprises utilising modern information and communication technology. • Improved availability and dissemination of accurate and timely public data. • Economic maturation of ICT by 2025. • Improved incubators for ICT research and innovations.
<p>Objective 1.8: To enhance productivity and competitiveness.</p>	<ul style="list-style-type: none"> • Promote best practices and increase training opportunities to enhance productivity. Ensure that resources are channelled into the most productive activities. • Reduce the costs of doing business in St. Vincent and the Grenadines by, inter alia: <ul style="list-style-type: none"> • improving energy efficiency; • increasing productivity; • enhancing efficiency in public delivery of doing business; • implementing a judicious mix of fiscal and monetary policies. • Encourage more research and development. • Facilitate the application of technology, the growth of e-commerce and the development of an appropriate regulatory environment. • Expand social protection programmes for workers. 	<ul style="list-style-type: none"> • A significant increase in the number of new enterprises established and licensed. • A substantial increase in St. Vincent and the Grenadines' international price and quality competitiveness. • A productivity institute established by 2015. • Improved organisational performance. • An improved labour environment that facilitates increased productivity and satisfaction.

APPENDIX I: PLANNING MATRIX - GOAL 1: RE-ENGINEERING ECONOMIC GROWTH

Objective	Strategic Interventions	Outcomes
<p>Objective 1.9: To maximise benefits through integration into the OECS Economic Union, CSME and Global Economy.</p>	<ul style="list-style-type: none"> • Maximise opportunities for the trade of goods and services within the OECS, CSME, the Americas, Europe and other regions. • Continue to implement OECS and CSME provisions with the objective of creating a common market across the Caribbean. • Encourage Vincentian businesses to establish strategic alliances to capitalise on market opportunities regionally and internationally. • Clearly define and advance strong positions in support of the CSME in such negotiations as the FTAA, the ACP-EU, and the WTO. • Encourage and support family-owned businesses to divest and enlist in the Regional Securities Markets. 	<ul style="list-style-type: none"> • Improved capacity of St. Vincent and the Grenadines’ firms to compete. • Global networks and strategic alliances established. • Increased movement of skilled labour.
<p>Objective 1.10: To boost economic activity in the construction sector.</p>	<ul style="list-style-type: none"> • Improve the physical infrastructure including roads, bridges and government buildings. • Enhance training programmes for certification of skilled artisans. • Strengthen cooperation with the private sector to encourage an apprentice system. • Enhance the enabling environment for investment in the construction sector. 	<ul style="list-style-type: none"> • Increased investment in construction. • Increased employment for all Vincentians. • Increased growth. • Increased number of skilled artisans.
<p>Objective 1.11: To optimise the economic contribution made by ocean resources.</p>	<ul style="list-style-type: none"> • Establish and implement a comprehensive integrated Ocean Governance policy. • Strengthen the existing legal and institutional frameworks to encourage integrated approaches to marine management and to reduce environmental degradation. • Identify economic priorities for future development of marine sectors/ resources in St Vincent and the Grenadines. • Develop and employ methodologies for the economic assessment and accounting of marine resources. • Increase public awareness with regard to ocean governance issues. 	<ul style="list-style-type: none"> • Increased coordination of marine management among agencies. • Enhanced economic contribution of existing marine-based activities. • Increased trade and economic activity.

APPENDIX 1 - PLANNING MATRIX - GOAL 2: ENABLING INCREASED HUMAN AND SOCIAL DEVELOPMENT

Objectives	Strategic Interventions	Outcomes
<p>Objective 2.1: To reduce poverty.</p>	<ul style="list-style-type: none"> • Formulate a National Poverty Reduction Strategy. • Foster greater collaboration among public policy makers, civil society, private sector and academics to develop appropriate solutions to poverty. • Create the enabling environment for greater job opportunities and for persons to become more self-sufficient. • Strengthen social protection networks. • Enhance rural development. 	<ul style="list-style-type: none"> • Improved standard of living and quality of life of the poor. • Reduction in the levels of poverty. • Reduction in inequality.
<p>Objective 2.2: To create jobs and reduce the levels of unemployment</p>	<ul style="list-style-type: none"> • Facilitate private sector development • Increase efficiency in the implementation of the Public Sector Investment Programme • Focus on skills training, particularly among the youth • Enhance the image of agriculture in the population • Encourage innovation and entrepreneurship, including ICT • Encourage “green growth” 	<ul style="list-style-type: none"> • Reduction of levels of unemployment, particularly among young people • Higher rates of implementation of capital programmes • Increased market-specific skill sets among the working population • Re-creation of an agrarian culture and increased land usage for food production • Greater levels of innovation and creativity • Increased employment in “green economy” jobs
<p>Objective 2.3: To create an adaptable, functional and literate population.</p>	<ul style="list-style-type: none"> • Improve organisational structure for management and delivery of education. • Ensure that the curricula are specifically tailored to meet the needs of the society. • Encourage greater participation in Science, Technology, Engineering and Mathematics (STEM). • Improve the quality of primary and secondary education. • Enhance the capability of post-secondary institutions. • Improve the level of participation and achievement of males in the school system. • Strengthen the management and delivery of adult and continuing education and access to post-school opportunities for life-long education. 	<ul style="list-style-type: none"> • Adaptable curricula consistent with development needs. • Improved academic performance at all levels of the education system. • Improved skills set in St. Vincent and the Grenadines. • Increased use of ICT in the delivery of the curricula. • Improved participation and achievement of males at all levels of the education system. • Increased worker productivity.

