

**Evaluation of  
International Trade Centre  
(UNCTAD/WTO)**

**Volume 3  
Country Reports**

**SAINT LUCIA**

File No. 104.A.1.e.37  
April 2006

**DMI ASSOCIATES**  
*in association with*  
**Ticon DCA**  
**Copenhagen DC**  
**Ace Global**



**Table of Contents**

List of Acronyms.....	4
<b>1 Country Report St. Lucia.....</b>	<b>6</b>
1.1 Methodology .....	6
1.2 Country Profile .....	10
1.3 Review of ITC's Activities in St. Lucia.....	14
1.4 Findings on Thematic Issues.....	17
1.5 Country Level Evaluation .....	21
1.6 Conclusions and Recommendations.....	26

**Tables**

Table 1:	Areas of ITC Competence and Cross-Cutting Issues in St. Lucia
Table 2:	Distribution of Data Sheets
Table 3:	Distribution of GDP by Sector in St. Lucia
Table 4:	ITC Projects in St. Lucia
Table 5:	EU Funding Summary (EUR million)
Table 6:	Summary - Performance of ITC Interventions in St. Lucia
Table 7:	SWOT Analysis of ITC Interventions in St. Lucia

**Annexes**

Annex 1:	Results of Field Research by Project
Annex 2:	List of Contacts
Annex 3:	List of Data Sheets

**Exchange Rates (October 2005)**

Currency	USD 1.00	EUR 1.00
East Caribbean dollar, XCD	2.67	3.23

**List of Acronyms**

ACP	African, Caribbean and Pacific states
BAS	Business Advisory Services
CAD	Canadian Dollar
Caribbean	Canada's trade development assistance programme for Commonwealth Caribbean countries and territories
CARICOM	Caribbean Common Market
CARIFORUM	Forum of Caribbean ACP States
CBI	Caribbean Basin Initiative
CEO	Chief Executive Officer
CIDA	Canadian International Development Agency
CRNM	Caribbean Regional Negotiating Machinery
DAC	Development Assistance Committee
DPMD	Division of Product and Market Development
EDF	European Development Fund
EU	European Union
EUR	The euro, the single currency of the EU
FDI	Foreign Direct Investment
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GTF	Global Trust Fund
ICT	International Communication Technologies
IMF	International Monetary Fund
ITC	International Trade Centre
LDC	Least Developed Country
Lomé Convention	A series of trade and economic co-operation agreements between the EU and the countries from the African, Caribbean and Pacific states
MTS	Multilateral Trade System
NAO	National Authorising Office
NEC	National Economic Council
OAS	Organisation of American States
OECD	Organisation for Economic Co-operation Development
OECS	Organisation of Eastern Caribbean States
OPSR	Office of Private Sector Relations
seco	Secretariat for Economic Affairs (Switzerland)
SIDS	Small Island Developing States
SFA	Special Framework of Assistance
SQAM	Standardisation, Quality Management, Accreditation and Metrology
STABEX	Stabilisation of Export Earnings
SWOT	Strengths, Weaknesses, Opportunities and Threats

TA	Technical Assistance
TPO	Trade Promotion Organisation
TRTA	Technical Related Technical Assistance
TSI	Trade Support Institutions
UK	United Kingdom
UN	United Nations
USA	United States of America
USAID	United States Agency for International Development
USD	United States Dollar
WTO	World Trade Organisation
XCD	East Caribbean Dollar

# 1 Country Report St. Lucia

St. Lucia is a small island state in the Eastern Caribbean and is a member of the Organisation of Eastern Caribbean States (OECS). The population is approximately 163,000 and the economy has been severely affected by the crisis in the banana trade with the European Union (EU). The country study of St. Lucia was undertaken in order to examine the relevance of International Trade Centre (ITC) programming to small island economies and to examine the implementation of a National Export Strategy, a relatively new area of programming for ITC.

The background section of this report includes:

- A brief discussion of the methodology and process of the evaluation, drawing on the Inception Report and a discussion of the ITC projects sampled for the evaluation;
- A brief country profile with a discussion of the trade and development context for St. Lucia; and
- A review of ITC experience in the country.

The analysis and findings are then presented as follows:

- Findings on the horizontal issues related to product and Headquarters studies of ITC;
- Findings on the evaluation criteria for the ITC interventions in St. Lucia; and
- A Strengths, Weaknesses, Opportunities and Threats analysis.

Finally conclusions and recommendations are presented.

The Annexes contain detailed information on ITC projects, a list of persons contacted, and finally a list of the data and interview sheets drawn from the prepared country evaluation tools.

## 1.1 Methodology

The overall methodology for the country studies and the Trade Related Technical Assistance (TRTA) reference framework was presented in the Inception Report. The process of evaluating ITC interventions at the country level is described in the introduction to this volume, *The Country Perspective*. A summary of the key methodological points relevant to the evaluation of ITC interventions in St. Lucia is presented below.

The selection of St. Lucia as one of the 10 country studies for the Evaluation was discussed with the Core Group supervising the Evaluation. The overall country selection process is extensively discussed in the Inception Report. The country selection process emphasised countries drawn from all regions of the world where ITC operates, countries at different levels of development, and countries with a range of ITC activities.

St. Lucia was chosen to represent small island economies and the Caribbean region. One of the Millennium Development Goal targets, under Goal 8 Development Partnership, stresses the development needs of Small Island Developing States (SIDS).

St. Lucia was specifically selected for the following reasons:

- At least one Caribbean state was deemed necessary to satisfy the overall project objective of achieving a balanced geographic coverage in the 10 countries selected;
- ITC has a relatively small ‘footprint’ in the Caribbean, with St. Lucia constituting one of the few recent intervention areas;
- The category of SIDS is a distinct category within the general area of development interventions. It was felt that St. Lucia was a good representative of that class of developing nations, of which there are more than forty in the world.

**Analysis of ITC Competences and Cross-Cutting Issues**

The criteria for country selection also took into consideration the need to achieve a full coverage of ITC competences (as defined in the TRTA reference framework in the Inception Report) and cross-cutting issues across the 10 countries chosen. The particular competences identified for ITC projects in St. Lucia are outlined in Table 1.

In addition, from an ITC perspective, their Export Strategy template is viewed as a very significant organisational tool, with broad future applicability. At the time of this evaluation, St. Lucia was one of only a handful of locations in which the tool had been deployed and was therefore considered to be a very suitable test case.

The projects/activities in the ITC project portal formed the basis for the evaluation of ITC interventions in St. Lucia. These projects were selected based on a series of meetings with ITC staff, in the course of which all relevant and available project information was requested, provided, and reviewed. Since the number of ITC activities directly focused on St. Lucia is small, the specific country projects were all evaluated, and no sampling issues arose with respect to the number or choice of projects selected for evaluation.

Table 1 summarises the areas of ITC competence and cross-cutting issues/development concerns covered by the ITC interventions in St. Lucia.

**Table 1: Areas of ITC Competence and Cross-Cutting Issues in St. Lucia<sup>1</sup>**

Area of Competence	Number of Entries	Projects
Export Strategy	2	2
Multilateral Trade System (MTS) and Business Implications	3	3
Market Analysis and Strategic Market Research	1	1
Trade in Services	2	1
Institutional Infrastructure Strengthening	1	1

<sup>1</sup> The number of entries refers to entries in the ITC project portal. Sometimes projects have more than one entry in the project portal, or regional projects with entries in all designated countries may not have activities in the particular country. Thus the number of projects is not synonymous with the number of entries. Also a single entry can involve more than one competence.

