

A.I.D. EVALUATION SUMMARY - PART I

PD-11AX-210

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1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office (ES# <u>538-88-08</u>) <u>RDO/C</u>		B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input type="checkbox"/> Skipped <input checked="" type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY <u>87</u> Q <u>2nd</u>	C. Evaluation Timing Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
538-0090	Agricultural Structural Adjustment Project	83	12/87	9,500	9,500

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required 1. It is unlikely that the Marketing Component can be implemented as designed. Therefore, funds should be reallocated within the project. 2. Coverage of the new Land Registration System should be expanded to include the area around Castries. 3. A Contract amendment should be executed to allow UAM Inc., to expand the project to the Castries area. 4. Funds reserved for the Tenure Individualization Fund should be transferred to the Land Registration and Titling Component to complete the Castries area.	D. Harrington D. Harrington S. Heishman D. Harrington	2/87 (completed) 2/87 (completed) 3/87 (completed) 2/87 (completed)

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) 11 (Day) 19 (Year) 86

G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
	Don Harrington	Gov. of St. Lucia	Darwin Clarke	James Holtaway
Signature	<i>[Signature]</i>	Cleared in Draft	<i>[Signature]</i>	<i>[Signature]</i>
Date	<i>[Signature]</i>		<i>[Signature]</i>	<i>[Signature]</i>

Jonathan Sleeper
ARDO

Darwin Mutchler
C/PRM

Alfred Bisset
D/DIR

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ABSTRACT

H. Evaluation Abstract (Do not exceed the space provided)

This project aims to expand employment and to increase incomes for rural farm families in St. Lucia. Three components were designed to contribute to the goal: banana rehabilitation, marketing and land registration and titling. The first component is implemented by the St. Lucia Banana Grower's Association, with the other components implemented by the Government of St. Lucia.

EVALUATION AND METHODOLOGY: This mid-term evaluation was conducted to assess progress of the Project towards its objectives, advise on the most appropriate use of uncommitted funds, and recommend project modifications. The methodology used in conducting the evaluation depended mainly on qualitative measures such as interviewing and field observation.

MAJOR FINDINGS AND CONCLUSIONS: The banana component was modified during project implementation to provide computerization assistance for the Banana Growers Association which, the evaluators were told, helped reduce the administrative costs of the Association. The marketing component included strengthening of seedling propagation activities of the Ministry of Agriculture and market promotion of selected new crops. A Marketing Task Force produced a comprehensive strategy for marketing which has not received endorsement by the GOSL. The land registration and titling component was designed to address a major disincentive to investment in agricultural land, the lack of clear title on 45% of agricultural parcels. Through a contract with UAM Inc., all rural lands parcels (30,000) are expected to be surveyed and recorded by March, 1987.

RECOMMENDATIONS: The major recommendation is that all remaining project monies be transferred to the land registration and titling component and that contract negotiations between GOSL and UAM be initiated for the inclusion of the Castries urban area in the Project area.

LESSONS LEARNED: While this mid-term evaluation did not address lessons learned, RDO/C notes that a project of this nature is doomed to failure without widespread consensus and political support. Secondly, it is essential that there be definitive planning in terms of project operations. Finally, RDO/C notes that it is important to retain a degree of flexibility in AID projects so that monies can be re-programmed to better achieve project objectives.

COSTS

I. Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Donald Jackson	MUCIA	MUCIA TSM	\$26,800	PD&S
Nicholas Liverpool	UWI	Contract No.		
Don Harrington	RDO/C	LAC-0000-1-00-		
Elizabeth Warfield	RDO/C	2023 Work Order No. 11		
2. Mission/Office Professional Staff Person-Days (Estimate) _____		20	3. Borrower/Grantee Professional Staff Person-Days (Estimate) _____	
			2	

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

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| <ul style="list-style-type: none"> ● Purpose of evaluation and methodology used ● Purpose of activity(ies) evaluated ● Findings and conclusions (relate to questions) | <ul style="list-style-type: none"> ● Principal recommendations ● Lessons learned |
|--|--|

Mission or Office: RDO/C	Date This Summary Prepared: 2/3/88	Title And Date Of Full Evaluation Report: 12/15/86 Interim Evaluation of the St. Lucia Agricultural Structural Adjustment Project
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The overall goal of the St. Lucia Agricultural Structural Adjustment Project (ASAP) is to expand employment and to increase incomes for rural farm families. To this end the Project design consisted of a three-pronged approach to remove the obstacles to agricultural diversification and thereby achieve the overall goals of increased employment and incomes for farm families. There were therefore three components: banana rehabilitation, marketing and land registration and titling.

The Project Components

At the time of conceptualization and design of the project, the banana industry was experiencing a downward production cycle. A banana component was therefore included to assist farmers to increase production. The status of the banana industry has dramatically improved in recent years due to a series of coincidental factors -- not the least of which include higher replanting rates, more adequate input use, and a heightened knowledge of major pesticide use among members. In this regard it appears that although RDO/C-supplied project funds for these activities were reallocated the original project purpose of the component was generally accomplished.

The marketing component included a two pronged effort to encourage agricultural diversification: seedling propagation and market promotion. The technical assistance appears to have been adequate and all the facilities were in various stages of completion. Given the much improved position of St. Lucia agricultural exports during the past several years, it appears that increased marketing activities are being undertaken and that the results are positive.

Lack of clear title to land has long been recognized as a principal bottleneck to the development of St. Lucia's agricultural sector. In order to address this problem the Project designers proposed two mutually supportive sub-components: land surveying, adjudication, registration and titling; and establishment of a Tenure Individualization Fund.

This evaluation was conducted by a team provided through the Midwest Universities Consortium for International Activities (MUCIA), under Technical Support to Missions Contract No. LAC 0000-I-00-2023, Work Order No. 11, and in collaboration with Mission personnel from both the Agricultural and Project Development Offices.

The methodology used in conducting the following evaluation depended mainly on qualitative measures such as interviewing and field observation. In depth interviews were conducted with RDO/C staff, contractor project staff, St. Lucian policy makers and government officials, the staff of regional organizations, and members of the private sector. These interviews, plus a thorough review of the appropriate Project files and documentation, formed the basis for the evaluation report.