APPENDIX 1 - PLANNING MATRIX - GOAL 2: ENABLING INCREASED HUMAN AND SOCIAL DEVELOPMENT

Objectives	Strategic Interventions	Outcomes
<p>Objective 2.4: To promote self-care interventions and healthy lifestyle practices.</p>	<ul style="list-style-type: none"> • Expand secondary and tertiary health care services to include new treatment modalities. • Strengthen primary health care programmes and services. • Institutionalise sustainable health care financing modality. • Modernise the administrative, policy and legislative framework within the health sector. • Strengthen programmes for the prevention and control of both communicable and non-communicable diseases. • Strengthen health and relevant multi-sectoral systems to provide appropriate, comprehensive, integrated HIV prevention, treatment, care and support programmes. • Strengthen the mental health services. • Foster the environment for an active, physically and mentally fit nation. 	<ul style="list-style-type: none"> • Increased health and productivity of the working segment of the population. • Increased life expectancy. • Reduced infant mortality rate. • Improved quality of geriatric services. • Improved quality of mental health services.
<p>Objective 2.5: To facilitate social, cultural and economic development at the community level.</p>	<ul style="list-style-type: none"> • Encourage and support community-based and private sector initiatives. • Improve physical and social infrastructure at the community level. • Promote good governance in civil society organisations. • Facilitate community participation in national development. 	<ul style="list-style-type: none"> • More resilient communities. • Comprehensively developed, balanced and integrated communities. • Enhanced community participation in national development.

APPENDIX 1 - PLANNING MATRIX - GOAL 2: ENABLING INCREASED HUMAN AND SOCIAL DEVELOPMENT

Objectives	Strategic Interventions	Outcomes
<p>Objective 2.6: To empower the youth to meaningfully participate in and contribute to national development.</p>	<ul style="list-style-type: none"> • Build the entrepreneurial capacity of the youth. • Increase youth involvement in agriculture. • Enhance avenues for development including, inter alia; arts, culture and sports. • Develop and implement programmes to re-integrate at-risk youth into society. • Use media and social marketing to engender positive values in the youth. • Enhance the ability of the youth to compete within CSME and the global environment. • Strengthen partnership with the private and public sectors to facilitate mentorship and internship programmes. • Modernise the legal, judicial and security systems for the protection of youth. 	<ul style="list-style-type: none"> • Increased youth employment. • Increased youth entrepreneurship. • Increased youth contribution to growth. • Increased youth involvement in community development. • Increased marketability of youth.
<p>Objective 2.7: To improve the housing and living conditions of the population.</p>	<ul style="list-style-type: none"> • Implement the National Physical Development Plan. • Regularise existing squatter settlements. • Implement legislative and other measures to prevent further squatter settlements. • Strengthen land titling policy. • Increase access to housing. • Strengthen the legislative framework governing housing. 	<ul style="list-style-type: none"> • Increased home ownership in St. Vincent and the Grenadines. • Decreased homelessness and sub-standard living conditions..
<p>Objective 2.8: To facilitate the protection and inclusion of vulnerable and marginalised groups.</p>	<ul style="list-style-type: none"> • Strengthen and implement specifically targeted safety net programmes. • Reform social security. • Modernise legislation to protect special populations from discrimination. • Improve governance of social investment programmes. • Encourage greater participation and inclusion of historically marginalised groups in the development process. • Review, upgrade and implement policies to improve the welfare of the elderly and the differently-abled. 	<ul style="list-style-type: none"> • Increased home ownership in St. Vincent and the Grenadines. • Decreased homelessness and sub-standard living conditions. • Increased access to housing finance. • Equal rights and opportunities in place for vulnerable groups. • Social security benefits and coverage increased for the elderly and underprivileged. • Increased participation of marginalised groups in national development.

APPENDIX 1 – PLANNING MATRIX - GOAL 3: PROMOTING GOOD GOVERNANCE AND INCREASING THE EFFECTIVENESS OF PUBLIC ADMINISTRATION

Objectives	Strategic Interventions	Outcomes
<p>Objective 3.1: To enhance participatory democracy, accountability, transparency, effectiveness and efficiency in the provision of public goods and services</p>	<ul style="list-style-type: none"> • Improve the legislative framework governing public administration. • Strengthen the institutional capacity for monitoring and evaluation. • Encourage the public’s participation in assessing the transparency, quality and reliability of services provided. • Modernise the public relations communication system. • Improve private and public sector partnerships. • Increase the use of ICT and e-government in the delivery of services. 	<ul style="list-style-type: none"> • Timely publication and dissemination of statistical and other public data. • Increased confidence in the functions and undertakings of government. • A highly productive and innovative public sector. • Improved operational standards and procedures within the public service.
<p>Objective 3.2: To develop and maintain a peaceful, safe and secure society.</p>	<ul style="list-style-type: none"> • Enhance institutional capacity in modern detection techniques and crime-solving. • Broaden legislative framework to address new forms of crime. • Improve security of national borders. • Enhance rehabilitation programmes within penal reform institutions. • Improve the policy framework for the governance of the security sector. • Strengthen the institutional capacity for the delivery of security services. 	<ul style="list-style-type: none"> • Enhanced border security. • Reduction in criminal activities. • Improved relations between civilian population and security services. • Improved security services to the population.
<p>Objective 3.3: To lift the quality of the judicial and legal system and to enhance public confidence in it</p>	<ul style="list-style-type: none"> • Increase public awareness of the judicial and legal system. • Provide avenues to ensure that justice is available and accessible to all. • Provide mechanisms for accountability of persons in the legal fraternity. • Strengthen the institutional capacity of the justice system to deliver better services. 	<ul style="list-style-type: none"> • The public is educated about their legal rights and avenues for redress. • The public is aware of the operations of the judicial and legal system. • Greater access to legal services. • An efficient and effective judicial system. • Improved confidence in the legal and judicial system.
<p>Objective 3.4: To enhance the role of civil society in the maintenance of democracy.</p>	<ul style="list-style-type: none"> • Institutionalise consultations with civil society on economic, political and social policies. • Ensure government policies are more responsive to the needs of civil society. 	<ul style="list-style-type: none"> • Wider participation of the civil society in decision-making and governance. • Increased understanding by civil society of government policies. • Increased policy dialogue within NESDC and the wider society.
<p>Objective 3.5: To widen and deepen diplomatic relations.</p>	<ul style="list-style-type: none"> • Deepen and widen regional and international strategic alliances. • Develop mechanisms to exploit fully agreements at the regional level. • Ensure effective representation. • Enhance the engagement of the Diaspora in decision-making and the State’s foreign policy. 	<ul style="list-style-type: none"> • Enhanced benefits emanating from diplomatic relations.