Area of Competence	Number of Entries	Projects
<b>Cross-Cutting Issues/Development Concerns</b>		
Gender	1	1
Poverty Reduction	2	2

### Evaluation Process

Following the selection of St. Lucia for a field visit and the completion of the desk research phase, a local consultant was recruited to assist with meeting modalities and data collection. The Local Consultant was trained on and provided with the country evaluation tools, including copies of the different questionnaires covering the different interview areas (ITC Partners, Donors, End Users, *etc.*). The Local Consultant proceeded to administer the questionnaires to selected parties. Additionally, the same questionnaires were further used to gather information preparatory to the arrival of the Core Evaluator.

The Core Evaluator visited St. Lucia in August 2004 and carried out his own interviews with priority stakeholders. The Evaluator spent one week there and also went to Barbados to interview the Caribbean Regional Development Bank. A total of 14 organisations were met and interviewed by the Core Evaluator and/or Local Consultant, covering 17 individuals. In addition, key stakeholders from St Lucia attended the Executive Forum in Montreux in September 2004<sup>2</sup> and the analysis and findings of the evaluation were discussed with them at that time. A full list of those interviewed is presented in Annex 2. In addition to the Country Data sheet, interview/data sheets were completed for 14 parties, drawn from the following sectors:

**Table 2: Distribution of Data Sheets**

National Chamber of Commerce/TSI <sup>3</sup>	1
Government Policy Bodies	3
Donors	3
End Users	7

Based on the views expressed by stakeholders in the course of the interviews and the Evaluators' observations, a rating of each project on the five evaluation criteria was then compiled by the Evaluator on a 4-point Likert Scale (4 Highly Satisfactory, 3 Satisfactory, 2 Less than Satisfactory and 1 Highly Unsatisfactory). These five criteria are based on the widely applied Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) of the OECD evaluation procedures, which are extensively explained in the Inception Report.

The ITC project portal was consulted thoroughly on all entries related to St. Lucia, and the supporting project documentation was obtained through a series of interviews with

<sup>2</sup> The Executive Forum provides a venue for senior public sector decision makers and business leaders to debate 'best practices' in national export strategy design and management. The debate, which is organised under a partnership between ITC and the State Secretariat for Economic Affairs (Seco) of Switzerland, normally is held every September in Montreux.

<sup>3</sup> Trade Support Institution

ITC staff at Headquarters in Geneva. The interviews at Headquarters in Geneva were conducted before and after the field mission. A draft of the report was submitted to the ITC for validation and checking in September of 2004 and comments were received from ITC staff in the course of January 2005.

There are some challenges in utilising the ITC project documentation and budget data, since costs are allocated only for the extra-budgetary resources and the financial reporting formats are not always useful for evaluation of the activities in the country. In particular regional projects are spread on a pro-rata basis over all beneficiary countries. This is a challenge for the evaluation and raises organisational and management issues discussed below.

In the course of reviewing the project portal and project background documentation, a number of limitations were identified. These are commented on in more detail in a later section (see Organisational/Management Aspects under Horizontal and Functional Themes).

Peer and external reviewers reviewed the study during March and April of 2005 and their comments have been incorporated into the final report.

## 1.2 Country Profile

St. Lucia, which has a population of approximately 163,000 (July 2003), is the most densely populated of the four Windward Islands in the Eastern Caribbean. Almost one third of its population is under 14 years old and the population is growing at 1.25% annually. Average life expectancy is 73 years and of those aged 15 and over, 35% have never attended school. St. Lucia is ranked 71<sup>st</sup> in the United Nations (UN) 2003 Human Development Index, which places it into the 'medium human development' band. The economy grew at an annual average of 3% during the period 1998-2002, compared to an average growth rate of 1.3% in the period 1993-1997. Per capita Gross Domestic Product (GDP) is estimated at approximately USD 5,400 (2002); it increased (in local currency terms) by almost 8% in the decade of the 1990s. Unemployment levels are relatively high, at an estimated 15% of the labour force.

The economy of St. Lucia experienced major structural change over the 1980-2000 period, driven by a decline in the agricultural sector (in particular bananas) and growth in the service and tourism sectors. During the 1990s tourism became the main non-governmental source of economic activity, its contribution to GDP increasing from 10% in 1980 to 14% in 2000. The construction, banking, and telecommunications sectors also expanded in that period, to account for 9%, 10%, and 9% respectively of GDP. The share of agriculture and manufacturing declined to 7% and 6%, respectively. Agriculture has continued to decline to 5% of GDP in 2003. These are based on the most recent comprehensive economic statistics available from the International Monetary Fund (IMF) for the year 2003.

**Table 3: Distribution of GDP by Sector in St. Lucia**

Sector	% Share of GDP 2000	% Share of GDP 2003
<b>Goods</b>		
Agriculture	7	5
Manufacturing	5	5
Construction	8	7
Utilities & Other Primary	6	6
<b>Services</b>		
Hotels & Restaurants	14	14
Retail Trade	13	12
Transport & Communications	19	22
Government	15	15
Other Services	11	11
Banking	9	11
Statistical Adjustment	-7	-8
Total	100	100

Source: International Monetary Fund (IMF) Article IV Consultation, December 08, 2004; St. Lucia: Statistical Appendix Series: Country Report No. 04/401.

The major development affecting St. Lucia's economic and trade performance has been the collapse in the banana trade, with banana exports falling by 60% since the early 1990s. As recently as 1998, bananas accounted for some 60% of merchandise exports. Production has dropped by over half since the beginning of the 1990s, from approximately

133,000 tonnes (1992) to around 50,000 tonnes today. This collapse was caused to a considerable degree by the erosion of preferences for banana exports to the European Union market due to both the results of the Uruguay Round, which gave quotas for banana exports from some Latin American countries and the subsequent dispute with the World Trade Organization (WTO) about banana exports from Africa Caribbean and Pacific (ACP) countries to the EU. This collapse has had serious social and economic consequences, since small-scale banana production is a vital component of the rural economy.

Following a successful WTO challenge by the United States of America (USA), Panama and Ecuador in 1999, the EU was compelled to alter its banana import regime, which had hitherto provided preferential access for St. Lucia and other ACP states. Negotiations provided for the adoption of a temporary tariff rate quota system based on historical import patterns. While this has provided some breathing space for Caribbean producers, concerns remain that time will be inadequate to ensure the completion of extensive restructuring prior to the move to a distinct tariff system commencing in 2006.

St. Lucia's manufacturing sector has also been struggling in recent years, in part due to reductions in the Common External Tariff of the Caribbean Common Market arrangement (CARICOM) and to heightened competition within the US market.

St. Lucia and the other Caribbean island states are very vulnerable to natural disasters, the effects of which can be extremely devastating to social and economic development. A single hurricane can severely affect several states at once, damaging infrastructure, wiping out agricultural crops, and destroying tourism facilities. The impact of natural disasters is such that economic activity is significantly disrupted and the states face serious development constraints long after their occurrence. The vulnerability of Small Island Developing States and the implications for their economic development have been recognised internationally. These islands are also disadvantaged due to their small size and small domestic market. They are also at a disproportionate risk from external shocks, especially with respect to downturns in the US economy and in world prices for the few commodities they export.