Findings and Conclusions

The primary conclusion to this interim evaluation is that progress is being made towards achieving the original goals and purposes of the Project. As regards the Banana Rehabilitation component the St. Lucian banana industry is now economically viable. Replanting rates and proper input usage have increased dramatically leading to greatly improved production figures. Having the Project's strategy and alternative in hand allowed the GOSL to negotiate the best terms possible in the purchase of agricultural inputs while still achieving the overall goals of the component. Additionally, the administrative costs of the BGA have declined over the past years, which is due in part to the Project-supplied computers.

A similar situation exists in the case of the Marketing Component. While Project-related outputs can only account for the preparation of a report which will potentially lead to a sound marketing strategy, the country's private agricultural marketing sector has greatly improved. The St. Lucia Marketing Board no longer buys produce from farmers, and non-banana agricultural exports have returned to the highs of past years. It therefore appears to be the case that the activities contemplated for implementation under this Component are either no longer necessary, or could not be accomplished before the PACD in December, 1987.

The construction and renovation of the seedling propagation facilities is still thought to be an excellent investment of Project funds. While farmer demand for the types of seedlings to be produced by these facilities is currently low, it will most likely pick up once the banana market becomes saturated, and/or otherwise becomes less attractive.

It is still too early to measure benefits from the Land Registration and Titling Component. Nevertheless, the original assumptions concerning increased investment in agricultural land stemming from secure and clear title still appear to be valid. The original design and current implementation of the component (with the exception of the elimination of Castries urban from the survey) appear to have been well conceived and executed. It is currently estimated that the registration and titling process, and the establishment of a well-functioning land registry, will be completed on time and slightly under budget.

The concept of the Tenure Individualization Fund (TIF) continues to be valid and necessary. There will still be significant demand among the owners of 'family land' for consolidation loans once the Land Registry becomes totally functional. Nevertheless, it appears that due to increased liquidity in the island's banking sector, no project-provided funds will be necessary as seed capital, and no bonds need be issued by the GOSL at this time.

Recommendation

Based on the above, the evaluation team therefore recommends that all remaining Project monies (TIF, Marketing Promotion Fund, etc.) be transferred to the Land Registration and Titling Component, and that contract negotiations between the GOSL and UAM be initiated for the inclusion of the Castries urban area in the Project.

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Lessons Learned

While this interim evaluation did not address lessons learned, RDO/C notes that first, a project of this nature is doomed to failure without widespread consensus and political support throughout the society and professional community. It appears that this undertaking in St. Lucia has been unusually blessed by almost universal support.

Second, it is essential that there be definitive planning and unquestionable integrity in terms of operations. For example, the persons chosen to implement the project must have a clear understanding of the work to be accomplished and the demonstrated technical ability to execute the work to a high standard. The UAM Inc. contract team appears to have achieved an outstanding record of management and technical performance thus far in St. Lucia.

Finally, with respect to the banana component, factors exogenous to the project (eg., banana prices) can have very beneficial effects on project outputs. The resultant upturn in the banana industry permitted the Mission to reallocate monies to other project components. It is therefore important to retain a degree of flexibility in AID projects in order to re-program funds more effectively to achieve project objectives.

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ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

Evaluation Report.

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

The contractor's report describes the assumptions underlying each of the major project components as well as the status of implementation. The report is most useful in recommending project modifications to bring the project to a successful conclusion. The evaluation resulted in a series of actions that have streamlined the project and given it a higher probability of success.

In the opinion of RDO/C and the Government of St. Lucia the Executive Summary is an accurate summary of the evaluation including discussion of the purpose of the evaluation, methodology used, findings, conclusions and recommendations.

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ISN 54436

INTERIM EVALUATION OF THE
ST. LUCIA AGRICULTURAL STRUCTURAL
ADJUSTMENT PROJECT

(538-0090)

Performed under Work Order No. 11

of

Technical Support to Missions Contract

0000-I-00-2023

by

Donald R. Jackson, MUCIA

Nicholas Liverpool, UWI

Don E. Harrington, RDO/C

Elizabeth Warfield, RDO/C

December 15, 1986

The Midwest Universities Consortium for International Activities, Inc.

(MUCIA)

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EXECUTIVE SUMMARY

Introduction

The following document is an Executive Summary to the report entitled, "An Interim Evaluation of the St. Lucia Agricultural Structural Adjustment Project". The Project, funded by the Regional Development Office/Caribbean (RDO/C) of USAID, was originally valued at US \$ 8.0 million with a PACD of December 31, 1986. Subsequent amendments to the grant agreement changed these figures to US \$ 9.5 million and December 31, 1987 respectively. United Aerial Mapping (UAM) of San Antonio, Texas is the contractor for the principal component funded under the Project; the Land Registration and Titling Component.

The evaluation was conducted by a team provided through the Midwestern Universities Consortium for International Activities (MUCIA), under Technical Support to Missions Contract No. LAC-0000-I-00-2023, Work Order No. 11, and in collaboration with Mission personnel from both the Agricultural and Project Development Offices. Field data collection and draft report write-up were performed during the first two weeks of November, 1986. After a debriefing session with Mission personnel, plus indepth discussions with interested Mission staff, the final report document was completed during the latter part of the same month. The evaluation team was composed of Dr. Donald R. Jackson, Agricultural Economist/Team Leader, Dr. Nicholas Liverpool, Faculty of Law, University of the West Indies, Barbados, Don E. Harrington, Agricultural Development Officer, RDO/C, and Elizabeth Warfield, Project Development Officer, RDO/C.

In addition to addressing the Scope of Work prepared by RDO/C staff members, the evaluation team agreed with Mission personnel that the primary focus of the interim evaluation would be directed towards an analysis of the most appropriate use of the funds remaining in the Project (approximately US \$1.2 million) before the expiration of the PACD on December 31, 1987. An indepth analysis of the original Project design, as well as the efforts directed at its implementation to date have therefore been given secondary importance at this time. Additionally, RDO/C staff requested that the team assist in the preparation of a draft Grant Agreement Amendment for reallocation of the remaining funds, and in providing justifications for the request of a 'sole source waiver' for a continuation of the UAM/GOSL contract.

The methodology used in conducting the following evaluation depended mainly on qualitative measures such as interviewing and field observation. Indepth interviews were conducted with RDO/C staff, Contractor Project staff, St. Lucian policy makers and government officials, the staff of regional organizations and members of the island's private sector. These interviews, plus a thorough review of the appropriate Project files and documentation, produced the understanding that we have portrayed here.