APPENDIX 1 – PLANNING MATRIX - GOAL 4: IMPROVING PHYSICAL INFRASTRUCTURE, PRESERVING THE ENVIRONMENT AND BUILDING RESILIENCE TO CLIMATE CHANGE

Objective	Strategic Interventions	Outcomes
<p>Objective 4.1: To optimise the use of limited land space.</p>	<ul style="list-style-type: none"> • Develop a comprehensive system for the sustainable management of land resources. • Develop national land use policies and land-use zoning plans. • Develop a national land bank system to reduce the amount of under-utilised arable land. • Encourage and support security of tenure for lands. • Enhance the capacity for land management in St. Vincent and the Grenadines. • Preserve critical forest areas. 	<ul style="list-style-type: none"> • A better coordinated land-use policy. • Increase use of arable land for agriculture. • Modern land bank system in place. • Increased agricultural production. • Legislative framework in place to manage land use.
<p>Objective 4.2: To upgrade the road network in St. Vincent and the Grenadines.</p>	<ul style="list-style-type: none"> • Develop a comprehensive road maintenance programme. • Upgrade village and feeder roads to facilitate greater rural economic activity. • Embark on a comprehensive drainage building programme. 	<ul style="list-style-type: none"> • Increased economic activities in rural communities. • Reduction in vehicular operating costs. • Reduction in road accidents. • Reduction in traffic congestion. • Well maintained roads. • The efficient movement of people, goods and services. • Reduction in carbon emission from vehicles.
<p>Objective 4.3: To improve air access to St. Vincent and the Grenadines, including the Construction of an international Airport</p>	<ul style="list-style-type: none"> • Complete construction of the Argyle International Airport. • Develop marketing plan geared towards attracting long-haul carriers. • Develop and improve quality of airport facilities. • Increase operational safety of airports. • Enhance institutional capacity in line with international standards. 	<ul style="list-style-type: none"> • Increased economic growth. • Increased tourist arrivals. • Increased exports. • Increased access to non-traditional markets. • Improved efficiency in the movement of people, goods and services. • Higher levels of employment.
<p>Objective 4.4: To modernise and expand seaport facilities.</p>	<ul style="list-style-type: none"> • Improve the infrastructure at existing seaports. • Continue strengthening and upgrading the security at the ports. • Strengthen institutional capacity at seaports. • Sensitise the public on port administration and security measures. 	<ul style="list-style-type: none"> • Increased revenue. • Improved border security. • Increased trade and economic activity. • Strengthened quarantine measures. • Increased overall efficiency in seaport operations.

**APPENDIX 1 – PLANNING MATRIX - GOAL 4:
IMPROVING PHYSICAL INFRASTRUCTURE, PRESERVING THE ENVIRONMENT AND BUILDING
RESILIENCE TO CLIMATE CHANGE**

Objective	Strategic Interventions	Outcomes
<p>Objective 4.5: To enhance the capability of St. Vincent and the Grenadines to prepare effectively for, respond to and mitigate disasters.</p>	<ul style="list-style-type: none"> • Establish an effective hazard modelling system. • Revise the existing National Disaster Management Plan to incorporate climate change. • Build resilience at the community level. • Strengthen capacity to undertake search and rescue operations. 	<ul style="list-style-type: none"> • Enhanced public health system that would adequately respond to major emergencies and quarantine capabilities. • Built environment better able to withstand disasters. • Reduction in hazardous land occupancy. • Reduction in maritime hazards. • Communities better equipped to prepare, respond to and mitigate disasters. • Reduced casualties and damage to property consequent upon disaster. • Strengthened search and rescue arrangements.
<p>Objective 4.6: To ensure an adequate, safe, reliable and sustainable supply of water.</p>	<ul style="list-style-type: none"> • Expand the water supply and distribution system to include the Grenadines. • Improve the protection and management of water resources. • Develop measures to promote sustainability of the water supply. • Improve the quality of the potable water supply. • Establish a national water commission. • Strengthen the existing Integrated Watershed Management Plan. • Upgrade the system for the collection, monitoring and management of hydrological and other data on water resource. • Review and amend legislation regarding water supply and usage. 	<ul style="list-style-type: none"> • Access to potable water by all households. • Cost-effective and efficient water provision. • Improved potable water quality. • Provision of a reliable water supply to the Grenadines. • Improved national water management system.
<p>Objective 4.7: To conserve the natural resources of the country through effective utilisation and management.</p>	<ul style="list-style-type: none"> • Develop appropriate measures to restore and protect the natural resources of the country. • Develop alternative and sustainable livelihood programmes for local communities in protected areas. • Develop and employ methodologies for the economic assessment and accounting of natural resources. • Develop and implement a Coastal Area Management Plan. • Strengthen the existing legal and institutional frameworks to discourage environmental degradation. • Advance research on biological resources. 	<ul style="list-style-type: none"> • Reduced deforestation. • Improved management of natural resources. • Increased community awareness and involvement in protection and management of resources. • Environmental impact assessment integrated within the development process. • Economic valuation of natural resources. • Improved watershed and coastal management institutionalised. • Enhanced and supportive legal and regulatory frameworks. • Improved database for the preservation of biodiversity.