The reconstitution of a solid trade and export platform is seen as a vital plank in the economic stabilisation and improvement of the country, but this objective has not, as yet, been consolidated into a National Export Strategy. As a Small Island Economy, St. Lucia has a challenge to replace banana exports with exports generated from other sectors. In particular, there are challenges to generate economic opportunities for the rural population that depended on banana production.

### **Position in the Multilateral Trade System (MTS)/Trade Structure**

St. Lucia has been a member of the WTO since 1995, and as a member of CARICOM is party to several bilateral agreements with the regional Latin American states. It also participates in three preferential regional trading arrangements: the ACP-EU Agreement (Cotonou), Canada's trade development assistance programme for Commonwealth Caribbean countries and territories (Caribcan), and the Caribbean Basin Initiative (CBI) with

the USA. Cotonou, the successor to the Lomé Conventions<sup>4</sup>, contains elements of trade, finance, and technical co-operation as well as general provisions for island states. The latter provisions are quite general and indicate that instruments under the Cotonou, such as technical co-operation and financial assistance will be used to address the development challenges facing small island economies. St. Lucia has duty free access to the EU for all manufactured products, but the historic preferential access arrangements for bananas are now being phased out. Caribcan and the CBI facilitate duty free access into North American markets for a range of manufactured products.

St Lucia is a member of the Forum of Caribbean ACP States (CARIFORUM), the Caribbean Common Market, and the OECS. CARIFORUM was established in 1992 with the aim of co-ordinating and monitoring the allocation of European Development Fund (EDF) resources made available for regional co-operation in the Caribbean. St. Lucia held the chair of CARIFORUM in 2002. For co-ordination purposes the Ambassador of the CARIFORUM state holding the chair acts as the interlocutor in Brussels – it was at the initiative of this individual that ITC's involvement with St. Lucia was initiated. St. Lucia has a common cause with other ACP countries in responding to the trade policy and development challenges associated with the change in the EU banana import regime.

The OECS came into being in 1981 with a membership of seven Eastern Caribbean islands. It has since evolved into a nine-country grouping comprising St. Lucia, Grenada, St. Kitts & Nevis, Antigua and Barbuda, the Commonwealth of Dominica, Montserrat, and St. Vincent and the Grenadines as full members. Anguilla and the British Virgin Islands are associate members. Its Secretariat is based in St. Lucia. The OECS operates a monetary union with a common currency, the East Caribbean Dollar (XCD), represents the interests of its members at CARICOM level, and supports member states in implementing regional integration measures and programmes. The OECS operates a Trade Policy Assistance project, which is funded by the Canadian International Development Agency (CIDA) at a total cost of Canadian Dollar (CAD) 3 million over a five-year period.

CARICOM - composed of Bahamas, Barbados, Belize, Guyana, Haiti, Jamaica, Trinidad & Tobago, Surinam, and the OECS members - was established in 1973 and is progressively moving towards the creation of a regional free trade area and single market. CARICOM's Caribbean Regional Negotiating Machinery (CRNM) takes the lead in trade negotiations at the WTO and with the EU in the negotiation of an Economic Partnership Agreement under the Cotonou Agreement. The latter is intended to be a reciprocal trade agreement.

### **ITC Partners in St. Lucia**

ITC's partners in St. Lucia were:

- The St. Lucia Chamber of Commerce, Industry and Agriculture; and
- The St. Lucia Ministry of Commerce, Investment and Consumer Affairs.

---

<sup>4</sup> A series of trade and economic co-operation agreements between the EU and the countries from the African, Caribbean and Pacific states

St. Lucia's Chamber of Commerce is the leading business representative association in St. Lucia and covers all industry sectors. The only other industry organisation with an almost equivalent status and weight is the St. Lucia Hotel and Tourism Association, which is a single industry association. The Chamber of Commerce functions as the island's unofficial Trade Promotion Organisation (TPO) and has the endorsement and co-operation of the Ministry of Commerce in carrying out this role. Informing and educating the business sector on the challenges of trade liberalisation form a major component of its activities.

The Chamber of Commerce has been running a series of Trade Lectures in association with the CRNM. Examples of such lectures are on issues such as the ACP-EU Cotonou Agreement, Trade Related Intellectual Property Rights, *etc.* The Chamber employs a Trade Analyst who is jointly funded from its resources and those of the Office of Private Sector Relations (OPSR). The Chamber was founded in 1884, has a membership base of 150, of whom approximately 30 are exporters. It has an annual budget in the region of USD 230,000, emanating mainly from membership subscriptions and fee-based services. Membership has grown by 25% in the last five years. The Chamber represents the broad spectrum of present and potential exporters in St. Lucia.

St. Lucia's Ministry of Commerce has responsibility for trade promotion and development and works closely with the Chamber of Commerce as its private sector counterpart. The Ministry also has a trade policy function, although formal responsibility for trade negotiations rests with the Ministry of Foreign Affairs.

### 1.3 Review of ITC's Activities in St. Lucia<sup>5</sup>

The review of ITC's activities starts off with an analysis of the Project Portfolio and then takes on the interventions on a project-by-project basis.

#### Project Portfolio

Table 4 summarises the project portfolio of ITC interventions in St Lucia.

**Table 4: ITC Projects in St. Lucia**

Project Name	Summary of Goals	Cost (as per Project Portal Data in USD)	Estimated Cost Invested in St. Lucia in USD
Expert Meetings and Service Sector Capacity Studies (to promote fuller participation of developing nations in the GATS <sup>6</sup> )	To facilitate integration of developing economies into the world trading system.	103,890 (for 10 countries). This is the combined cost of two inter-related projects – INT/W5/18A and INT/20/93A.	10,389 – Evaluator's estimated average.
Executive Forum 2003	Not Stated.	548,289 (Global).	25,000 – ITC calculation.
Completion of a Tourism Export Strategy Template	To improve export performance in sectors of critical importance.	119,845 (for eight countries).	14,980 – Evaluator's estimated average.

#### Review of ITC Interventions

In recent decades, ITC has maintained a relatively low presence in the Caribbean; although there are indications that this may be about to change, due to a number of new initiatives under way in the region. ITC's involvement in St. Lucia has its origins in approaches made to ITC in 2002 by St. Lucia government officials requesting assistance in export strategy design, at the prompting of the OECS Ambassador to the EU. St. Lucia's representatives were subsequently invited to participate in the 2002 Executive Forum in Montreux, where agreement was reached that St. Lucia would be one of four countries selected for testing of ITC's *Export Strategy Template*.

The implementation of this project commenced in the field in April 2003. At that time an ITC team travelled to St. Lucia to brief local coordinators on the content and use of the template for the export strategy. A grant agreement for USD 25,000 was signed between ITC and the St. Lucia Chamber of Commerce, with project coordination shared between the Chamber and St. Lucia's Ministry of Commerce.

St. Lucia team leaders/coordinators subsequently attended the Executive Forum in Cancun, a workshop in Geneva on the revamped template in November 2003, and the Commonwealth Secretariat's Small States Executive Forum in Trinidad and Tobago, co-hosted

<sup>5</sup> See Annex 1 for fully detailed descriptions of these projects.

<sup>6</sup> General Agreement on Trade in Services

hosted by the Commonwealth Secretariat and the ITC in January 2004. ITC then conducted another three-day workshop in St. Lucia in March 2004.

The St. Lucia Chamber of Commerce and St. Lucia's Ministry of Commerce and Industry combined their efforts to prepare a National Export Strategy for the medium-term 2003-2006. The financial assistance from ITC was used for the procurement of the services of a co-ordinator to assist in the implementation of the strategy. The ITC's input also included the provision of a computer-based strategy development template to aid the process.