Findings and Recommendations

The overall goal of the St. Lucia Agricultural Structural Adjustment Project (ASAP) is to expand employment and to increase incomes for rural farm families. This was to have been supported by the Project's Purpose representing the goals of its three principal components. These are: 1) to increase the economic viability of banana cultivation, and to increase foreign exchange earnings from bananas in order to provide a strong financial base for agricultural diversification; 2) to decrease the dependency on banana receipts and to expand the income opportunities of farmers through private sector market promotion activities for diversified crops, and; 3) to promote a more efficient, equitable and rational utilization of rural lands resulting in increased investments in agricultural infrastructure (also geared towards diversified crops). The Project design therefore consisted of a three-pronged approach to remove the obstacles to agricultural diversification and thereby achieve the overall goals of increased employment and incomes for farm families.

The Banana Component

At the time of the conceptualization and design of the Project the banana industry was experiencing a 'downward production cycle'. According to most observers, relatively low productivity and a declining exchange rate relative to the Pound Sterling resulted in the income received by banana farmers, even from the protected U.K. market, being insufficient to cover costs. This, combined with hurricane damage in the late seventies and early eighties, led to reductions in both the application rates of necessary agronomic inputs as well as banana field replanting rates. This in turn led to further reductions in productivity. In addition, inefficiencies in the management of the Banana Growers' Association (BGA) were also provoking higher than necessary 'check offs' against the price paid to its farmer/members.

In order to break this downward cycle the BGA, through the GOSL, requested a grant of US \$ 0.9 million for the purchase of agro-chemicals. These were to have been provided on a loan basis to members willing to engage in replanting activities, and under terms thought to be attractive enough to promote their use at recommended WINBAN levels. Critical to this component was increased field replanting to a rate of 20-25 percent per year from the 15 percent average rate prevalent at that time.

Nevertheless, when responses to the fertilizer tenders were received from U.S. suppliers the prices quoted were substantially higher than those available in Martinique with only minor differences in quality. This supplier also made his bid more attractive by offering easy credit terms to the BGA. The decision was therefore taken to turn down the offers from the U.S. suppliers and to purchase the needed inputs from the source in Martinique. As a result, the GOSL requested that the component be suspended and that its monies be transferred to the other components.

Among other things, the first amendment to the Grant Agreement therefore transferred all but US \$ 126,800 of the original US \$ 1.0 million allocated to the Banana Component to other Project activities. This remaining amount was

earmarked for the BGA's purchase of computer hardware and software, plus a technical assistance contract for its specification and operationalization. These funds had been justified on the grounds that computerization would enable the BGA to better monitor the disbursements and collections of fertilizer credit under this component.

Most observers interviewed by the team thought that the computers had improved the administrative capacity of the BGA, and indeed the average BGA administrative costs per pound of bananas has decreased since the time of the Project design. This can not, however, be totally attributed to the installation of the computers since other administrative changes promoted by the British Development Division advisors, as well as increased volumes which serve to lower per unit costs have also been taking place over the same time period.

On a positive note, the first amendment to the Grant Agreement also specified that the GOSL would take over responsibility for assisting the BGA in securing funds for the supply of agricultural inputs to farmers choosing to replant their fields. The GOSL furthermore agreed to encourage these farmers to apply inputs at the WINBAN recommended rates, and that they would initiate an improved extension and research program in the area of pest management.

The present status of the St. Lucian banana industry has dramatically improved in recent years due to a series of coincidental factors--not the least of which include higher replanting rates, more adequate input use, and a heightened knowledge of proper pesticide use among farmers. In this regard it appears that although RDO/C-supplied Project funds for these activities were reallocated the original Project Purpose of the component was generally accomplished.

The Marketing Component

St. Lucia's agricultural sector was, and still is, heavily dependent on banana cultivation to the point where adverse natural phenomena, or the loss of its protected market in the U.K. would spell disaster for the economy as a whole. Agricultural diversification was therefore considered by most experts to be a necessary long term goal towards the island's overall economic development. Nevertheless, farmers faced with a guaranteed market for their bananas, with established well-known requirements and channels, and an almost constant weekly income source have been understandably reluctant to engage in diversification activities in a meaningful way.

In an attempt to address this problem, the Project design proposed a two pronged effort: a strengthening of the seedling propagation activities of the Ministry of Agriculture supporting work already started by the BDD; and, concentration on the marketing channels and other aspects of market information, identification and the promotion of selected crops.

The seedling propagation activity has consisted of technical assistance and grant funding in the design and construction of plant propagation

facilities at three Ministry of Agriculture stations around the country. The technical assistance provided appears to have been adequate to the task and, as of the time of this evaluation, all three facilities were in various stages of completion. While these stations have continued to produce and distribute seedlings (mangoes, citrus, avocados, etc.) to farmers, no Project-supported seedling propagation has as yet been initiated, although this activity is expected to get underway in the near future.

Ironically, however, present conditions indicate that farmer demand for seedlings has diminished over the past year due to increased interest in banana cultivation. Nonetheless, looking to the day when the present conditions no longer exist, the GOSL still considers agricultural diversification a high priority.

The second area addressed by this component encompassed the generalized support of private sector marketing activities for non-banana agricultural exports. Project supported activities in this field included: the design of an overall marketing strategy embodying a private sector focus; the establishment of a Market Promotion Unit within the Ministry of Agriculture; and, the establishment of two revolving loan funds, one for the provision of marketing infrastructure and one for experimental marketing efforts.

Nevertheless, given that the preparation of a marketing strategy was a condition precedent to the disbursement of funds for the other marketing activities, and that the strategy has not as yet been approved by either the GOSL or the RDO/C, no funds have been disbursed to date under this component. Additionally, it is most likely that this approval will not be forthcoming during the expected life of the Project and the evaluation team therefore recommends that the remaining monies from the Marketing Component be reallocated to the Land Registration and Titling Component as will be explained below.

The Land Registration and Titling Component

The lack of clear title to land was identified in the Agricultural Sector Survey as a principal bottleneck to the development of St. Lucia's agricultural sector. As a result of a complicated overlay of French and English legal systems it has been estimated that approximately 45 percent of agricultural parcels, held in any one of several tenure forms, lacked secure title. Additionally, approximately one-half of these parcels, or 20 to 25 percent of all holdings, are further encumbered by being held as 'family lands' which are owned in undivided shares by the descendants of an original owner. This situation was thought to be a major disincentive to investment in agricultural land, both from the point of view of individual farmers, as well as bankers who refuse to grant loans in the absence of clear title.

In order to address this problem the Project designers proposed two mutually supportive Project sub-components: land surveying, adjudication, registration, and titling; and, the establishment of a Tenure Individualization Fund for the consolidation of 'family land' parcels.