APPENDIX 1 – PLANNING MATRIX - GOAL 4: IMPROVING PHYSICAL INFRASTRUCTURE, PRESERVING THE ENVIRONMENT AND BUILDING RESILIENCE TO CLIMATE CHANGE

Objective	Strategic Interventions	Outcomes
<p>Objective 4.8: To ensure a clean, safe and healthy environment.</p>	<ul style="list-style-type: none"> Strengthen the nationwide waste management system. Manage terrestrial and eco-systems in a sustainable manner. Enhance the capacity at the Ministry responsible for the environment as well as strengthen its ability to collaborate with other agencies. 	<ul style="list-style-type: none"> Reduction in the level of pollutants in the environment. A comprehensive and effective recycling programme established. Safe and sustainable use of natural resources. Waste to energy initiative developed.
<p>Objective 4.9: To reduce the dependence on imported fuel.</p>	<ul style="list-style-type: none"> Encourage research and exploration of renewable sources of energy. Develop a legislative framework to promote energy efficiency. Establish an energy conservation plan. Encourage production and use of renewable forms of energy. 	<ul style="list-style-type: none"> Legislation in place to promote energy efficiency and alternative sources of energy. Increased energy efficiency of public and private buildings. Private enterprises established to complement the production of renewable energy. A modern, expanded and adaptable power grid to accommodate various energy inputs. Increased production and use of energy from renewable sources. Public utilities commission established.
<p>Objective 4.10: To reduce the adverse impact of climate change.</p>	<ul style="list-style-type: none"> Increase public awareness with regard to climate change issues. Build resilience to minimise damage to settlement and infrastructure. Minimise damage to beach and shoreline integrity and marine ecosystems. Minimise the negative impact of climate change on agriculture and human health. Develop appropriate legislative and regulatory framework, for proper environmental management, and institutional systems for responding and mitigating effects of climate change. 	<ul style="list-style-type: none"> Increased awareness and responsiveness of the public in mitigating effects of climate change. Improved protection of the coastal and forested environment. Increased use of technology to minimise the effects of climate change on agriculture and human health. A legislative framework in place to build climate resilience.

APPENDIX 1 – PLANNING MATRIX - GOAL 5: BUILDING NATIONAL PRIDE, IDENTITY AND CULTURE

Objective	Strategic Interventions	Outcomes
<p>Objective 5.1: To instil in the citizenry a sense of national pride and appreciation of the history of St. Vincent and the Grenadines.</p>	<ul style="list-style-type: none"> • Encourage greater participation and involvement in nation building. • Encourage civic education in national development. • Engender greater respect for national symbols. • Strengthen avenues for self-expression in culture. 	<ul style="list-style-type: none"> • A greater sense of appreciation and pride in being a Vincentian.
<p>Objective 5.2: To engender a greater sense of community and social responsibility.</p>	<ul style="list-style-type: none"> • Promote greater community life and spirit. • Promote greater awareness of the cultural heritage of the different ethnic groups. 	<ul style="list-style-type: none"> • Stronger, more integrated and vibrant communities.
<p>Objective 5.3: To preserve, maintain and promote the cultural heritage of St. Vincent and the Grenadines.</p>	<ul style="list-style-type: none"> • Promote greater awareness of Vincentian heritage, including its pre-Columbian past, and use of authentic indigenous cultural items and services. • Improve the physical infrastructure to facilitate cultural expression. • Encourage the documentation and preservation of Vincentian culture. 	<ul style="list-style-type: none"> • Strengthened religious, moral, traditional and ethical values. • Increased participation in and appreciation of Vincentian culture.
<p>Objective 5.4: To maximise the contribution of cultural industries to economic growth.</p>	<ul style="list-style-type: none"> • Promote the continued production, marketing and distribution of cultural products. • Provide adequate protection and enforcement of intellectual property rights. • Develop and strengthen strategic alliances to promote cultural tourism and industries. • Promote strategic alliances with the private sector. • Facilitate the promotion of culture through opportunities available under the EPA and other agreements. 	<ul style="list-style-type: none"> • An economically viable cultural industry. • A more positive attitude to the value of culture.

APPENDIX II - MACRO-INDICATORS

Outcome Indicators	Base Year	2013
	2008 or most recent	
Growth of Real GDP	0.41 (2011)	2.0
Per capita GDP (EC\$)	19,113 (2011)	20,336
Debt service/Exports	76.0	74.8
Debt service/Govt. Revenue	26.6 (2010)	32.3
Debt/GDP	66.8 (2010)	67.4
Remittances (EC\$M)	63.50 (2011)	63.37
Inflation	3.2% (2011)	3.0%
BOP Current Account Balance/GDP	(28.77) (2011)	(31.09)
Fiscal Current Account/GDP	(32.8)	N/A
Money supply (EC\$M)	1,114	N/A
Unemployment rate	18.8 (2008)	N/A
Net enrollment rate	73.5 (2010)	N/A
Infant mortality rate	21.8 (2011)	N/A
Life expectancy	72	72
Literacy rate (2004)	89	N/A
Number of registered nurse per 10,000	32.0	N/A
Number of registered doctor per 10,000	7.6	N/A
Number of hospital beds per 1,000	2.1	2.1
Health expenditure-to-GDP	6.4	N/A
Population	97,985 (2010)	97,849 (2011)
GINI coefficient	0.41 (2008)	N/A
Poverty rate	30.2 (2008)	N/A
Vulnerability index	48.2	N/A
HDI	0.717 (2011)	N/A
% of persons with access to potable water	95 (2011)	97
Visitor arrivals by air	67,106 (2011)	68,113