The implementation of the ITC model in St. Lucia did succeed in raising the consciousness of decision makers on the following: (i) the critical need to examine the role of exports in the national development context, and (ii) to address and clarify the country's future position regarding the importance of exports. The first tangible output in this process was the preparation of a Response Paper in February 2004, which laid out the tasks that needed to be undertaken and the justification for pursuance of a national Export Development Strategy. The Paper also laid out a detailed action plan and timetable for the following months, which was to culminate in the presentation of the National Export Strategy to the Cabinet Ministers and securing the Cabinets' approval by 31 July 2004. This deadline was missed, although interviewees indicated in August 2004 that this would materialise before the end of 2004. The process has taken longer than ITC had anticipated. This has been explained by St. Lucia's participants as being largely due to the efforts made to get every relevant interest group on board. By August 2004, 9 of the anticipated 10 sector strategies were completed.

The government also agreed with the ITC team's proposal that St. Lucia needed an export focal point. To this end, plans were prepared to revamp and rename the existing and moribund St. Lucia Marketing Board, to be overseen by the National Export Council.

Elements of the timetable/action plan that have been achieved include the following:

- Endorsement of the Response Paper by the Minister of Commerce;
- Organisation of Sector Strategy Core Teams;
- Organisation of Tourism Sector Workshop, with input and participation from ITC;
- Completion of 9 out of 10 sector strategy positions; and
- Agreement by the Prime Minister's Office to incorporate the Export Strategy, when finalised, into the National Economic Plan.

Consequently and in response to the recognition by both ITC and St. Lucia of the singular importance of tourism to St. Lucia, the ITC's Trade in Services Unit agreed to hold a workshop in St. Lucia in May 2004 on preparing a *Tourism Export Strategy*. The follow-through to this workshop has been limited, however, in part due to the lack of a local co-ordinator and the necessary funding to move the process along. There have also been suggestions of jurisdictional rivalry on this matter between the Ministry of Commerce and the Ministry of Tourism. The latter has been working on the development of its own tourism policy framework.

There have been two *primary* ITC interventions in St. Lucia. Smaller interventions consisted of the participation of a government official from St. Lucia in a General Agreement on Trade in Services (GATS) seminar in Geneva in May 2004 and the preparation of a Service Sector Capacity Study.

An additional intervention, which was too late for consideration under this evaluation, was agreed in October 2004, whereby the ITC would co-fund an assessment of St. Lucia's Standardisation, Quality Management, Accreditation and Metrology (SQAM) infrastructure. The national partners had identified deficiencies in St. Lucia's SQAM infrastructure as an impediment to the full implementation of the National Export Strategy. Additionally, this intervention is designed to identify in more detail what these deficiencies are and to identify the steps required addressing them.

## 1.4 Findings on Thematic Issues

This section of the report analyses thematic issues related to the role of the ITC in the country, the comparative advantages/disadvantages of the ITC, the utilisation of ITC global products in the country, and issues related to ITC management and the Headquarters studies for the evaluation.

### **External Environment/Donor Perspectives**

The donor perspectives are an important indicator of the factors influencing the provision of TRTA in the country. The donor perspectives and the policy dialogue with the government about priorities for trade and development will influence the future direction of TRTA. Since ITC is dependent on external funding, potential donor support is a key issue for ITC programming.

#### *European Union*

The major external donor in St. Lucia is the EU. Most EU development aid has been channelled under the Stabilisation of Export Earnings (STABEX) mechanism, part of the European Development Fund. Under Article 186 of the Lomé Convention, the STABEX facility was designed to compensate for the loss of export earnings on agricultural products affected by fluctuations in price. Since 1995 a significant portion of the STABEX allocations for the Windward Islands has been operated by direct transfer to the budgets of the Governments, with the intention that these be used to fund specific capital investments within the overall public sector investment program of each country. Annual STABEX funding to St. Lucia attained its highest level of EUR 26 million in 1994, but has since fallen to a fluctuating level of from EUR 5 to EUR 13 million annually.

In addition, as the threat to the EU banana import regime became clear, the Special Framework of Assistance (SFA) to ACP banana producers instrument was created in 1999, programmed on an annual basis for a period of 10 years. Annual funding to St. Lucia under the SFA is about EUR 7-8 million.

Since 1994, a proximate amount of EUR 390 million in EU aid has been allocated to the Windward Islands under these two instruments and St. Lucia has received the largest share, at 39%. Individual EU member States are not active in St. Lucia but provide support indirectly and sub-regionally through the OECS.

EU funds are disbursed through the National Authorising Office (NAO) for the European Development Fund, attached to the Prime Minister's Office. The NAO has oversight responsibility, and through the OPSR – for project selection. The OPSR operates a Private Sector Development Programme Phase 11 (2003-2006). EU funds are not earmarked for the export sector per se but are available for a broad range of social and economic development projects, e.g. Vocational Training, Rural Development, Community Tourism, Hospital Construction, etc. The OPSR has provided a small amount of funding towards a Trade Analyst position at the Chamber of Commerce.

**Table 5: EU Funding Summary (EUR million)**

<b>Total EU Allocations (EUR Mill) 1994-2003</b>	<b>Dominica</b>	<b>Grenada</b>	<b>St. Lucia</b>	<b>St. Vincent &amp; the Grenadines</b>	<b>Total</b>
STABEX	41	8	77	74	201
SFA	56	5	76	53	189
Total	97	13	153	127	390

### ***Multilateral – Organisation of Eastern Caribbean States (OECS)***

The OECS runs a large and diverse range of projects throughout the Eastern Caribbean region, covering areas such as Health Sector Reform, modernisation of the International Communication Technologies (ICT) infrastructure, Judiciary and Legal Reform, development of Fisheries and the Marine Sector, and many more. Important donors include France, United Kingdom, Germany, Canada, and the USA, all of which provide technical and financial assistance to the OECS for a range of projects. For example, Germany provides assistance in the strengthening of technical/vocational training, while France covers infrastructure improvements, namely road construction and sewage.

According to the OECS, the co-ordination of programmes and services among donors has not been easy. For instance both United States Agency for International Development (USAID) - that has no current presence on the island - and the EU take very project specific perspectives to development support.

The OECS was represented on the Export Strategy sub-committees and working groups, albeit at a junior staff level. While the organisation is aware of various ITC publications, e.g. the Forum magazine, beyond that, its knowledge and awareness of ITC activities is limited.

Within the range of OECS funded Technical Assistance (TA), the most significant trade related project is the Trade Policy Assistance project, which focuses on strengthening the trade policy management capabilities of members, including policy formulation and the discharge of obligations under various trade agreements. The project was launched in 2000 with Canadian funding of CAD 3 million<sup>7</sup> over a five-year period. The main role has been the provision of training to officials on the subject of trade negotiations, including services.

### ***Organisation of American States (OAS)***

The OAS St. Lucia's office administers a range of programmes and services. The only trade related assistance is a small programme coordinating St. Lucia's participation in training in trade negotiations for government officials. Training is delivered in association with the World Bank in Washington D.C. So far two St. Lucia officials have received such training. TA mainly covers Tourism, with focus on building up capacity on the production/supply side. Technical Assistance has been provided to a number of smaller St. Lucia

<sup>7</sup> Exchange rate, 15 October 2005 CAD to XCD 2.27850 (Inter Bank rate)

hotels, covering training, website development, etc. The OAS Office is also involved in twinning projects with the World Bank. The office was not aware of nor had it been invited to participate in the ITC export or tourism strategy workshops.

