

11th EDF
National Indicative Programme
(2014 – 2020)
for co-operation between
the European Union
and
the Antigua and Barbuda

GENERAL CLAUSES

The European Commission and the Government of Antigua and Barbuda and hereby agree as follows:

- (1) The European Commission and the Government of Antigua and Barbuda, hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2014-2020.

These orientations which are included in the National Indicative Programme, concern the European Union Aid in favour of Antigua and Barbuda and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, revised and signed in Luxemburg on 25 June 2005 and revised and signed in Ouagadougou on 22 June 2010.

The National Indicative Programme is annexed to the present document.

- (2) As regards the indicative programmable financial resources which the European Union envisages to make available to Antigua and Barbuda for the period 2014-2020, an amount of EUR 3 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects. The National Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which Antigua and Barbuda benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation shall be established according to specific mechanisms and procedures and does therefore not constitute a part of the programming.
- (5) Pending the entry into force of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council on the financing of European Union Aid under the multiannual financial framework for the period 2014 to 2020, financing decisions for projects and programmes can be taken by the Commission at the request of the Government of Antigua and Barbuda within the limits of the A- and B-allocations referred to in this document under the condition that sufficient financial resources are available in the transitional measures ("Bridging Facility") composed of uncommitted balances from the previous EDFs and from funds de-committed from

projects or programmes under those EDFs. The respective projects and programmes shall be implemented according to the rules and procedures of the 10th EDF until the entry into force of the 11th EDF implementing rules and financial regulation.

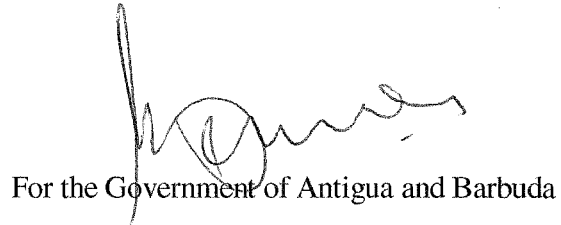
- (6) The European Investment Bank may contribute to the implementation of the present National Indicative Programme by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2c and 3 of the 11th EDF multi-annual financial framework for the period 2014-2020.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Indicative Programme as well as the A-and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

0-2 SEP. 2014

Done in Apia on in two originals in English language.



For the European Commission



For the Government of Antigua and Barbuda



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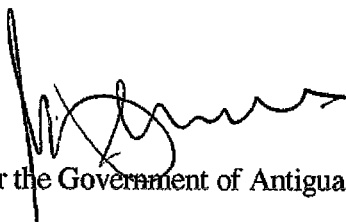
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For the Government of Antigua and Barbuda



For the European Commission

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LIST OF ACRONYMS

AB-Antigua and Barbuda
ABIB- Antigua and Barbuda Investment Bank
Antigua and Barbuda Financial Management Information System (AFMIS)
ACS-Association of Caribbean States
ASYCUDA- Automated SYstem for CUstoms DAta.
CARCIP-Caribbean Regional Communications Infrastructure Program
CARICOM- Caribbean Community
CARIFORUM Caribbean Forum – Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States
CARTAC – Caribbean Regional Technical Assistance Centre
CDB – Caribbean Development Bank
CIDA – Canadian International Development Agency
CIESIN- Centre for International Earth Science Information Network
CIF – Caribbean Investment Facility
CLICO-
CRIP – Caribbean Regional Indicative Programme
DFID – Department for International Development
DRR-Disaster Risk Reduction
ECCB-Eastern Caribbean Central Bank
ECCU-Eastern Caribbean Currency Union
EDF-European Development Fund
EGRIP- Electronic Government for Regional Integration Project
EPA – Economic Partnership Agreement
EU – European Union
FDI- Foreign Direct Investment
GEF-Global Environment Facility
ICT – Information and Communications Technology
IDB – Inter-American Development Bank
IMF –International Monetary Fund
LAC- Latin America and Caribbean
MTSDP-Medium-Term Strategic Development Plan
NAO – National Authorising Office(r)
NEST-National Economic and Social Transformation
NIP – National Indicative Programme
NPRS-National Poverty Reduction Strategy
NSA-Non State Actors
NSDP-National Strategic Development Plan
OECS – Organisation of Eastern Caribbean States
ONAO-Office of the National Authorizing Officer
PEFA-Public Expenditure and Financial Accountability
PFM-Public Finance Management
PSST-Public and Social Sector Transformation Project
PSTS-Public Sector Transformation Strategy
SBA- Stand-By Arrangements