Included in the first sub-component was a land survey of the entire island, excluding the National Forest Reserve and an area surrounding Castries urban. Additionally, the outputs of this sub-component included the establishment of a new Land Registry System based on the survey, and a series of new legislation affecting land. The Tenure Individualization Fund was to have enabled owners of 'family land' to obtain credit for buying out the 'shares' of other family members, thus consolidating ownership and promoting investment in these lands.

The justification for this component was based on the belief that clear and undivided title to agricultural lands would be an incentive to infrastructural improvements allowing for the planting of more permanent crops. This was therefore directed at forwarding the cause of diversification. While it is still too early in the process to measure quantifiable benefits in this regard, virtually all people interviewed by the evaluation team still believed this justification to be accurate.

United Aerial Mapping (UAM), of San Antonio, Texas was selected as the contractor to perform the survey and to provide technical assistance to the GOSL in the establishment of the Land Registry. The first members of the team arrived in August, 1984 and the survey work began in November of that year. It is estimated that there are approximately 40,000 land parcels on the island, 10,000 of which are in the areas currently excluded. According to the past rate of progress, UAM calculates that the approximately 30,000 parcels covered under the present contract will have been surveyed and completed by March, 1987. Even considering the 90 day 'display period', and any other end of Project details to be concluded, it appears that UAM's present contract will have been fulfilled before the PACD of December, 1987.

Almost universally, from GOSL planners to small land owners, respondents queried by the evaluation team felt that UAM's work had been carried out professionally and efficiently, but most important of all, in a fair and just manner. This last point being especially critical in promoting trust and confidence in the system, and among the citizenry.

A condition precedent to the disbursement of funds under this component was the passage of three pieces of enabling legislation: a Land Adjudication Law; a Land Registration Law; and, a Land Surveyor's Law. These laws, based on similar legislation in other Eastern Caribbean States were passed by Parliament and came into effect on July 15, 1985. With the exception of difficulties encountered over the qualifications of the Registrar of Lands, and a few other minor difficulties, these laws have been deemed functional and adequate by the evaluation team's legal advisor.

The principal and only significant recommendation concerning the Land Registration and Titling Component applies to the ultimate coverage that the new system will provide. The justification for the exclusion of the Castries area was based on limited resources on the part of the RDO/C and competing priorities on the part of the GOSL and the RDO/C. At the time of Project Paper preparation it was understood that this exclusion, if not dealt with sometime in the future (by the GOSL, another donor or the RDO/C), would lead

to substantial technical difficulties in the efficient operation of the new Registry System. The GOSL nevertheless agreed to support the component with the promise that it would seek additional funding to complete Castries urban, either from its own resources or from those of other donors. To date no alternative funding sources have been identified and the GOSL is simply not in a position to continue the activities on its own.

The evaluation team therefore strongly recommends that all remaining monies left in the other components of the Project be reassigned to the Land Registration and Titling Component to assist in the completion of the new Land Registry to include the Castries urban area. We further recommend that a new contract be negotiated between the GOSL and UAM based on a sole source waiver. The justifications for the inclusion of Castries urban are as follows:

- The solution sought to improve agriculture (land titling and registration) is much broader in its scope affecting non-agricultural land as well;
- The Castries urban area contains between 10-20 percent of agricultural land;
- Where dual Land Registry Systems exist in the world they are generally thought to be inefficient;
- The important side benefits to the new system of land taxation and land use planning would be significantly reduced if Castries were to be excluded;
- The present contractor, UAM, is already mobilized and experienced with the unique conditions existing on the island;
- Between US \$ 300,000 and US \$ 700,000 in 'efficiency savings' can be achieved by a sequential move from the rural lands being surveyed and adjudicated at present to the Castries urban area; and,
- The Land Registry has only recently begun to function and will require continuing technical assistance which the inclusion of Castries urban would provide.

The justifications for the sole source waiver for UAM are as follows:

- UAM's original proposal for the first phase was US \$ 1.0 million cheaper than the next closest bidder;
- UAM claims to be the only private sector organization in the world capable of performing this type of work on a fixed fee/time period basis; and,
- Their staff is already familiar with the unique social and legal customs of the island, has good working relations with local staff and decisionmakers, and is ready to begin work almost immediately.

Last to be discussed in this component is the issue of the Tenure Individualization Fund (TIF) which was to have been a sub-component of the Land Registration and Titling activities. This fund was to have initially received US \$ 100,000 in seed capital followed by additional amounts as needed from the 'reflows' from the Banana Component. The issuance of GOSL bonds through the St. Lucian Development Bank was to have been another source of capital for the fund.

Nevertheless, the establishment of the fund was dependent on the opening of the new Land Registry Office by the GOSL. Since meeting this condition precedent was delayed until October, 1986, no monies have so far been disbursed. Meanwhile, due mostly to the current 'banana boom' which the country is experiencing, the banking sector has become much more liquid and is actively seeking borrowers for its funds. In this light, it appears that the seed capital for the TIF is not presently necessary as the banks indicated a willingness to use their own funds for that purpose. The evaluation team therefore recommends that all monies previously assigned to the TIF be reallocated to the Land Registration and Titling Component in favor of the inclusion of Castries in the Land Registry.

Conclusions: Summary Recommendations

The primary conclusion to this interim evaluation is that progress is being made towards achieving the original Goals and Purposes of the Project. The St. Lucian banana industry is now economically viable. Replanting rates and proper input usage have increased dramatically leading to greatly improved production figures. Having the Project's strategy and alternative in hand allowed the GOSL to negotiate the best terms possible in the purchase of agricultural inputs while still achieving the overall goals of the component. Additionally, the administrative costs of the BGA have declined over the past years, which is in no doubt due in part to the Project-supplied computers.

A similar situation exists in the case of the Marketing Component. While Project-related outputs can only account for the preparation of a report which could potentially lead to a sound marketing strategy, the country's private agricultural marketing sector has greatly improved. The St. Lucia Marketing Board no longer buys produce from farmers, and non-banana agricultural exports have returned to the highs of past years. It therefore appears to be the case that the activities contemplated for implementation under this component are either no longer necessary, or could not be accomplished before the PACD in December, 1987.

The construction and renovation of the seedling propagation facilities is still thought to be an excellent investment of Project funds. While farmer demand for the types of seedlings produced by these facilities is currently low, it will most likely pick up once the banana market becomes saturated, and/or otherwise becomes less attractive.