Other areas of OAS support include Acquired Immune Deficiency Syndrome (AIDS) prevention, political and governance reforms, democratic structures, etc.

### ***Other Donor Interventions***

There have been other donor/foreign aid interventions in St. Lucia over the years, but not in any sustained way. For example, Japan, through the Japanese International Cooperation Agency has funded investments in fisheries infrastructure, while China has funded the construction of a stadium.

### **ITC Added Value in St. Lucia**

The ITC trade related interventions are quite distinct from those of other donors in the St. Lucia context. The only other explicitly trade-focused intervention is the trade policy training support, funded by Canada and provided through the OECS. The ITC focus, however, is on the practical aspects of export strategy and trade development. It is also directed at both the private and public sectors, whereas the OECS' work is confined to the public sector. The ITC interventions are also more oriented to creating local networks and are carried out with much lower levels of funding. However, the ITC awareness is low among donors and potential development partners.

### **Horizontal and Functional Themes**

This section presents the findings on horizontal and functional themes in the evaluation and the Headquarters studies related to ITC management.

Division of Product and Market Development (DPMD) Tools and Projects/World Trade Net and Business Advisory Services (BAS)/Small and Medium-sized Enterprise Competitiveness/South South Development Concerns.

Apart from the two tools reviewed – Export and Tourism Strategy templates – there is no other diffusion of ITC interventions in St. Lucia. Consequently, there are no findings that the utilisation of other global tools in St. Lucia is present.

### **Trade Promotion Organisation (TPO) and Digital Divide Issues**

While there is no formal TPO in St. Lucia, St. Lucia's Chamber of Commerce operates as the de facto leading organisation insofar as trade development is concerned. There is a St. Lucia Marketing Board, which is inoperative. However, due consideration is being given to use it as a shell for a new dedicated TPO. The Chamber of Commerce has the most inclusive membership base, with the exception of the Tourism sector. This in part arises from the relatively small number of exporting businesses on the island (see the discussion above of ITC partners). The Chamber of Commerce is an effective agent for trade and export promotion and advocacy. Its members of staff are comprised of well-trained pro-

professionals. Logistical and research support is occasionally provided to them through the regional and sub-regional organisations in the Caribbean, i.e. OECS and CARICOM.

The high cost of telecommunications and internet access remain constraints to the optimal use of e-technologies within the exporting sector. There is increasing competition among telecommunications providers, which is helping to bring costs down. Such providers include Digicel, which started operations on the island in 2003.

### ***Organisational/Management Aspects***

The ITC projects/activities appear to have been organised and managed in a professional and efficient manner. In terms of project cycle considerations, while the original initiative came from St. Lucia, the ITC response was timely and the subsequent delivery professional. The implementation, however, has been slower than anticipated. St. Lucia sources report that this is due to reasons related to the efforts that had to be made to achieve buy-in to the process by key national stakeholders. ITC is withholding 20% of the final payment until the process is fully complete. The implementation of the tourism project has been particularly slow, in large measure, due to the lack of funding provisions to support a local co-ordinator.

Separately, the project portal financial information for the projects reviewed was ambiguous and unclear in some respects. For example, the General Agreement on Trade in Services (GATS) training seminar and the Service Sector capacity studies comprise one integrated project, yet are presented under two separate project entries. Additionally, costing is shown only on a multi-country basis, with no details on the varying cost outlays per country. Background project proposal documentation provided in the course of meetings with ITC staff was also at odds with the financial details presented on the portal. Further, there were inputs of staff time to these projects that are covered under the overall Regular Budget but these inputs are not identifiable from a review of Project documentation.

## 1.5 Country Level Evaluation

This section presents the evaluation of the ITC interventions in the country.

### Rating by Evaluation Criteria

#### *Relevance*

Rating: 4 out of 4

Practically all of the stakeholders interviewed strongly endorsed the ITC national and tourism export strategy interventions, on the basis of their relevance to the efforts underway to diversify and restructure the economy. The Export Strategy template in particular was seen as an excellent device for stimulating the kinds of fresh insights and new partnership arrangements that are required at this juncture in the island's economic development.

From the Evaluator's perspective, the Export Strategy tool kit, with its emphasis on establishing networks within and between sectors, is also judged to have particular relevance to a small economy and especially at this time in St Lucia, which is facing a challenge with the collapse in the banana trade. The fiscal and community employment bases in St. Lucia are under severe pressure and poverty levels and social dislocation are increasing. In that context and that of a small and open economy, delivery of a successful export package has the potential to have a transforming impact. St. Lucia faces an economic and development challenge either to increase and diversify exports or to experience declining living standards and increased emigration.

Similarly, St. Lucia's substantial tourism development potential is currently under-exploited and the Tourism Strategy template - if successfully implemented - would help to change that situation.

In addition key points are:

- The GATS related training and resource materials are very relevant to a small and under resourced nation struggling to manage the Services WTO negotiations process.
- All deliverables, but in particular the Services and Tourism Strategy deliverables, are oriented towards new business and trading opportunities that are open to female participation. Since there are few cultural barriers to female business participation in St. Lucia, the deliverables are relevant to the gender balance objectives of the Millennium Development Goals, and are an added consideration for a high rating.
- The developmental and trading challenges that St. Lucia faces are very similar to the large number of other small island states. Consequently, the lessons to be learned from the application of the ITC export and tourism strategy templates in St. Lucia have potentially very broad applicability; and therefore have relevance in that broader context.

### ***Efficiency***

Rating: 3.5 out of 4

All of the ITC deliverables were rated very highly by those interviewed, in terms of organisation and delivery of the workshops. No faults were identified with the organisation of meetings, the quality of delivery or the back-up support.

The Export Strategy tool kit was considered to be very well designed, and was found to be sufficiently challenging to engage the interest of all or nearly all participants. The process of moving through the different stages of the template kept the participants' interest at a high level.

Some delays were encountered due to the need to debug the template and to up-skill and provide training for some participants in its use. Many of the participants found the software quite challenging, while aspects of the value chain analysis also proved difficult. Assistance was sought from ITC, which did help to some degree, although some problems remained, specifically with respect to acquiring confidential company data.

Participants initially had some difficulty incorporating Services into the process. Following discussions on this with ITC and at the joint forum on Services - with the Commonwealth Secretariat - in Trinidad in January 2004, ITC agreed to make a special presentation on Services, which has since been successfully incorporated into the process.

The Tourism workshop was also rated very high, however as noted elsewhere, there were no resources provided to see to the follow-through on the ground. Consequently, the tourism component has not been advanced in the way envisaged.

The Geneva based GATS training workshop was also strongly endorsed.

With specific regard to *cost efficiency* considerations, the following should be noted.

- The Export Strategy intervention appears to have been delivered - based on the financial information that was made available - in a highly cost efficient manner.
- The outlay of USD 25,000 for the hiring of a National Co-ordinator appears to be a relatively modest level of expenditure, particularly in view of the numbers 'processed' (i.e. 22 sector working groups and partnerships); the outputs - a draft national export strategy - and in view of the potential downstream national benefits to St. Lucia.
- While there were additional non-financial staff inputs, i.e. of about two weeks of on-site training/advisory work plus back office support, accounted for only under the Regular Budget not the Project Budget, the St. Lucia project still illustrates the highly beneficial incremental benefit/cost return to ITC - at least in the context of a small country where the networking concept can kick in - of rolling out a tool, the Export Strategy template, the development costs of which have already been incurred or 'sunk'.