SEMCAR - Supporting Economic Management in the Caribbean.
TA-Technical Assistance
TCF – Technical Cooperation Facility
UN – United Nations
UNCTAD- United Nations Conference on Trade and Development
UNDP – United Nations Development Programme
UNEP- United Nations Environment Programme
US(A) – United States (of America)
WB – World Bank

1. THE OVERALL LINES FOR THE EU RESPONSE

1.1. Strategic objectives of the EU's relationship with the partner country

EU relations with the twin-island state of Antigua and Barbuda are underpinned by the Cotonou Agreement, the CARIFORUM-EU Economic Partnership Agreement (EPA), and the bi-regional political dialogue. These are complemented by other regional cooperation frameworks in which the Caribbean and the EU participate, such as the EU Latin America and Caribbean (LAC) Partnership. The objectives of EU relations with the Caribbean are enshrined in the Joint Caribbean-EU Partnership Strategy. Antigua and Barbuda is a member of the Organisation of Eastern Caribbean States (OECS), the Caribbean Community (CARICOM) and the Association of Caribbean States (ACS). OECS members share a common currency the Eastern Caribbean Dollar (EC \$), which has been pegged to the United States Dollar at the rate of US\$ 1 = EC \$ 2.70 since July 1976. Antigua and Barbuda shares with the EU, which is also physically part of the Caribbean, a long history, culture and a broad base of common values. The EU continues to be an active partner in supporting regional integration and cooperation, based on its own experience. The CARIFORUM-EU EPA builds a trade partnership for increased competitiveness, economic growth and development and participation in the world trading system. The EU is firmly committed to implementing its obligations stemming from the EPA and to assist Antigua and Barbuda to implement its obligations.

The country is located in one of the most disaster-prone regions of the world, and is subjected to a number of natural hazards including hurricanes, drought, storm surge, floods, coastal and stream erosion, and earthquakes. The probability of a natural disaster is higher than in most other countries. According to data from the Centre for Research on the Epidemiology of Natural Disasters, a natural disaster inflicting damage equivalent to 2 percent of a country's GDP can be expected to hit one of the countries in the Eastern Caribbean Currency Union (ECCU) roughly once every 2½ years. The EU continues to support prevention and preparedness for crises in the most vulnerable countries and identified the need to integrate Disaster Risk Reduction (DRR) and Adaptation to Climate Change, notably into both development cooperation and the humanitarian response. In light of the country's vulnerability to natural disasters, resilience building is an overarching goal of the strategy which is guided by the following documents "The EU approach to Resilience: Learning from food security crises"¹ and "The EU Action Plan for Resilience in Crisis Prone Countries 2013-2020"².

The economy of Antigua and Barbuda is one of the largest in the OECS sub-region. Its economy is dominated by tourism. Investment banking and financial services also play an important role in the economy. Agricultural production focuses on the domestic market, but is constrained by the limited water supply. The lure of higher wages in the tourism and construction sectors also contributes to the less than satisfactory interest in the agricultural sector.

¹ ref. COM(2012) 586 final.

² ref. SWD(2013) 227 final..

The current strategies of the Government of Antigua and Barbuda include the 2010-2014 National Economic and Social Transformation (NEST) Plan, the National Strategic Development Plan (NSDP) approved by Cabinet in May 2011 and the 2010-2013 Public Sector Transformation Strategy (PSTS). The NEST Plan, represents an agreed and coherent policy framework over the 4 year period (2010-2014), outlining national development priorities and providing a framework for achieving fiscal stabilisation and consolidation with an emphasis on strengthening the institutional framework for managing the process of reform and sustaining improvements in the fiscal accounts and in the public debt situation over the medium-term. The Government established a Strategic Development Committee in March 2012 to prepare a Medium-Term Strategic Development Plan (MTSDP). The MTSDP is expected to be completed in 2014 with assistance from the Caribbean Development Bank.