It is still too early to measure benefits from the Land Registration and Titling Component. Nevertheless, the original assumptions concerning increased investment in agricultural land stemming from secure and clear title

still appear to be valid. Otherwise, the original design and current implementation of the component (with the exception of the elimination of Castries urban) appear to have been well conceived and executed. It is currently estimated that the registration and titling process, and the establishment of a well-functioning land registry, will be completed on time and slightly under budget.

The concept of the Tenure Individualization Fund continues to be valid and necessary. There will still be significant demand among the owners of 'family land' for consolidation loans once the Land Registry becomes totally functional. Nevertheless, it appears that due to increased funds in the island's banking sector, no Project-provided funds will be necessary as seed capital, and no bonds need be issued by the GOSL at this time.

Based on the above, the evaluation team therefore recommends that all remaining Project monies be transferred to the Land Registration and Titling Component, and that contract negotiations between the GOSL and UAM be initiated for the inclusion of Castries urban in the Project area.

Interim Evaluation of

St. Lucia Agricultural Structural Adjustment Project

Funding Level: US \$ 9.5 million

PACD: December 31, 1987

Introduction

The following document is an interim evaluation of the St. Lucia Agricultural Structural Adjustment Project (538-0090) funded by the Regional Development Office/Caribbean (RDO/C) of the United States Agency for International Development (USAID). The original amount authorized for grant disbursement under the Project was US \$ 8.0 million and the PACD was to have been December 31, 1986. Subsequent amendments to the grant agreement changed these figures to US \$ 9.5 million and December 31, 1987 respectively. United Aerial Mapping (UAM) of San Antonio, Texas, is the contractor for the principal component funded under the Project; the Land Registration and Titling Component.

This evaluation was conducted by a team provided through the Midwest Universities Consortium for International Activities (MUCIA), under Technical Support to Missions Contract No. LAC-0000-I-00-2023, Work Order No. 11, and in collaboration with Mission personnel from both the Agricultural and Project Development Offices. Field data collection and draft report write-up were performed during the first two weeks of November, 1986. After a debriefing session with Mission personnel, plus indepth discussions with interested Mission staff, the final report document was completed during the latter part of the same month. The team was composed of Dr. Donald R. Jackson, Agricultural Economist/Team Leader, Dr. Nicholas Liverpool, Faculty of Law, University of the West Indies, Barbados, Don E. Harrington, Agricultural Development Officer, RDO/C, and Elizabeth Warfield, Project development Officer, RDO/C.

The original Project design included three discernible components: Land Registration, Titling and Tenure Individualization; Market Promotion; and Banana Replanting. Each of these components were then broken down further into sub-components. In compliance with the Statement of Work for the evaluation it was decided that all components/sub-components would be considered in light of three measures: the relevance of the original rationale as designed to the overall agricultural development needs of St. Lucia; the actual outputs which were achieved by the Project; and, recommendations concerning proposed modifications aimed at achieving Project goals. This format has therefore been maintained where appropriate in the following evaluation document.

In addition to addressing the Scope of Work prepared by RDO/C staff members (a copy of which is attached to this document), the evaluation team agreed with Mission personnel that the primary focus of the interim evaluation would be directed towards an analysis of the most appropriate use of the funds remaining in the Project (approximately US \$ 1.2 million) before the expiration of the PACD on December 31, 1987. An indepth analysis of the original Project design, as well as the efforts directed at its implementation to date have therefore been given secondary importance at this time. Additionally, RDO/C staff requested that the team assist in the preparation of a draft Grant Agreement Amendment for reallocation of the remaining funds, and in providing justifications for the request of a 'sole source waiver' for a continuation of the UAM/GOSL contract.

The methodology used in conducting the following evaluation depended mainly on qualitative measures such as interviewing and field observation. Indepth interviews were conducted with RDO/C staff, Contractor Project staff, St. Lucian policy makers and government officials, the staff of regional organizations, and members of the island's private sector. (A list of persons contacted is appended.) These interviews, plus a thorough review of the appropriate Project files and documentation, produced the understanding that we have portrayed here. A separate 'Legal Annex' addressing several legal issues concerning the Land Registration and Titling Component is also attached.

Findings and Recommendations

The overall goal of the St. Lucia Agricultural Structural Adjustment Project (ASAP) is to expand employment and to increase incomes for rural farm families. This was to have been supported by the Project's Purpose representing the goals of its three components. These are: 1) to increase the economic viability of banana cultivation, and to increase foreign exchange earnings from bananas in order to provide a strong financial base for agricultural diversification; 2) to decrease the dependency on banana receipts and to expand the income opportunities of farmers through private sector market promotion activities for diversified crops, and; 3) to promote a more efficient, equitable and rational utilization of rural lands resulting in increased investments in agricultural infrastructure (also geared towards diversified crops). The Project design therefore consisted of a three-pronged approach to remove the obstacles to agricultural diversification and thereby achieve the overall goals of increased employment and incomes for farm families.

The Banana Component

At the time of the conceptualization and design of the Project, the banana industry was experiencing a 'downward production cycle'. According to most observers, relatively low productivity and a declining exchange rate relative to the Pound Sterling resulted in the income received by banana farmers, even from the protected U.K. market, being insufficient to cover costs. This, combined with hurricane damage in the late seventies and early eighties, had led to reductions in both the application rates of necessary agronomic inputs as well as the banana replanting rates. This in turn led to further reductions in productivity. In addition, inefficiencies in the management of the Banana Growers' Association (BGA) were also provoking higher than necessary 'check offs' against the price paid to its farmer/members.

In order to break this downward cycle the BGA, through the GOSL, requested a grant of US \$ 0.9 million for the purchase of agro-chemicals. These were to have been provided on a loan basis to members willing to engage in replanting activities, and under terms thought to be attractive enough to promote their use at recommended WINBAN levels. Critical to this component was the proposal that the availability of these inputs would stimulate increased field replanting to a rate of 20-25 percent per year from the 15 percent average rate prevalent at that time. (Bananas must be regularly replanted to maintain decrease resistance and plant vigor. The WINBAN recommended replanting rate is every third to fourth year.) A Pesticide Safety sub-component was an additional minor activity.

The inclusion of this component in the Project was justified on the grounds that: 1) bananas were crucial to the overall St. Lucian economy in terms of personal income, employment, and foreign exchange earnings; and, 2) in order for the agricultural sector to develop and diversify, its 'engine of growth' for the past two decades had to be revitalized. Additionally, farmer/member loan payments were to have been automatically deducted from each 'banana check' thereby assuring a high repayment rate. (These reflows were to

have accumulated in an Agricultural Development Fund for later assignment to other Project-created revolving funds tied to the Land and Marketing components.)