There is less clarity on the cost efficiency of the Tourism Strategy and Service Sector Capacity study deliverables. These were part of multi-country projects, the respective costs

of which, if averaged out over all beneficiary countries would equate to USD 14,980 and USD 10,389 for the St. Lucia component. These are modest enough sums, however, there have not been the outputs or the outreach the Evaluator found with the Export Strategy intervention and consequently, they do not rate as highly from a cost efficiency perspective.

Thus, the rating of 3.5 awarded is based on the combination of the highly efficient standard of overall delivery and the cost efficiencies inherent in the Export Strategy template.

### ***Effectiveness***

Rating: 3 out of 4

The overall effectiveness rating is reduced somewhat to reflect the fact that not all anticipated outcomes have yet materialised, as the two main projects are still in the implementation phase. The following are the principal outputs identified at this stage in the process and upon which the rating of 3 is based.

The adoption of the networking principle, as advocated by ITC has supported a much higher level of 'buy-in' to the strategising process than might otherwise have been the case. The Export Strategy intervention has proved to be a catalyst for the establishment of a dynamic and inclusive network of trade participants, and the launching of a process of sharing of ideas among network participants. This level of co-operation and synergy has never existed before on the island. This is seen as the project's single biggest benefit and would not have taken off were it not for the quality of the ITC tool kit participants were given to work with. A range of innovative ideas were put forward by the work-groups – e.g. language schools, utilising available spare container space for small exporters, on-island training programmes for nurses and police - and identified as directly flowing from the networking structures that were put in place.

The value chain approach embodied in the strategy was found to be a very effective way of keeping participants engaged and challenged. It opened many participants' eyes to the export and value-added opportunities inherent in their sector that they had hitherto been unaware of.

The ITC intervention has also helped raise the Chamber's profile in the exporting community, in no small part due to the quality of the strategy tools - e.g. the value chain analysis.

The Tourism Strategy intervention has not had a similar effectiveness on the ground, for reasons that are somewhat unclear. Difficulties internal to St. Lucia may be a factor, such as the focus of the Ministry of Tourism on its own tourism policy process and securing EU funding, as well as the absence of an effective counterpart organisation - such as the Chamber of Commerce - within the tourism/hotel sector.

The GATS Training intervention has delivered all the scheduled outputs.

***Impact***

Rating (Based on some intermediate impacts): 2 out of 4

Although the projects are still under implementation, a partial rating of 2 was arrived at on the basis of the catalytic networking impacts the Export Strategy process has already had. Clearly no judgement on the intended impacts - expanding St. Lucia's exports - can be passed until the final strategies are completed and implemented. If the strategy is eventually implemented, examples of anticipated future impacts include the following:

- Fiscal and tax reforms to support the export sector.
- At the institutional level, the creation of a body with specific responsibility for exports. The former St. Lucia Marketing Board is widely seen to have been a failure and there is informal support at the highest level to replace it with a properly reformed agency.
- The sector networks created, if sustained, have the potential to become an effective and productive influence in the shaping of future St. Lucia trade policy and trade development.
- A more focused approach to growing the Tourism and Service export sectors.

***Sustainability***

Not rated

As the projects have not yet been completed they cannot be evaluated on the grounds of sustainability. In the longer term, the prospect and likelihood of sustainable impacts will depend on whether or not the strategies are implemented by the government. This is the *sine qua non* of the projects' sustainability and future impact. Those interviewed were quite confident that this acceptance and support would be forthcoming and pointed to the endorsement the strategy had received from the National Economic Council (NEC) in the Prime Minister's Office. More effective future participation by St. Lucia and OECS in the GATS negotiations process will also be the key to the intervention's overall sustainability.

**Table 6: Summary - Performance of ITC Interventions in St. Lucia**

<b>ITC Intervention</b>	<b>Relevance</b>	<b>Efficiency</b>	<b>Effectiveness</b>	<b>Impact</b>	<b>Sustainability</b>
Export Strategy Template (50% weight)	4	3.5	3	2.5	Not rated
Tourism Strategy (25% weight)	4	3.0	2	1	Not rated
GATS Training/Service Sector Studies (25% weight)	4	4	4	2	Not rated
<b>Overall (100%)</b>	<b>4</b>	<b>3.5</b>	<b>3</b>	<b>2</b>	<b>Not rated</b>

**Strength, Weaknesses, Opportunities and Threats (SWOT) Analysis**

The following SWOT Table highlights the strengths and weaknesses of ITC interventions in St. Lucia. The analysis is based on comparisons with other TRTA providers made by

the stakeholders in St. Lucia during the field interview process and on the Evaluator’s own assessments.

**Table 7: SWOT Analysis of ITC Interventions in St. Lucia**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Highly relevant and effective set of products/tools;</li> <li>• They are (rightly) seen as the experts in trade development;</li> <li>• Partnership approach of ITC.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Remoteness and distance from Geneva, although the Internet has helped with this;</li> <li>• Lack of awareness among main stakeholders of ITC’s capabilities/services;</li> <li>• Dependence on local partners and consultants due to limited staff inputs and backstopping from ITC.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• St. Lucia has a strong motivation to develop new exports and could be an important test case for ITC services and products geared to the needs of Small Island Developing States.</li> </ul>	<p><b>Threats</b></p> <p>From a St. Lucia perspective:</p> <ul style="list-style-type: none"> <li>• The number of ‘competing’ countries in ITC’s portfolio;</li> </ul> <p>From ITC’s perspective:</p> <ul style="list-style-type: none"> <li>• Minimal co-ordination with other donor operations on the island;</li> <li>• St. Lucia is a small nation and is not a Least Developed Country (LDC) - Haiti is the only LDC in the Caribbean - and as such has to push harder to get access to TRTA.</li> </ul>

The key strength of ITC is its combination of tools and expertise in trade development. Weaknesses include remoteness from the country, and a dependence on local consultants and partners to deliver ITC products. Awareness of ITC within the region is low (at least until recently), and this impedes obtaining donor support for trade development. The relatively new ITC Export Strategy tool is especially relevant to St. Lucia at this time, given the restructuring challenges the country is facing. ITC’s involvement in the Export Strategy activity may prove catalytic in the sense of leading to more ITC projects in St. Lucia.

One fundamental issue is that while ITC products have considerable relevance to Lower Middle Income Small Island Developing States, there is no package of such interventions presented to donors who might be interested in supporting such measures. Perhaps the early experience in St. Lucia will be a prototype for this type of programming. ITC seems to have a clear comparative advantage relative to other providers of TRTA in the fields of trade development and export strategy, but there is a lack of support for TRTA in Small Island Developing States.