The EU – AB development cooperation portfolio is almost entirely based on its allocations under the EDF. However in 2009 the country benefitted with EUR 9.0 million of grants from the Vulnerability FLEX mechanism which was the European Union's swift response to help countries which were the most affected by the economic downturn due to their poor resilience to external shocks. Resources from the 7th, 8th and 9th EDF were earmarked for the reform of the education sector to upgrade the country's intellectual capital by means of a comprehensive reform of the education sector. Under the 10th EDF, the focal sector was Public Finance Management, which is expected to strengthen and modernise fiscal institutions adequately to enable the Government to implement a programme to restore fiscal sustainability.

1.2. Choice of sector

Historically, Antigua and Barbuda has been one of the most prosperous nations in the Organisation of Eastern Caribbean States, thanks to its tourism industry and international financial services. However, the country's now tourism-dependent economy has been severely impacted by the global economic and financial crisis. Falling tourism and foreign direct investment (FDI)-related construction activities have triggered the worst recession in decades and contributed to a sharp decline in government revenue. The strains from the economic crisis also led to the collapse of one of the largest domestic banks, Antigua and Barbuda Investment Bank (ABIB), which was intervened in July 2011 by the Eastern Caribbean Central Bank (ECCB).

In response to the crisis, the Government adopted the National Economic and Social Transformation (NEST) Plan to deal with the impact of global economic developments. The purpose of the plan was to stabilise the macroeconomic environment in Antigua and Barbuda following the fallout from the global economic and financial crises, the failure of British American and CLICO, the dismantling of the online gaming industry, and the collapse of the Stanford Financial Group. In the 2013 Budget Statement, the Minister of Finance, the Economy and Public Administration stated that 'through the Fiscal Consolidation and Financial Sector Stability pillars of the plan, *"we have been able to stabilise and strengthen the fiscal position and protect our financial sector"*. The Government successfully implemented their fiscal consolidation programme achieving a substantial reduction in debt service and the debt ratio with support under an International Monetary Fund (IMF) Stand-By Arrangement (SBA) which ended in June 2013. There has also been an important effort to complete structural reforms to safeguard improvements in the public finances.

The Prime Minister recently used his address to mark Antigua and Barbuda's 32nd anniversary of independence to speak about the economic recovery following three years of decline that resulted in a SBA with the IMF. He said that 'the policies pursued by the government had resulted in significant improvement in fiscal performance, with the deficit falling from 5.3% of GDP in 2011 (and 18% of GDP in 2009, according to the IMF) to 1.4% of GDP in 2012. Mr Spencer reported that the primary balance, a key measure of government's debt sustainability, had also shifted from a deficit in 2011 to a surplus of 1.2% of GDP in 2012'.

Under the 10th EDF, the EU is supporting the Government of Antigua and Barbuda in the implementation of Public Financial Management (PFM) and Revenue Reforms. The PFM and Revenue Reform programme with an allocation of EUR3.68 million was designed to support the Government programme in addressing lingering weaknesses in the areas of budget formulation and preparation, budget execution and procurement, financial reporting and audit and its weak domestic tax administration systems.

A Public Expenditure and Financial Accountability (PEFA) assessment undertaken in May 2010 concluded that the authorities needed to strengthen all components of the PFM system. Challenges included significant shortcomings in macro-fiscal policy design and planning, budget planning and execution, cash and debt management, management of guarantees, and external audit. Following this PEFA assessment, the authorities developed a PFM reform Action Plan with the Caribbean Regional Technical Assistance Centre (CARTAC) support which was endorsed by the Cabinet in November 2010. Based on a systematic approach and aiming at improving the PEFA scores over a three-year period, the Action Plan covers the entire PFM system and contains numerous actions.

In October 2011, the EU signed a 28-month Contribution Agreement with the IMF for EUR 3.0 million for strengthening both tax and customs administration and PFM. On the PFM component, the technical assistance (TA) strategy has been to support the authorities' existing PFM action plan, i.e. supporting the government in implementing a sustainable medium-term fiscal framework, strengthening budgetary policies, improving its cash management, producing timely accounts and reliable financial reporting and developing the State-owned enterprises oversight. It also aims at strengthening external review on the government operations. The tax and customs administration component aims at helping the government build institutional capacities to raise more tax and customs revenue at lower cost, with fewer distortions, less scope for fraud and evasion, and reduced costs to trade. The implementation of this programme continues until July 2014.