Nevertheless, when responses to the fertilizer tenders were received from U.S. suppliers the prices quoted were substantially higher than those available in Martinique with only minor differences in quality. This supplier also made his bid more attractive by offering easy credit terms to the BGA. Both the GOSL's Tenders Board and the Board of Directors of the BGA agreed that the price differential was too great. The decision was therefore taken to turn down the offers from the U.S. suppliers and to purchase the needed inputs from the source in Martinique. As a result, the GOSL requested that the component be suspended and that its monies be transferred to the other components. (This was in spite of the fact that the RDO/C proposed to charge farmers the Martinique prices for U.S.-supplied fertilizer.)

Among other things, the first amendment to the Grant Agreement therefore transferred all but US \$ 126,800 of the original US \$ 1.0 million allocated to the Banana Component to other Project activities. This remaining amount (double what had been estimated in the Project Paper), was earmarked for the BGA's purchase of computer hardware and software, plus a technical assistance contract for its specification and operationalization. These funds were justified on the grounds that computerization would enable the BGA to better monitor the disbursements and collections of fertilizer credit under this component. Further supporting this was a desired increase in the administrative efficiency of the BGA, thereby reducing its costs and, consequently, the deductions it makes from members' checks.

A contract for the design of the system, technical assistance and training was let to Deloitte, Haskins and Sells of Washington, D.C. Four IBM desk top computers were installed and have been operational for over a year now. Several staff members have been trained in their use including operators, programmers and analysts.

While some dissatisfaction with the system was expressed to the team by GOSL and BGA officials concerning inadequate memory capacity, integration between the computers and a lack of interface capability with the GOSL's main computer, it should be underscored that the original impetus behind this relatively minor activity was to assist the BGA in tracking the U.S. \$ 0.9 million in fertilizer credits, and not to completely handle all of the BGA's information and data requirements.

Nevertheless, most observers interviewed by the team thought that the computers had improved the administrative capacity of the BGA, and indeed average BGA administrative costs have declined from EC \$.217 per pound of bananas at the time of the Project design to EC \$.190 per pound at present. This can not, however, be totally attributed to the installation of the computers since other administrative changes promoted by British Development Division advisors, as well as increased volumes which serve to lower per unit costs, have also been taking place over the same time period.

On a positive note, the first amendment to the Grant Agreement also specified that the GOSL would take over responsibility for assisting the BGA in securing funds for the supply of agricultural inputs to farmers choosing to replant their fields (estimated at 2,000 acres). The GOSL furthermore agreed to encourage these farmers to apply their inputs at the WINBAN recommended rates, and that they would initiate an improved extension and research program in the area of pest management (partially to be funded under the Project).

The status of the St. Lucian banana industry has dramatically improved in recent years due to a series of coincidental factors--not the least of which include higher replanting rates, more adequate input use, and a heightened knowledge of proper pesticide use among members.¹ (One member of the Ministry of Agriculture's staff was sent for a pesticide residue analysis short-course, and three pesticide safety seminars were held for extension agents, customs officials, etc..) In this regard it appears that although RDO/C-supplied Project funds for these activities were reallocated the original Project Purpose of the component was generally accomplished.

No further Project-sponsored activities are contemplated under this component and no recommendations are thought necessary.

The Marketing Component

St. Lucia's agricultural sector was, and still is, heavily dependent on banana cultivation to the point where adverse natural phenomena, or the loss of its protected market in the U.K. would spell disaster for the economy as a whole. Agricultural diversification was therefore considered by most experts to be a necessary long term goal towards the island's overall economic development. Nevertheless, farmers faced with a guaranteed market for the bananas, with established, well-known requirements and channels, and an almost constant weekly income source have been understandably reluctant to engage in diversification activities in a meaningful way.

In an attempt to address this problem the Project design proposed a two pronged effort: a strengthening of the seedling propagation activities of the Ministry of Agriculture supporting work already started by the BDD; and, concentration on the marketing channels and other aspects of market information, identification and promotion of selected 'new' crops (mangoes, oranges, plantains and regionally traded bananas).

The seedling propagation activity consisted of technical assistance and grant funding in the design and construction of plant propagation facilities at three Ministry of Agriculture stations around the country. The technical assistance provided appears to have been adequate to the task and, as of the time of this evaluation, all three facilities were in various stages of completion. Undue delays in this activity seem to have been caused by lengthy GOSL procedures in advertising for bids and in selecting contractors. While these stations have continued to produce and distribute seedlings (mangoes, citrus, avocados, etc.) to farmers, no Project-supported seedling propagation has as yet been initiated, although this activity is expected to get underway in the near future.

Ironically, however, present conditions indicate that farmer demand for the seedlings has diminished over the past year due to increased interest in banana cultivation (in spite of highly subsidized seedling prices). For a series of reasons--improved technology, field packing, increased market demand in the U.K., some appreciation in the Pound Sterling, the USAID Feeder Road Program, the absence of bad weather, and the establishment of the Model Farms Project--banana cultivation has recently become more profitable and attractive to farmers, with relatively large amounts of new (many say, marginal) land being brought into production.²

Given this, most farmers' opportunity costs in carrying out diversification activities have recently risen. Nonetheless, looking to the day when the present conditions in the banana industry no longer exist, the GOSL still considers agricultural diversification a high priority. An additional factor of interest concerning diversification is that exports of almost all agricultural commodities have been increasing over the past four years indicating not only improved marketing activity, but also increased willingness on the part of farmers to produce surpluses of many crops for the export market.

The Project's proposed marketing activities consisted in:

- the design of an overall marketing strategy for the country emphasizing private sector initiative and deemphasizing the GOSL's role in trading (this was a condition precedent for disbursement of funds for the component), and the provision of Project-funded technical assistance to this end;

- the establishment of a Market Promotion Unit within the Ministry of Agriculture to seek out regional and extra-regional markets, and to provide information to farmers and agricultural traders concerning the availability of markets, potential prices, quality standards and volumes;

- the establishment of a Market Promotion Fund (initially with US \$ 350,000) to provide loans, up to US \$ 50,000, to traders and others for the establishment of market infrastructure; and,

- the establishment of a Market Opportunity Fund (initially with US \$ 50,000) for loans to traders wishing to attempt trial marketing activities. (Had either of these two Funds become successful, additional amounts could have been made available through reflows from the Banana Component.)