## 1.6 Conclusions and Recommendations

### Conclusions

1. The ITC has provided the catalyst to the establishment of effective trade development networks in St. Lucia.
2. There has been a high level of ownership by the St. Lucia partners of the ITC interventions, which is a positive aspect from a development aid effectiveness point of view.
3. The Trade Support Institution (TSI) partners ITC chose to work with are professional and effective delivery agents.
4. St. Lucia has proved to be a very good testing ground for the ITC's Export Strategy Template.
5. ITC's Export Strategy Template is the type of instrument that can mobilise resources and strategies for change in this environment. The Evaluator is not aware of any equivalent tool.
6. The major shortcoming has been a failure to follow through and be more pro-active in the implementation phase.
7. Awareness of the range of ITC services is lacking within the wider business and government community.
8. The gender dimension of the Services work is a useful innovation and highly relevant because of the significance of women entrepreneurs and the share of women in total employment in selected services sectors.
9. The ITC interventions are very relevant to the St. Lucia trade and development context, although there is no special focus on small island economies in ITC programming.<sup>8</sup>

### Recommendations for Future Action

The recommendations are divided into those relevant to ITC management and project implementation and those involving more strategic issues.

#### *Recommendations for Management*

The effective delivery of the Strategy Tools evaluated in this report is very dependent on the involvement of good local consultants and effective interaction with local partners. ITC should continue to pay special attention to this facet of their intervention. The implementation of these tools, in particular the Export Strategy Tool, involves extensive promotional work and networking with local groups, which is the responsibility of the local consultant.

1. The most notable shortcoming identified has been the lack of follow through and a sustained effort to maintain momentum. ITC should be more pro-active in pushing developments forward to the next stage. In planning such interventions in the future, ITC should pay much closer attention to ensuring that the resources, be they financial, organisational, or human, are present to sustain the momentum of the original intervention.

---

<sup>8</sup> This observation relates to the country level programming of ITC. ITC was involved with the Commonwealth Secretariat in the organisation of the Summit of Small Island Economies.

2. The areas of greatest general need where ITC can help are the following: *Technological innovation* to raise productivity levels; *Implementation of higher standards and quality control regulations* (this has been responded to by ITC with the SQAM assessment project awarded in October and described earlier); and *financial support* for manufacturers to carry out the modernising investments they need to build up exporting capacities.
3. *In terms of trade related competences*, the areas of greatest need and prospective ITC support, as based on the information provided by St. Lucia sources, are the following:
  - a. Greater understanding by government trade negotiators of the rules of trade in services, to support the increased efforts by St. Lucia exporters in that area;
  - b. Access to more comprehensive trade information (those interviewed were not aware of the ITC TradeMap or Country Map tools);
  - c. Increased assistance with product design and new product development, which few if any agencies in St. Lucia are in a position to support;
  - d. More support in the areas of export promotion and marketing. ITC is perceived as having a wealth of resources in this area that entities in St. Lucia would like to utilise; and
  - e. Continuing support in trade negotiating skills, and in institutional and private sector capacity building. Because of their small size and limited human and financial resources, small island states such as St. Lucia will always have disadvantages to overcome in these areas.
4. The project portal financial information for the projects reviewed was incomplete and unclear. For example, the GATS training seminar and the Service Sector capacity studies comprise one integrated project, yet are presented under two separate project headings. Additionally, costing is shown only on a multi-country basis, with no details on the varying cost outlays per country. Background project proposal documentation was also at odds with the financial details presented on the portal. ITC should urgently review such inconsistencies, which were also found in the other country evaluations undertaken.
5. The allocation of staff inputs to individual projects currently accounted for under the overall Regular Budget should also be made more transparent by ITC. Under the existing administrative practices, a complete and accurate assessment of project inputs and consequently of output efficiencies, cannot be made.

### ***Recommendation for Strategic and Cross-Cutting Issues***

1. The gender aspects of the Services Sector support seem to be useful and effective. The ITC should attach greater priority to mainstreaming of the role of women in selected Services sectors and in the overall Export Strategy.
2. The ITC should apply what they have learned in St. Lucia in assessing the likely effectiveness of the Export Strategy Template in other national settings. Not all national settings may prove to be as receptive as St. Lucia, in terms of its reasonably developed host infrastructure (i.e. political and business), its smallness, and the quality of its trade support environment and local partners. This touches on a fundamental issue as regards the geographic distribution of ITC interventions, i.e. the political imperative to

work with the least developed, as opposed to the more pragmatic imperative of working with those that can truly benefit. St. Lucia and most of the adjoining Caribbean islands fall into the latter category yet they have had minimal ITC support going back almost two decades.

3. The St. Lucia experience suggests that ITC products may be quite relevant for Lower Middle Income Small Island economies, but to date there has been relatively little focus on this group of states by ITC. No doubt this is due to the absence of donor funding, but *a systematic effort needs to be made to determine whether a product offering potentially suitable for Small Island Developing States should be assembled by ITC and presented to donors for funding support.*

**Annexes**

Annex 1: Results of Field Research by Project

Annex 2: List of Contacts

Annex 3: List of Data Sheets

## Annex 1: Results of Field Research by Project<sup>9</sup>

### **1. Project ID – INT/W5/18A: ‘Expert Meetings: Project to Promote Fuller Participation of Developing Nations in the GATS’**

This project was funded under Global Trust Fund (GTF) Window 1 for a total of USD 18,142 in 2004, and covered 10 beneficiary countries. Major outputs were the delivery of 1 to 2 days training seminars in a beneficiary country and/or Geneva. For St. Lucia this entailed bringing a senior official of the Ministry of Commerce to Geneva for a GATS seminar, held in May 2004.

**Project Results:** Participants in this seminar were surveyed by ITC for their views on the seminar. The response of the St. Lucia participants was as follows:

‘The areas covered in the seminar were seen as important and useful’, and

‘The report will be helpful in the requests and offers process, and provide a good basis for developing a St Lucia service sector negotiating strategy’.

### **2. Project ID – INT/20/93A ‘Project to Promote Fuller Participation of Developing Nations in the GATS’**

The activities/deliverables of this project very closely overlap with those of INT/W5/18A and have been combined as one for evaluation purposes.

This project was funded by Canada, for a total of USD 85,748 in 2003/04. The major output was production of service sector capacity studies for 10 beneficiary countries (the same ones as in INT/W5/18A) and training seminars for government officials.

**Project Results:** A draft service sector capacity study was completed for St. Lucia, closely modelled on a general service sector study template completed by the same Consultant. This was presented and used at the Service Sector workshop in St. Lucia.

### **3. Project ID – INT/W3/15A ‘Completion of a Tourism Export Strategy Template’**

This project was funded under GTF Window 1, for a total of USD 119,845 in 2003/04. The major output was a Tourism Strategy template, produced initially with reference to the tourism development experience of eight beneficiary countries (Bahamas, Botswana, Bulgaria, Ecuador, Gambia, *St. Lucia*, Trinidad and Tobago, and Vanautu) and progression of ITC’s product kit and in-house experience. The project’s aim was to expand upon and complete work started under the Executive Forum budget and presented in demo

---

<sup>9</sup> All of the following resemble *activities* more than projects. The ITC project portal does not differentiate between the two in its presentation. The distinction seems to revolve around the fact that an activity usually comprises a small part of a larger project, typically involving many beneficiaries/countries. Thus, all ITC ‘projects’ reviewed here are relatively small components - both in terms of resources and funding - of much larger projects.

form at Cancun 2003. St. Lucia was selected for field-testing of the template, and the prototype was presented at the Executive Forum for Small Commonwealth States held in Trinidad and Tobago in January 2004.