Progress has been made since 2010; however the reforms will need to be consolidated over the short and medium term. The PFM reform Action Plan has been implemented in very challenging economic times, and with limited resources. Recent IMF missions under the PFM programme (January 2013 and October 2013) noted that while progress had been made in most of the PFM areas covered by the project, significant efforts remained towards consolidating and addressing the remaining PFM system's weaknesses.

As the Government continues with the implementation of its plan to address a history of weak fiscal management, an unsustainable debt burden and fragile institutional structures;

interventions to support revenue reforms, PFM and public sector reform continue to be maintained as priority for the overall success of the country and will be important in the preparation of the new strategy. In light of the above the Government wishes to continue to strengthen its fiscal institutions and have thus proposed **Public Financial Management (PFM) and Revenue Reform** again as the focal sector for the 11th EDF. This would be complementary to the activities of the World Bank who signed a USD 10 million public and social sector transformation programme (loan agreement) in 2013. It will finance the country's public and social sector reform activities for the next five years. Under the Loan Agreement, USD 1 million is allocated to strengthen public institutions for the strategic management of government policies.

The country was also a beneficiary of additional resources of EUR 0.68 million under the 10th EDF mid-term evaluation. These resources will be specifically targeted to assist the Government in trade facilitation through the installation of Automated System for Customs Data (ASYCUDA). A Contribution Agreement with UNCTAD for EUR 0.68 million is expected to be signed in 2014 to install ASYCUDA which is expected to create a more efficient, effective and accountable information and communications technology system in Customs.

The Government is currently preparing a new Medium Term Development Strategic Plan (MTDS). The new strategy will incorporate the same four pillars of the NEST plan and is expected to be finalised in 2014 when the current strategy expires. Funding has been secured from the Caribbean Development Bank to undertake the drafting of the strategy in 2014. A PFM Steering Committee is being created to manage the overall coordination of the reforms and development partners' support.

A PEFA began in mid-February 2014 and it is planned to finalize the report and the Government PFM reform plan by June 2014. Lessons learnt from the 10th EDF programme have been taken into account for the 11th EDF. The final PEFA and reports from the IMF will be considered during the formulation phase of the 11th EDF programme. The EU will also liaise closely with the World Bank to ensure complementarity with its Public Sector Reform programme.

Lessons learnt will be taken into account during the implementation phase and in particular lessons learned will be taken into account during the identification and formulation phases so as to inform the choices for implementation.

Complementary programmes to the interventions proposed under the 11th EDF are summarised in attachment II.

2. FINANCIAL OVERVIEW (INDICATIVE AMOUNTS)

<i>Sector of cooperation</i>	<i>Amount (EUR)</i>	<i>% of Total</i>
<i>Public Finance Management</i>	2,400,000	80
<i>Measures in favour of civil society (NSA Panel)</i>	150,000	5
<i>Support measures</i>	450,000	15
<i>Support measures NAO</i>	360,000	12

<i>Support measures TCF</i>	90,000	3
<i>Total</i>	3,000,000	100

The EU response and National Indicative Programme may be complemented by operations financed by the European Investment Bank (EIB) from the Cotonou Investment Facility and/or its Own Resources

3. EU SUPPORT PER SECTOR

3.1. Public Finance Management (indicative amount EUR2.4 million)

3.1.1. The following overall and specific objectives will be pursued:

Overall Objective: To contribute to improvements in the overall governance of the public sector in Antigua and Barbuda through the institutional and organizational strengthening of the country's public financial management systems.

Specific Objective: To adopt and implement in a structured manner international public sector standards, systems and controls, particularly with regard to fiscal policy including tax and customs systems, public financial management systems, public expenditure, and financial accountability.

3.1.2. For the specific objective the main expected **results** are:

Expected result: Improvements in the overall governance of the public sector in Antigua and Barbuda through the institutional and organizational strengthening of the country's public financial management and revenue administration systems.