Nevertheless, given that the preparation and approval of a marketing strategy (approval by both the GOSL and the RDO/C) was a condition precedent to the disbursement of funds under the Marketing Component, plus the fact that innumerable delays were, and still are being encountered in its preparation, no funds have been disbursed to date. (The one exception to this was a technical assistance contract in the value of US \$ 13,000 to support the strategy design.)

Conceivably this component could still be accomplished since a report from the Marketing Task Force, set up under the Project, has in fact, been produced (not a minor output of the Project in its own right). However, the evaluation team was informed by the report's principal author that since it is so broad in scope, it is doubtful that Cabinet would approve it at this time. Additionally, it is the evaluation team's assessment that the report's recommendations still place heavy emphasis on public sector marketing activities such as sole import rights to certain commodities (to provide funds for the operation of a yet to be created Marketing Authority), and monosonistic rights to act as intermediaries between farmers and the local hotel industry (to maintain quality control).

Additionally, given the much improved position of St. Lucian agricultural exports over the past several years, it appears that increased marketing activities are being undertaken and that the results are, for the time being, positive.³ This in turn, somewhat reduces the priority previously placed on this component. Given this current state of events it is therefore the evaluation team's recommendation that all remaining monies from this component be reallocated to the Land Registry and Titling Component as will be discussed below.

The Land Registration and Titling Component

The lack of clear title to land was identified in the Agricultural Sector Survey as a principal bottleneck to the development of St. Lucia's agricultural sector. As a result of a complicated overlay of French and English legal systems it has been estimated that approximately 45 percent of agricultural parcels, held in any one of several tenure forms, lacked secure title. Additionally, approximately one-half of these parcels, or 20 to 25 percent of all holdings, are further encumbered by being held as 'family lands' which are owned in undivided shares by the descendants of an original owner. This situation was thought to be a major disincentive to investment in agricultural land, both from the point of view of individual farmers, as well as bankers who refuse to grant loans in the absence of clear title.⁴

In order to address this problem the Project designers proposed two mutually supportive Project sub-components: land surveying, adjudication, registration, and titling; and, the establishment of a Tenure Individualization Fund. Included in the first sub-component was a land survey of the entire island, excluding the National Forest Reserve and an area surrounding Castries urban, plus the establishment of a new Land Registry System based on the survey, and a series of new legislation affecting land. The Tenure Individualization Fund, which was to have been managed by the St. Lucian Development Bank, would have enabled owners of 'Family Lands' to obtain credit for buying out the 'shares' of other family members, thus consolidating ownership and promoting investment in those lands.

The justification for these sub-components was based on the belief that clear and undivided title to agricultural lands would be an incentive to infrastructural improvements allowing for the planting of more permanent crops. This was therefore supportive of the cause of diversification. While

it is still too early in the process to measure quantifiable benefits in this regard, virtually all people interviewed by the evaluation team still believed this justification to be accurate.

United Aerial Mapping (UAM), of San Antonio, Texas, was selected as the contractor to perform the survey and to provide technical assistance to the GOSL in the establishment of the Land Registry. The first members of the team arrived in August 1984 and the survey work began in November, 1984. It is estimated that there are approximately 40,000 land parcels on the island, 10,000 of which are in the areas currently excluded. According to the past rate of progress, UAM calculates that the approximately 30,000 parcels covered under the present contract will be surveyed and completed by March, 1987. Even considering the 90 day 'Display Period' and any other end of Project details to be concluded, it appears that UAM's contract will have been fulfilled before the PACD of December, 1987.

Almost universally, from GOSL planners to small land owners, respondents queried by the evaluation team felt that UAM's work had been carried out professionally and efficiently, but most important of all, in a fair and just manner. This last point being especially critical in promoting trust and confidence in the system, and among the citizenry. Additionally, approximately 7,000 adjudicated parcels have been officially transferred (as of November 14, 1986) from UAM to the Land Registry, with varying additional numbers to be transferred weekly.

The construction and staffing of the Land Registry was one of the GOSL counterpart contributions to the Project. Its implementation, however, was delayed considerably with the doors not being open, and staff not being in place until October, 1986. These delays were caused by problems in naming a Land Registrar and in identifying and refurbishing a suitable Registry facility. The former case was caused by a debate between the Bar Association and the GOSL regarding the qualifications of the Registrar, while the latter was caused by the GOSL's desire to house the Registry in the new Government Offices Complex, itself behind in construction. The Land Registry is presently located in temporary facilities which appear to be quite adequate for the time being.

An additional GOSL contribution and condition precedent to disbursement under the Project was the passage of three pieces of enabling legislation: a Land Adjudication law; a Land Registration Law; and, a Land Surveyor's Law. These laws, based on similar legislation in other Eastern Caribbean States, (and benefiting from technical assistance provided by the Project Paper design team and UAM advisors), were passed by Parliament and came into effect on July 15, 1985. With the exception of difficulties encountered over the qualifications of the Registrar (which have only recently been resolved, albeit on a temporary basis), and a few other minor difficulties, these laws have been deemed functional and adequate by the evaluation team's legal advisor. This in itself represents a radical improvement in the state of affairs which previously existed in the legal basis for land tenure in St. Lucia, and will provide an essential element to the structural adjustment of the sector. (An annex which considers the legal aspects of this component is appended.)

The present Acting Registrar of Lands heads a staff of eight which includes an Assistant Registrar, a Senior Clerk, a Senior Executive Officer, a Records Sorter, and three Clerk Typists. Additionally, he was the GOSL's Chief Surveyor and is well versed in the country's land issues. Both the Assistant Registrar and the Senior Clerk previously worked with the section of the General Registry in which deeds relating to land transactions were previously registered. They have brought many years of experience in dealing with land matters to the new Registry.

All staff members went through a period of training concerning the new registration system. This was provided by a UAM staffer who himself had been a Registrar of Lands on the Cayman Islands where a similar system has been implemented. This person continues to provide day-to-day technical assistance to the Registry and its staff.