***Project Results:*** A presentation on the Tourism Strategy template was made by ITC staff and consultants at a workshop in St. Lucia in May 2004. The follow-through has been limited, however. According to St. Lucia representatives, there have been a number of reasons for this, in particular, the lack of a local co-ordinator (and required financing) to move the process along. The individual considered most suitable for this role left the Hotels' Association soon after his participation at the ITC workshop, and that Association has not shown much subsequent interest in the process. The lack of interest is in part explained by the fact that Hotels' Association is dominated by the large multinational hotels for which having a national tourism strategy is not a high priority. There is also a suggestion of jurisdictional rivalry on this matter between the Ministry of Commerce and the Ministry of Tourism. The Hotels' Association may have refrained from full involvement in the Ministry of Commerce sponsored initiative pending completion of their own policy framework. This has recently been completed and it does refer to the ITC Tourism Strategy template as a worthwhile basis for proceeding.

There were elements in the tourism sector that were unaware of the ITC workshop and tourism strategy. For example, the OAS has been providing training support to small tourism properties, and some were unaware of the initiative, as were some senior staff members in the Ministry of Tourism.

#### ***4. Project ID- INT/61/84A 'Executive Forum on National Export Strategies 2003'***

This project was funded by Swiss Secretariat for Economic Affairs (for a total of EUR 548,289), and covered the 2003 Executive Forum's Business for Development Conference in Cancun in September 2003. The theme of the conference was Export Strategy, and it was held as a precursor to the WTO Cancun Ministerial Conference. 54 national strategy teams attended.

Development of an Export Strategy Template formed part of this overall project and St Lucia was one of four countries selected for testing of a prototype. Other countries included Sri Lanka, Jamaica, and Kenya.

In April 2003 an ITC team travelled to St. Lucia to brief local co-ordinators on the content and use of the template. St. Lucia team leaders/coordinators subsequently attended the Executive Forum in Cancun; a workshop in Geneva on the revamped template in November 2003; and the Commonwealth Secretariat's Small States Executive Forum in Trinidad and Tobago, co-hosted by the Commonwealth Secretariat and the ITC in January 2004. ITC then conducted another three-day workshop in St. Lucia in March 2004 and met with the strategy co-ordinating team and sector working groups.

**Project Results:** The St. Lucia Chamber of Commerce and the St. Lucia Ministry of Commerce and Industry combined their efforts to prepare a National Export Strategy for the medium-term, 2003-2006. The financial assistance from ITC - USD 25,000, of which 20% was being withheld pending full implementation of the strategy - was used for the procurement of the services of a co-ordinator to assist in the implementation of the strategy. The ITC's input also included the provision of a computer based strategy development template to aid the process. This template is based on an ITC interactive strategy development model involving team participation from a wide cross section of exporters and relevant private and public sector organisations.

The implementation of the ITC model in St. Lucia did succeed in raising the consciousness of decision makers of the critical need to examine the role of exports in the national development context, and to address and clarify the country's future position regarding the importance of exports.

The first tangible output was the preparation of a Response Paper in February 2004, which laid out the tasks that needed to be undertaken and the justification for pursuance of a national Export Development Strategy. The aim of this paper was to convince policy makers and development planners of the necessity to proceed down this path. ITC's TradeMap was used in the compilation of the trade statistics used in this paper.

The main elements of the Response Paper were as follows:

- A profile of the economic and trade context of St. Lucia, and a competitive assessment by sector;
- A review of the principal constraints to improving the competitiveness of the St. Lucia economy, such as:
  - Limitations in the policy and institutional framework, e.g. no co-ordination between Foreign Direct Investment (FDI) and export development initiatives;
  - Issues surrounding the low investment in human capital;
  - Technology Support Considerations;
  - Industrial Finance Considerations; and
  - Efficient and Cost Competitive Infrastructure Considerations;

The Paper also laid out a detailed action plan and timetable for the following months, which was to culminate in the presentation of the National Export Strategy to the Cabinet Ministers and securing their approval by 31 July 2004. This deadline was missed, although in August 2004 interviewees had indicated that this would materialise before the end of 2004. The process has taken longer than the ITC had anticipated. This has been explained by the St. Lucia participants as being largely due to the efforts made to get every relevant interest group on board. To sustain support and public interest they used the government TV channel and the media to keep awareness levels high. By August 2004, 9 of the anticipated 10 sector strategies were completed. The prioritised list of export sectors developed was different from the existing national trade profile.

The government also agreed with the proposal that St. Lucia needs an export focal point. To this end, plans are prepared to revamp and rename the existing and moribund St. Lucia Marketing Board, to be overseen by the National Export Council.

Elements of the timetable/action plan that have been achieved include the following:

- Endorsement of the Response Paper by the Minister of Commerce;
- Organisation of Sector Strategy Core Teams;
- Organisation of Tourism Sector Workshop (with input and participation from ITC);
- Completion of 9 out of 10 sector strategy positions; and
- Agreement by Prime Minister's Office to incorporate the Export Strategy, when finalised, into the National Economic Plan.

## Annex 2: List of Contacts

---

Alphonsus Antoine	Director, Organisation of American States, Castries, St. Lucia.
Anthia Joseph	Farm Improvement Officer, Ministry of Agriculture, Forestry and Fisheries.
Anthony Greene	Investment Promotion Officer, St. Lucia National Development Corporation.
Ben Emmanuel	Permanent Secretary, Ministry of Commerce, Investment and Consumer Affairs.
Brian Louisy	Executive Director, St. Lucia Chamber of Commerce, Industry and Agriculture.
Charles Cadet	Project Manager, Organisation of Eastern Caribbean States, Trade Policy Assistance Project, Castries, St. Lucia.
Deborah Edward	Marketing Manager, Harris Paints (St. Lucia) Ltd.
Jacque Emmanuel	CEO, Emmanuel Financial Consultants Ltd.
Jerome Singh	Investment Officer (Technical Assistance), Caribbean Development Bank, Bridgetown, Barbados.
Judith Crane-St. Hill	Deputy Permanent Secretary, St. Lucia Ministry of Tourism.
Laurie Barnard	Chairman and CEO, St. Lucia Distillers Ltd., and President of the St. Lucia Manufacturers Association.
McDonald Dixon	Trade Adviser, Ministry of Commerce, Investment and Consumer Affairs.
Medford Francis	Programme Analyst, National Authorising Office for the European Development Fund, Office of the Prime Minister, Castries, St. Lucia.
Michael Joseph	General Manager, St. Lucia Banana Corporation.
Rod Soomer	Executive Vice President, St. Lucia Hotel & Tourism Association.
Steve Etienne	General Manager, Hewanorra Musical Society Ltd.
Tyrone Jones	Investment Officer, Caribbean Development Bank, Barbados.
Wilfred Pierce	Programme Analyst, National Authorising Office.

---

**Annex 3: Lists of Data Sheets**

The following country data sheets, drawn from the country evaluation tools, were prepared for St. Lucia.

The following are the categories of data and interview sheets:

1. Country Data Sheet (1 data sheet);
2. Partner TSI (1 data sheet):
  - St. Lucia Chamber of Commerce
3. Government Policy Bodies (4 data sheets):
  - St. Lucia Ministry of Commerce
  - National Development Corporation
  - Ministry of Agriculture and Fisheries
  - Ministry of Tourism
4. Donors (3 donor sheets):
  - Organisation of Eastern Caribbean States
  - Organisation of American States
  - National Authorising Office of the Prime Minister (EU funding)
5. End Users (6 data sheets):
  - St. Lucia Banana Corporation
  - Windward Islands Banana Development Corporation
  - Hewanorra Musical Society
  - Emmanuel Financial Consultants Ltd.
  - Harris Paints Ltd.
  - St. Lucia Distillers Ltd.