APPENDIX III - PROJECTED PUBLIC SECTOR INVESTMENT, 2013-2015

Sectors	SOURCE OF FUNDS				
	Revenue	Local Loans	Grants	External Loans	Total
Fiscal Policy Management	4,379,800	1,012,000	310,000	-	5,701,800
Agriculture, Forestry & Fisheries	10,198,900	700,000	24,974,500	-	35,873,400
Tourism	-	3,617,300	19,581,227	-	23,198,527
Trade	-	-	227,700	-	227,700
Cultural Industries	-	900,000	-	-	900,000
TOTAL	14,578,700	6,229,300	44,865,727	-	65,673,727
Education	3,800,000	8,181,000	10,859,000	16,990,000	39,830,000
Sports	-	656,000	420,000	-	1,076,000
Community Development	-	990,000	555,000	-	1,545,000
Housing	-	200,000	-	2,500,000	2,700,000
Social Security	-	-	220,000	-	220,000
Health	12,262,000	15,929,800	22,804,000	2,000,000	52,995,800
TOTAL	16,062,000	25,956,800	34,858,000	21,490,000	98,366,800
National Security	-	11,049,000	795,000	4,000,000	15,844,000
Diplomacy	-	480,000	-	-	480,000
Local Government	-	165,000	50,000	-	215,000
TOTAL	-	11,694,000	845,000	4,000,000	16,539,000
Roads	877,000	12,220,000	10,945,200	79,089,000	103,131,200
Airport Development	43,100,000	123,477,000	25,600,000	33,800,000	225,977,000
Seaport Development	2,700,000	315,910	0	0	3,015,910
Information and Communications Technology	65,000	264,000	1,731,000	17,668,300	19,728,300
Energy	23,239,100	658,800	0	0	23,897,900
Environmental Sustainability	0	0	2,146,200	0	2,146,200
Land Purchase	0	14,500,000	0	0	14,500,000
Solid-Waste Management	4,700,000	0	0	0	4,700,000
Water	14,000,000	0	0	0	14,000,000
Disaster Management	0	0	15,100,000	34,957,100	50,057,100
Total	88,681,100	151,435,710	55,522,400	165,514,400	461,153,610
Unidentified Financing (Airport & CWSA)					61,200,000
Total					522,353,610
EC\$ GRAND TOTAL	119,321,800	195,315,810	136,091,127	191,004,400	702,933,137

APPENDIX IV - LIST OF CONSULTATIONS CONDUCTED

AREA	CONSTITUENCY DISTRICT/CITY	VENUE	DATE
LOCAL	North Windward	LRC Sandy Bay	3 rd May 2007
	North Central Windward	LRC Colonaire	5 th May 2007
	South Central Windward	LRC North Union	6 th May 2007
	South Windward	Peruvian Vale Primary School	7 th May 2007
	Marriaqua	Marriaqua Community Centre	10 th May 2007
	Central Leeward	Barrouallie Government School	15 th May 2007
	South Leeward	LRC Questelles	16 th May 2007
	Southern Grenadines	Stephanie Browne Primary School	19 th May 2007
	Southern Grenadines	Canouan Primary School	20 th May 2007
	North Leeward	Chateaubelair Primary School	20 th May 2007
	Northern Grenadines	Bequia Community High School	21 st May 2007
	East St. George	Calliaqua Primary School	22 nd May 2007
	Georgetown	Georgetown Secondary School	23 rd May 2007
	West St. George	Dauphine Community Centre	24 th May 2007
	North Windward	Owia Community Centre	27 th May 2007
	Kingstown	Methodist Church Hall	29 th May 2007
REGIONAL	Tortola, BVI	New Testament Church of God, Road Town, Tortola	6 th September 2008
	St. Augustine, Trinidad	UWI, St. Augustine Campus	13 th September 2008
	Cave Hill, Barbados	UWI, Cave Hill Campus	4 th October 2008
	Kingston, Jamaica	UWI, Mona Campus	11 th October 2008
INTERNATIONAL	High Wycombe	Hilltop Community Centre	3 rd August 2008
	London	Claudia Jones Organisation	8 th August 2008
	Toronto	Toronto City Hall	6 th August 2008
	Winnipeg	Caribbean Cultural Centre	8 th August 2008
	Montreal	St. Paul's Anglican Church	10 th August 2008
	Philadelphia	International House of Pennsylvania	10 th August 2008
	New York	St. Gabriel's Episcopal Church	13 th August 2008
	Washington D.C	Permanent Mission to the OAS	15 th August 2008

APPENDIX V - ST. VINCENT AND THE GRENADINES ECONOMIC ACTIVITY (2006)