Expected result: Improved capacity at the office of the National Authorising Officer to implement development programmes financed from the EDF.

3.1.3. The main indicators for measuring the aforementioned results are contained in the sector intervention framework in Attachment 3.

A PEFA began in mid- February 2014 for which the report is expected to be finalised by June. The PEFA will enable the Government of Antigua and the EU to better define the main indicators and areas of need for the future programme:

3.1.4. Donor coordination and policy dialogue

The EU collaborated closely with the Caribbean Development Bank (CDB), DFID, IMF (invited to Stand-by Arrangement programme debriefings) and CARTAC during the implementation of the 10th EDF programme, including the signature of a contribution agreement with the IMF for EUR 3.0 million. Moreover, The EU will sign a contribution agreement with UNCTAD for EUR 0.68 million to implement the installation of ASYCUDA to improve trade facilitation. There has been excellent donor coordination during the implementation of the 10th EDF programme. The World Bank provided a loan of USD 10 million for public and social sector transformation in April 2013. The IMF Stand-By Arrangement was successfully completed in

June 2013, there are currently no plans for a successor programme. The 11th EDF PFM programme will build upon the success of the 10th EDF programme and will seek to further coordinate achievements and facilitate improvements in the performance of PFM systems in AB. The EU currently chairs the regional PFM group which includes representatives from UK Department for International Development (DFID), Caribbean Development Bank(CDB), World Bank(WB), Caribbean regional Technical Assistance Centre (CARTAC), Inter-American Development Bank(IDB), Canada Department of Foreign Affairs, Trade and Development's (DFATD) and UNDP.

The PFM quarterly project steering committee meetings were chaired by the Minister of Finance which resulted in policy dialogue at the highest level. Also, during the implementation of the V-FLEX general budget support programme in 2010 the EU was invited to all of the IMF debriefings with the Government.

3.1.5. The Government's **financial and policy commitments** are:

The National Economic and Social Transformation (NEST) Plan, adopted in December 2009, as a response to the crisis, is the main policy document governing the conceptualization and implementation of interventions related to economic and social development. The NEST plan has a special focus on social transformation and outlines a series of fiscal and structural measures aimed at resolving the country's economic problems. It was prepared through extensive consultations involving open dialogue between key stakeholders: Government, Cabinet, regional organisations, non-state actors and development partners.

The National Poverty Reduction Strategy (NPRS), as well, is one of the key strategies for the achievement of social transformation. The NPRS strategy is anchored on five pillars:

1. Growth and Wealth Creation
2. Expansion of Pro-poor Employment and Income Generating Opportunities
3. Modernisation of Social Protection and Increasing the Resilience of the Poor
4. Good Governance and Public Sector Management
5. Building Resilience through Environmental Sustainability

In June 2013, Antigua and Barbuda came to the end of its stand-by arrangement programme with the IMF. This was accomplished under strenuous circumstances however; the Government has been able to achieve commendable levels of fiscal consolidation and debt restructuring to reduce the debt ratio and arrears. These improvements were supported by structural reforms within the Government finance administrative system.

The fiscal deficit dropped from 18 per cent of GDP in 2009 to just over 1 per cent in 2012. The debt ratio has been on a decreasing path, dropping from 102.5 per cent of GDP in 2009 to 89 per cent of GDP at the end of 2012. As a result of a comprehensive debt restructuring and debt renegotiation initiative, the Government was able to reduce interest obligations by 68% from USD 234 million in 2009 to USD 75 million in 2012. The stock of public debt arrears has been reduced significantly from over 50% of GDP to about 10% of GDP in 2012. The remaining debt arrears are being addressed through on-going negotiations with a number of creditors.

In order to ensure the sustainability of the economic results achieved thus far, continued efforts are needed to improve revenue administration, public financial management and public service administration. The Government of Antigua and Barbuda is committed to implementing the policies and practices that will produce sustainable economic growth.