SECTOR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agriculture	80.31	74.67	84.94	79.15	76.06	77.60	80.54	88.47	87.74	99.11	86.06	81.26
Mining & Quarrying	2.10	2.17	2.09	2.37	3.85	3.98	4.18	4.76	5.00	5.13	3.99	3.17
Manufacturing	68.93	66.11	64.31	69.36	67.48	72.43	72.17	67.82	69.60	63.94	62.22	67.41
Electricity & Water	42.45	45.47	46.72	49.30	51.92	55.49	56.78	59.03	58.10	59.98	57.25	56.00
Construction	85.20	88.13	96.15	116.00	127.55	127.09	137.99	155.98	139.89	128.27	125.43	121.18
Wholesale & Retail Trade	155.56	161.46	167.74	180.14	195.70	205.23	215.42	234.84	243.94	228.83	223.40	219.26
Hotels & Restaurants	26.67	25.43	24.44	32.27	36.65	39.56	49.45	49.33	46.62	36.31	30.95	31.06
Transportation & Storage	94.82	97.82	115.38	124.92	133.67	133.95	145.81	153.05	154.80	154.96	156.22	156.00
Communications	29.10	26.62	37.27	59.63	60.53	63.62	72.19	61.44	62.24	58.32	53.69	55.81
Financial Intermediation	87.33	89.41	96.56	100.08	105.50	104.99	110.04	105.76	104.36	101.93	91.36	90.49
Real Estate etc.	198.07	203.57	205.89	207.53	212.72	215.81	227.52	229.16	233.98	230.15	229.51	231.67
Public Admin.	82.94	86.95	89.59	91.85	95.58	98.81	105.65	112.19	121.48	132.73	144.49	145.69
Education	69.32	69.39	72.44	74.89	77.99	80.31	78.18	76.06	60.58	62.33	61.47	62.90
Health & Social Work	32.02	31.70	33.89	34.89	34.08	36.26	36.68	38.49	40.58	39.54	40.26	41.73
Other Services	19.63	24.54	24.14	22.64	22.96	25.89	29.46	27.94	32.77	31.03	33.87	37.31
Less Imputed Service Charge	12.91	13.85	13.85	14.59	14.68	14.63	15.64	16.62	18.41	18.02	18.10	17.44
TOTAL (EC\$M)	1,067.77	1,085.22	1,152.01	1,236.62	1,293.62	1,332.75	1,412.80	1,455.38	1,448.03	1,451.98	1,383.15	1,388.85
GROWTH RATE	-	1.66	6.13	7.34	4.61	3.02	6.01	3.01	(0.5)	(2.21)	(2.32)	0.41

APPENDIX VI - SUMMARY OF CENTRAL GOVERNMENT'S FISCAL OPERATIONS, 2000-2011

Details	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Revenue & Grants (EC\$M)	271.58	290.47	317.01	324.38	345.70	349.45	409.18	464.34	536.21	544.91	589.16	509.04
Current Revenue (EC\$M)	260.53	272.18	305.7	318.22	324.78	333.58	396.47	433.36	489.47	466.51	489.96	462.48
Taxes on Income and Profits (EC\$M)	71.5	70.65	87.87	77.00	80.38	89.80	98.80	103.57	110.39	110.35	108.81	114.40
Taxes on Property (EC\$M)	2.27	3.46	2.51	2.72	2.48	2.51	2.63	2.50	2.20	2.72	2.90	2.81
Taxes on International Trade (EC\$M)	102.39	111.83	126.69	132.93	138.05	141.87	163.22	167.69	188.62	192.39	178.43	172.58
Taxes on Domestic Transactions (EC\$M)	40.68	44.63	42.74	47.18	52.09	52.23	74.20	102.24	119.32	105.14	105.93	98.91
Licences (EC\$M)	10.78	11.48	13.06	12.67	17.78	18.38	24.24	26.43	27.34	22.02	25.40	23.44
Fees, Fines and Permits (EC\$M)	12.90	13.52	15.72	14.91	14.36	14.75	17.45	18.96	18.19	18.94	21.40	17.67
Interests, Rent and Dividends (EC\$M)	10.88	8.09	9.72	16.19	7.24	5.73	4.84	3.94	11.58	10.04	13.50	11.16
Other Revenue (EC\$M)	9.13	8.51	7.38	14.61	12.40	8.31	11.10	8.04	11.83	4.92	33.58	21.51
Capital Revenue & Grants (EC\$M)	11.05	18.30	11.32	6.16	20.92	15.87	12.71	30.98	46.74	78.40	99.21	46.56
Total Expenditure (EC\$M)	275.44	305.46	339.61	358.06	381.65	422.00	474.42	523.47	563.26	599.76	604.92	567.71
Recurrent Expenditure (EC\$M)	240.36	258.73	276.30	276.08	294.6	325.23	356.28	378.30	432.29	469.75	521.41	495.19
Capital Expenditure (EC\$M)	35.08	46.73	63.31	81.98	87.05	96.73	118.14	145.18	130.97	130.01	83.52	72.52
Current Balance (EC\$M)	20.17	13.44	29.39	42.14	30.18	8.35	40.20	55.06	57.18	(3.24)	(31.49)	(32.71)
Capital Balance (EC\$M)	(24.03)	(28.43)	(51.99)	(75.82)	(66.13)	(80.86)	(105.44)	(114.20)	(84.23)	(51.60)	15.69	(25.96)
Primary Balance (EC\$M)	21.75	9.64	3.48	(5.84)	(8.38)	(36.38)	(22.03)	(14.39)	20.43	(3.83)	39.55	(12.63)

APPENDIX VII - ST. VINCENT AND THE GRENADINES SELECTED PUBLIC DEBT INDICATORS, 2000-2011

CATEGORY/YEARS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Public Debt (EC\$M)	649.6	686.1	708	767.6	884.1	973.2	1054.7	991.4	1072.6	1156.1	1203.8	1245.9
External Debt (EC\$M)	432.2	458.4	458.5	525.6	596.5	634.4	656.9	511.9	566.0	588.9	753.7	779.5
Central Government(EC\$M)	413.3	440	438	495	563.9	583.9	575.9	413.8	464.0	480.5	649.1	681.8
Public Corporations(EC\$M)	19	18.4	20.5	30.6	32.6	50.5	81.0	98.1	102.0	101.1	104.6	97.7
Domestic Debt(EC\$M)	217.4	227.7	249.6	242	287.6	338.8	397.8	479.5	506.6	597.4	488.2	468.3
Central Government(EC\$M)	194	201.8	217	209	245	272.9	338.6	352.6	339.0	408.9	363.5	372.7
Public Corporations(EC\$M)	23.3	25.9	32.6	33	42.6	65.9	59.2	126.9	167.6	165.6	90.2	95.6
Debt Servicing(EC\$M)	48.1	50.4	52.6	68.2	62.9	87	104.7	99.2	120.9	135.3	146.1	123.0
External(EC\$M)	32.5	34.3	27.9	37.7	37.9	54.4	64.6	67.3	74.7	81.1	81.3	82.6
Central Government(EC\$M)	28.8	31.4	25.8	35.9	35.5	52.8	62.1	61.2	66.2	70.7	71.7	74.6
Public Corporations(EC\$M)	3.7	2.8	2.1	1.7	2.3	1.6	2.5	6.1	8.5	10.4	9.6	7.9
Domestic(EC\$M)	15.6	16.1	24.7	30.6	25.1	32.6	40.1	31.9	46.2	54.2	64.8	40.4
Central Government	15.6	16.1	24.7	30.6	25.1	32.6	40.1	31.9	46.2	54.2	64.8	40.4
(of which sinking fund is)(EC\$M)			4.5	6	6	11.8	11.8	9.0	5.2	6.0	12.0	6.0
Public Corporations												
GDP (at market price) (EC\$M)	1069.9	1161.8	1247.1	1300.9	1409.3	1487.0	1649.9	1846.9	1877.6	1820.4	1838.6	1866.4
Current Revenue(EC\$M)	260.52	272.33	305.63	318.48	324.71	333.57	393.5	430.4	489.5	544.8	490.0	454.6
Central Government Debt Servicing as a % of Current Revenue	17.00	17.40	16.50	20.90	18.70	25.60	25.97	21.63	22.96	22.93	27.39	23.47
Total Debt as % of GDP	60.72	59.05	56.77	59.01	62.73	65.45	63.93	53.68	57.13	63.51	65.47	66.75

APPENDIX VIII - ST. VINCENT AND THE GRENADINES BALANCE OF PAYMENT: ANALYTICAL SUMMARY 2000-2011 (EC\$M)

	2000	2001	2002	2003	2004	2005
CURRENT ACCOUNT	(64.56)	(100.95)	(113.31)	(214.58)	(278.51)	(275.93)
GOODS AND SERVICES	(56.85)	(90.49)	(98.57)	(185.07)	(236.73)	(244.75)
A. Goods	(250.03)	(294.87)	(314.63)	(369.13)	(431.12)	(458.51)
Merchandise (f.o.b.)	(251.43)	(295.94)	(318.05)	(373.09)	(436.59)	(463.82)
Repair on Goods	0.01	0.04	0.04	-	0.01	0.01
Goods Produced in Ports by Carriers	1.39	1.02	3.38	3.96	5.45	5.30
B. SERVICES	193.18	204.39	216.06	184.07	194.39	213.76
Transportation	(38.73)	(43.65)	(45.61)	(54.42)	(57.87)	(64.06)
Travel	195.26	209.14	218.23	212.08	219.42	240.25
Insurance Services	(8.04)	(9.27)	(11.24)	(12.28)	(13.92)	(15.20)
Other Business Services	48.99	51.83	58.63	43.66	52.11	64.66
Government Services	(4.30)	(3.67)	(3.94)	(4.96)	(5.35)	(11.9)
C. INCOME	(51.77)	(44.51)	(47.53)	(64.35)	(79.88)	(79.93)
Compensation of Employees	0.35	0.31	2.01	1.62	1.80	1.26
Investment Income	(52.12)	(44.82)	(49.54)	(65.97)	(81.68)	(81.18)
D. CURRENT TRANSFERS	44.06	34.05	32.78	34.83	38.10	48.74
CAPITAL AND FINANCIAL ACCOUNT	81.73	155.05	69.96	171.04	392.01	330.32
A. CAPITAL ACCOUNT	15.11	23.65	28.63	38.77	51.13	38.43
Capital Transfers	15.11	23.65	28.63	38.77	51.13	38.43
Acquisition & Disposal of non-Produced Non-financial Assets	0.00	0.00	0.00	0.00	0.00	0.00
B. FINANCIAL ACCOUNT	66.62	131.40	41.33	132.27	340.88	291.88
Direct Investment	101.91	56.81	91.93	148.94	177.35	108.24
Portfolio Investment	3.90	9.40	2.71	55.87	89.56	(22.13)
Other Investments	(39.19)	65.19	(53.31)	(72.55)	73.94	205.78
NET ERRORS AND OMISSIONS	20.71	(29.55)	25.51	42.24	(44.86)	(62.15)
OVERALL BALANCE	37.88	24.56	(17.84)	(1.30)	68.63	(7.77)
FINANCING	(37.88)	(24.56)	17.84	1.30	(68.63)	7.77
Change in Arrears	0.00	0.00	0.00	0.00	0.00	0.00
Change in SDR Holdings	0.00	0.00	0.00	0.00	0.00	0.00
Change in Reserve Position with the IMF	0.00	0.00	0.00	0.00	0.00	0.00
Change in Government Foreign Assets	(3.75)	(7.50)	(4.50)	(4.24)	(4.48)	(6.83)
Change in Imputed Reserves	(34.13)	(17.06)	22.34	5.54	(64.15)	14.16