The Government of Antigua and Barbuda provided in kind support during the implementation of the 10th EDF programme, including expenses such as premises, utilities, support staff, consumables and other administrative services. They will provide funding of up to US\$424,000 from its resources in 2014, to complete payment to UNCTAD for implementation of ASYCUDA World in Antigua and Barbuda and have agreed to cover additional project related costs. The Government have indicated their continued financial commitment to support the focal sector for which more detailed budgets will be concluded during the formulation phase of the programme.

3.1.6 Environmental assessment

The country has a partnership with The Global Environment Facility (GEF), a Revised Environmental Protection and Management Act, 2011 and a National Energy Policy.

Support can be envisaged to promote sustainable development by ensuring that proper management of natural resources are mainstreamed in development planning and national economic accounts as well as appropriate designs of fiscal reforms to promote greener growth more broadly, particularly with regard to getting the prices right in energy and transportation systems.

3.1.7 The overall risk assessment of the sector intervention

The success of the proposed PFM and Revenue reforms faces a number of risks, including (i) adverse exogenous shocks (global economic downturn) affecting earnings from tourism, construction, the financial sector, overall economic activity and government revenue; and (ii) institutional and human capacity weaknesses in the public sector that limit the capacity to manage and successfully implement the PFM and Revenue reforms; (iii) retention of key staff during the entire period of the reform project; and (iv) the lack of continuing political will (elections expected in early 2014). It is also not clear to which extent the IMF can be involved in future PFM reform programmes considering their ceilings per region and per country.

Whereas it is difficult to mitigate the risks of adverse exogenous shocks, others can be diminished by careful and participative project preparation. Risks (also including risks from natural disasters) will be integrated in a risk informed investment approach.

4. MEASURES IN FAVOUR OF CIVIL SOCIETY

In line with the Cotonou Agreement and its Annex IV an indicative amount of EUR 150,000 is set aside in support of civil society organizations, specifically the Non-State Actors Advisory Committee. This allocation may also be used to finance actions linked to cross cutting issues.

The Non State Actors (NSA) Advisory Committee was established in August 2011 based on a recommendation from the EU, citing the important role that civil society should play in the EU-country development partnership. Under the 10th EDF, after discussions to assess the best possible way to integrate the NSA Advisory Committee into the realm of Antigua and Barbuda-EU relations, it was agreed that the focus should be on capacity building for civil society organizations. Based on the feedback from a questionnaire while consulting NSA during the 11th EDF preparation process, the 11th EDF National Indicative Programme (NIP) should include a component to strengthen the participation of civil society in the EU-Antigua and Barbuda partnership.

5. B-ALLOCATION

A B-allocation is included for unforeseen needs (specifically relevant for fragility situations). This allocation is EUR 0.00 until a need arises. In case of necessity, a Financing Decision to meet an unforeseen or urgent need can be taken.

6. SUPPORT MEASURES

6.1. Measures to support or accompany the programming, preparation or implementation of actions

An indicative amount of maximum EUR 90,000 is foreseen for a Technical Cooperation Facility (TCF), which aims at supporting or accompanying the programming, preparation or implementation of actions. The TCF is not a sector, and is to be used for supporting activities of limited amounts. It may neither be used for financing small projects in the focal sector, nor for actions related to cross cutting issues.

6.2. Support to the National Authorizing Officer

An indicative amount of maximum EUR 360,000 is foreseen for support to the National Authorizing Officer.

The Office of the NAO (ONAO) continues to function as the intermediary between the Government of Antigua and Barbuda and the EU, representing the interests of both in the implementation of projects and programmes. Under the 10th EDF, the Government received funding for technical assistance to support the daily functions of the office which included the management of national projects and programmes implemented through the use of EU donor funds.

The ONAO will continue to function as the Office to coordinate, monitor and provide advice on the implementation of all EDF projects and programmes, particularly in the focal sector. This means active participation in meetings of the Steering Committees and sub-committees, and ensuring greater public sensitization about the EU's support. The ONAO will also play a vital role in the implementation of the NSA Committee's new work programme as well as monitoring the implementation of the ASYCUDA programme. Further, the ONAO will be integral to the process of assisting the Country to access resources under the Caribbean Regional Indicative Programme (CRIP), the Caribbean Investment Facility (CIF) as well as other EU thematic funds including for research.