APPENDIX VIII - ST. VINCENT AND THE GRENADINES BALANCE OF PAYMENT: ANALYTICAL SUMMARY 2000-2011 (EC\$M)

	2006	2007	2008	2009	2010	2011
CURRENT ACCOUNT	(322.35)	(517.71)	(621.89)	(532.78)	(562.45)	(536.97)
GOODS AND SERVICES	(307.42)	(512.72)	(595.75)	(528.49)	(556.18)	(523.33)
A. Goods	(530.60)	(638.71)	(733.02)	(649.21)	(682.32)	(671.91)
Merchandise (f.o.b.)	(536.85)	(647.66)	(745.52)	(657.34)	(692.07)	(684.68)
Repair on Goods	0.01	0.02	0.02	0.02	0.02	0.02
Goods Produced in Ports by Carriers	6.24	8.94	12.48	8.11	9.72	12.75
B. SERVICES	223.18	125.99	137.27	120.73	126.15	148.58
Transportation	(71.01)	(90.32)	(109.15)	(100.70)	(94.17)	(93.06)
Travel	263.37	242.59	211.75	197.44	192.82	212.12
Insurance Services	(16.09)	(20.76)	(22.36)	(19.09)	(19.31)	(18.17)
Other Business Services	62.62	18.09	61.30	57.4	57.14	53.68
Government Services	(15.7)	(23.61)	(4.28)	(14.32)	(10.34)	(5.99)
C. INCOME	(59.38)	(59.42)	(61.67)	(35.13)	(33.15)	(34.94)
Compensation of Employees	8.48	15.81	11.00	19.08	16.60	16.14
Investment Income	(77.86)	(75.23)	(72.68)	(54.21)	(49.75)	(51.09)
D. CURRENT TRANSFERS	54.45	54.42	35.54	30.84	26.89	21.30
CAPITAL AND FINANCIAL ACCOUNT	399.17	514.01	570.94	550.08	616.65	479.81
A. CAPITAL ACCOUNT	22.02	198.76	131.88	146.44	148.04	104.31
Capital Transfers	22.02	198.76	131.88	146.44	148.04	104.31
Acquisition & Disposal of non-Produced Non-financial Assets	0.00	0.00	0.00	0.00	0.00	0.00
B. FINANCIAL ACCOUNT	377.16	315.25	439.06	403.64	468.61	375.49
Direct Investment	294.60	322.40	429.96	297.60	262.49	231.18
Portfolio Investment	33.78	(9.17)	(8.41)	49.11	(1.42)	(8.57)
Other Investments	48.77	2.02	17.52	56.93	207.55	152.88
NET ERRORS AND OMISSIONS	(44.13)	(1.29)	42.14	(4.66)	13.90	(5.00)
OVERALL BALANCE	32.69	4.99)	(8.80)	12.64	68.10	(62.16)
FINANCING	(32.69)	4.99	8.80	(12.64)	(68.10)	(62.16)
Change in Arrears	0.00	0.00	0.00	0.00	0.00	
Change in SDR Holdings	0.00	0.00	0.00	0.00	0.00	
Change in Reserve Position with the IMF	0.00	0.00	0.00	0.00	0.00	
Change in Government Foreign Assets	(8.01)	27.25	0.00	0.00	0.00	0.00
Change in Imputed Reserves	(24.68)	(22.26)	8.80	20.85	(96.10)	62.16

APPENDIX IX - ANNUAL GROWTH RATES – CARICOM – 2002-2011

Annual GDP Growth rates: Caribbean (in constant 2005 prices)											
Country/Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	AVG
Antigua and Barbuda	2.9	6.6	4.9	6.1	13.5	9.6	0.0	(11.9)	(7.9)	(2.1)	2.2
Bahamas	2.7	1.3	0.9	3.4	2.5	1.4	(1.4)	(5.4)	0.9	2.0	0.8
Barbados	0.7	2.0	1.4	4.0	5.7	1.7	0.1	(3.7)	0.2	1.0	1.3
Belize	5.1	9.3	4.6	3.0	4.7	1.2	3.8	0.0	2.9	2.5	3.7
Dominica	1.9	7.7	3.3	(0.5)	4.4	6.0	7.7	(0.7)	0.9	0.9	3.2
Grenada	3.7	9.6	(1.0)	13.5	(3.9)	5.9	1.0	(6.6)	0.0	2.1	2.4
Guyana	1.1	(0.6)	1.6	(2.0)	5.1	7.0	2.0	3.3	4.4	4.8	2.7
Haiti	(0.3)	0.4	(3.5)	1.8	2.3	3.3	0.8	2.9	(5.1)	4.5	0.7
Jamaica	1.0	3.5	1.4	1.0	2.7	1.4	(0.6)	(3.0)	(1.3)	1.3	0.7
Saint. Kitts and Nevis	1.9	(1.4)	4.4	9.9	4.7	2.8	4.7	(6.9)	(2.4)	4.5	2.2
Saint Lucia	(0.3)	4.9	7.5	(2.6)	7.8	1.2	5.4	(1.1)	3.2	2.5	2.9
St. Vincent and the Grenadines	6.3	7.6	4.2	2.5	7.7	3.4	1.4	(2.2)	(2.8)	2.6	3.1
Suriname	2.7	6.8	0.5	4.5	4.7	4.6	4.1	3.5	4.5	4.5	3.1
Trinidad and Tobago	7.9	14.4	8.0	5.4	14.4	4.6	2.3	(3.0)	0.0	(1.4)	4.0
AVERAGE GROWTH	2.7	5.2	2.7	3.6	5.5	3.9	2.2	(2.5)	(0.2)	2.1	2.4

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