Attachments

1. Country at a glance
2. Donor matrix showing the indicative allocations per sector
3. Sector intervention framework and performance indicators
4. Indicative timetable for commitment of funds

Attachment I: Country at a glance

<u>Antigua and Barbuda</u>	Unit	2010 (or earlier)	2011	2012	2013	Source
<u>POLITICAL</u>						
Status / political rights / civil liberties	Score (F = Free; PF = Partly Free; N = Not Free) / 1 = the most free and 7 the least free rating.	F / 3 / 2	F / 3 / 2	F / 3 / 2	F / 2 / 2	Freedom House
<u>SOCIAL / VULNERABILITY</u>						
Population	Number	87 233	88 152	89 069	-	World Bank
Human Development Index	Index / rank	0.761	0.759	0.76 / 67	-	UN
Life expectancy at birth, total	Years	75	76	-	-	World Bank
School enrolment primary	%	102	99	-	-	World Bank
Homicides	Number per 100,000 population (change from year before)	6 (- 10)	-	-	-	UN
Poverty (headcount index)	%	18.3 (2005/06)	-	-	-	CDB
Unemployment	%	13.4	-	-	-	CDB
GINI	0 – 1 coefficient	0.48 (2007)	-	-	-	CDB
EVI (Environmental Vulnerability)	Index	307 = Vulnerable	-	-	-	UNEP
Fuel imports	(% of merchandise imports)	1	1	-	-	World Bank
Pop. Living in areas of elevation < 5 meters	%	32.3 (2000)	-	-	-	Centre for International Earth Science Information Network

						(CIESIN)
Disaster risk reduction progress	Score (1 to 5): 1= worst	-	-	2.8	-	World Bank
<u>ECONOMICAL</u>						
GDP Growth	%	-8.6	-2.1	2.8	1.7*	World Bank
Public deficit	% GDP	-0.3	-3.6	-1.2	3.3*	
Debt	% GDP	86.91	93.37	87.04	92.0*	
Current Account Balance	% GDP	-14.7	-10.4	-14.0	- 12.1*	
Inflation	%	2.9	4.0	1.8	2.3	
Global Competitiveness	Rank/score/change	-	-	-	-	World Economic Forum
Rating Agencies	Rate	-	-	-	Not rated	Standard & Poor's / Fitch / Moody's
FDI, net inflows	BoP, current US\$ (millions)	96.7	57.7	-	-	World Bank
Net ODA and official aid received	Current US\$ (millions)	19.07	14.8	-	-	World Bank
EU Import from / EU Export to	Value: million EUR	75.7/183.7	95.0/132.7	76.9 / 187.3	-	EU
<u>GOVERNANCE</u>						
Corruption	% / score	88 / 1.33	-	-	-	Transparency Internat.
Doing Business	Points/Rank	-	-	61.3 / 63	61.8 / 59 (-0.5/-4)	World Bank- IFC

* Estimation; ** Forecast

Attachment II: Donor matrix showing the indicative allocations per sector

Sector: Public Finance Management

DONORS	
	Activity - Amount / date
World Bank	Public and Social Sector Transformation Project (PSST). The objective of the PSST is to assist the Government in: (i) strengthening its capacity in managing public policies and the public service; (ii) improving the efficiency of social protection spending through an integrated monitoring and targeting system; and (iii) improving the income and employability of the vulnerable population through temporary employment and training programmes. - USD10M / 2013 – 2018
World Bank	Caribbean Regional Communications Infrastructure Program (CARCIP). CARCIP seeks to increase the availability, demand and development impact of the regional ICT infrastructure, services, and firms, as a pillar of regional integration and creation of a modern information society. Antigua and Barbuda stands to benefit directly from the programme resulting in the following: <ul style="list-style-type: none"> • Regional Connectivity Infrastructure: national and cross border fibre backbone networks, government virtual private networks, etc. • ICT led innovation: business incubators, IT industry certification programs, Venture Capital Funds • Regional E Transformation: “cloud computing” and security infrastructure, e-services and mobile applications, etc. - USD10M / 12/2012 – 02/2017
Caribbean Development Bank(CDB)	Electronic Government for Regional Integration Project (EGRIP). Grant for implementing the OECS Electronic Government for Regional Integration Project (EGRIP). The objective is to promote the efficiency, quality and transparency of public services through the delivery of regionally integrated e-government applications that take advantage of economies of scale. - USD0.36M / 10/2012 – 04/2014
Canada Department of Foreign Affairs, Trade and Development's (DFATD) through	SEMCAR - Supporting Economic Management in the Caribbean. The programme is divided into five components. The first three components relate to tax, customs, and PFM. The fourth addresses the development of a Regional Training and ICT Support Centre. The fifth component relates to project management, quality assurance, and monitoring and evaluation. Since its inception in mid-2011, SEMCAR has been implementing projects

<p>partnerships with the World Bank and the IMF</p>	<p>for the benefit of all countries under its remit, including Antigua and Barbuda. One of the most recent interventions took place in Antigua and Barbuda in July 2013 and brought together government officials for a workshop on establishing the regional Strategic Management Framework. This was an area identified by SEMCAR as key to the process of strengthening the fiscal management framework within countries of the region.</p> <p>- USD18.26M / 04/2011 – 04/2014</p>
<p>EU(Commission)</p>	<p>Fiscal and Public Sector Modernisation initiative to enhance the policy making and technical capacities of the Ministry of Finance and good governance in the tax area. Coming out of that, a Public Financial Management (PFM) and Revenue Reform programme was designed to address lingering weaknesses in the areas of budget formulation and preparation, budget execution and procurement, financial reporting and audit.</p> <p>- EUR3.4M / Until 1st half of 204</p>

Attachment III: Sector intervention framework and performance indicators

Sector 1: Public Finance Management		
Specific Objective 1: to adopt and implement in a structured manner international public sector standards, systems and controls, particularly with regard to fiscal policy including tax and customs systems, public financial management systems, public expenditure, and financial accountability.		
<u>Expected Results</u>	<u>Indicators</u>³	<u>Means of verification</u>
a) Administrative reforms consistently function as designed/intended; this includes reforms to the treasury function, audit, budgeting, procurement, tax and revenue administration and public sector human capital	<ul style="list-style-type: none"> • Improved capacity of the Audit Department to enable the Auditor General to carry out his/her mandate measured by the number of annual audits successfully executed; Target: the successful execution of at least 11 audits annually. • Improved Revenue Collection measured by 2a) the level of modernisation and restructuring of the tax administration; Target: Implementation of the new Tax Act and adoption of more effective administrative practices • 2b) Improved operational procedures as evidenced through tax collection as a percentage of GDP; Target: between 18.7% and 19.5% • Improved efficiency and effectiveness of customs measured by 3a) the level of modernization of business processes; Target: the successful installation of ASYCUDA World and 3b) Number of staff trained in the use of ASYCUDA World; Target: all staff trained. • Strengthened PFM systems: as evidenced by the 5a) score for 	<ul style="list-style-type: none"> • PEFA Assessment • Ministry of Finance reports • Consultancy reports • EU monitoring and evaluation reports • Tender Reports

³ Baselines will be included in the Action documents at the latest

	<p>all PEFA indicators; Target: improved score as outlined in the PFM Action plan. And 5b) the implementation status of the new Procurement Act and regulations and of Antigua and Barbuda Financial Management Information System (AFMIS) Freebalance; Target: successful implementation of the new procurement act and regulations and the improved use of the AFMIS Freebalance.</p> <ul style="list-style-type: none"> • Level of compliance with monitoring and tendering procedures for on-going projects by the NAO's Office; Target: 100% compliance. 	
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The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.

Attachment IV: Indicative timetable for commitment of funds

	2014	2015	2016	2017	2018	2019	2020
Public Finance Management	0	2.4	0	0	0	0	0
Support to civil society	0	0.15	0	0	0	0	0
B- Allocation	0	0	0	0	0	0	0
Other Support Measures:	0	0.45	0	0	0	0	0
- Measures to support or accompany the programming, preparation or implementation of actions	0	0.09	0	0	0	0	0
- Support to the National Authorising Officer	0	0.36	0	0	0	0	0
Total Commitments	0	3	0	0	0	0	0