The principal and only significant recommendation concerning the Land Registration and Titling Component applies to the ultimate coverage that the new system will provide. The justification for exclusion of the Forest Reserve from the component was based on the fact that it is 'Crown Land' and that its boundary is, more or less, well defined. Nevertheless, the justification for the exclusion of the Castries metropolitan area was based on limited resources on the part of the RDO/C and competing priorities on the part of the GOSL and the RDO/C (banana input supply and market development/diversification, respectively). At the time of Project Paper preparation it was understood that this exclusion, if not dealt with sometime in the future (by the GOSL, another donor, or RDO/C), would lead to substantial technical difficulties in the efficient operation of the new Land Registry System. The GOSL nevertheless agreed to support the component with the promise that it would seek additional funding to complete Castries urban either from its own resources, or from those of other donors.

As of the time of this evaluation, no other donors had responded to the GOSL's requests for assistance in adding Castries urban to the Land Registry. The fiscal position of the government is also thought to be extremely tight. Additionally, overtures to the Caribbean Development Bank on the part of the GOSL to borrow the funds to complete Castries would not meet with success due to their present state of indebtedness. The evaluation team therefore strongly recommends that all remaining monies left in the other components of the Project be reassigned to the Land Registration and Titling Component to assist in the completion of the new Land Registry to include the Castries urban area. We further recommend that a new contract be negotiated between the GOSL and UAM based on a sole source waiver. The justifications for the inclusion of Castries are presented below. These are then followed by the justifications for a sole source waiver to UAM.

-In spite of the fact that this is an agricultural project, the solution sought to assist the sector was one whose coverage and impact is greater than agriculture alone, affecting all types of real property on the island. In essence, the generic solution of land registration and titling affects more than only agriculture.

-The original boundary line between 'Castries' and 'Non-Castries' was somewhat arbitrarily drawn and includes at least 10-20 percent agricultural land, plus another 20 percent of suburban land containing many market gardens. The definition of 'Castries' is therefore confusing to the population and particularly so to the legal and banking professions. Certain members of the public have already expressed concern that their land is currently excluded from the Project since they do not consider themselves to be city dwellers. Additionally, the taxes that these people pay are rural and not urban.

-In any country of the world where a dual system of recording rights and interests to land exist (Dominica, St. Kitts/Nevis, Jamaica, etc.) neither system is totally efficient. In creating such a dual system for St. Lucia there is an inherent danger of retaining the old system for approximately 25 percent of the island's parcels. The learning process for the professions within the country (legal, banking, surveying) will of necessity be relatively slow and the acceptance of a new system will not be truly effected if a dual system is allowed to exist. The learning process of conveying, mortgaging, subdividing and investing in land implies a radical change in the processes currently involved in those dealings and will require a complete dislocation from the old system if the new is to be successful.

-Two of the most important side benefits to the Land Registration and Titling Component are the ability of the GOSL to tax land on the one hand, and to engage in effective land use planning on the other. If 25 percent of the island's parcels, (potentially some of the most valuable land on the island) are excluded from the new system these side benefits will be severely limited.

-The present contractor team is already mobilized and experienced with the unique conditions existing on the island. This alone represents a substantial 'sunk cost' in RDO/C's investment. If the UAM team were to be dismantled at the end of the current contract, the start-up costs to complete Castries at some later date would have to be incurred again. These would no doubt be far higher. A social side of this same argument is that the vast majority of the population is currently aware of the Project activities, and those remaining to be affected by it are actively awaiting its arrival. If this momentum is lost, any resurgent activity in the future would have to remotivate the public, causing additional delays and expenditures.

-Between US \$ 300,000 and US \$ 700,000 in 'efficiency savings' over what was originally estimated in the Amended Contract Agreement and in UAM's proposal to do Castries urban can be gained by a sequential move from the rural lands being surveyed and adjudicated at present to the Castries area. Additionally, UAM estimates that Castries urban can be completed without an extension to the current PACD.

-The Land Registry has only just begun to function and will have been open just six months by March, 1987 when the UAM advisor is currently scheduled to depart. While the current staff is competent, it could still benefit

greatly from the additional six to nine months of technical assistance which would be provided under a Castries urban follow-on contract.

-Cases are already showing up of the misunderstanding which could arise in having two registry offices operating at the same time. Some individuals are in fact registering their land twice, once at the new registry, and once again at the old. These cases arose out of the uncertainty which prevailed, over a recent short period, dealing with the uncertain legality of the appointment of the Registrar. This is not only very costly to land buyers (average legal fees per parcel transferred are EC \$ 1,600 for each registration), but these inefficiencies would continue to exist as long as the two systems are available; and they could easily be a potential for subsequent fraudulent transactions if the two systems are allowed to continue to exist indefinitely side by side.

-Although it is theoretically possible for the GOSL alone to complete the Castries area using its present survey staff, it is most likely that the process would drag out for years. Additionally, non-regional adjudicators would still have to be hired if successful practices are to be followed. During this potentially lengthy period two land registries would necessarily exist leading to the possible difficulties discussed above, with the every present danger of the new system being eroded by the old.

The justifications for selecting UAM through a sole source contract are as follows:

-Their proposal for the original contract was US \$ 1.0 million cheaper than the next closest competitor.

-UAM claims that they are the only private sector organization in the world capable of performing this type of work on a fixed fee/time period basis. The evaluation team has no reason to doubt this.

-UAM's staff is already mobilized and experienced in the unique conditions of St. Lucia and can achieve definite economies through continuity in contracts.

-There would not be a time lag between UAM's current contract and the Castries urban follow-on. This would preclude any potential regression to the old registration system.

-UAM's expatriot staff already has housing; presently a scarce commodity in St. Lucia.

-The expatriot staff has excellent relations with the St. Lucian staff, linkages which would have to be reestablished with a new contractor.

Earlier this year the GOSL requested that UAM prepare a cost proposal concerning the inclusion of Castries in their current work effort. UAM's initial proposal totaled US \$ 1.9 million although assurances were given to the evaluation team that this could be reduced by approximately US \$ 0.5 million by rearranging the proposed work plan. (The cuts would presumably

come from a doubling of the number of survey teams working in the Castries area, thereby reducing management and overhead costs, plus the decision to forgo scheduled staff vacations between the two contract periods deferring them until after the completion of Castries.) Other cost savings under the current contract will undoubtedly bring this amount even closer to the approximately US \$ 1.2 million remaining in the overall Project Budget. Any short fall between what is available and what the inclusion of Castries will cost would have to be made up by the GOSL.

Last to be discussed in this component is the issue of the Tenure Individualization Fund (TIF) which was to have been a sub-component of the Land Registration and Titling activities. This fund was to have initially received US \$ 100,000 in seed capital (later raised to US \$ 400,000 in Amendment No. 1) followed by additional amounts as needed from the 'banana reflows'. The issuance of GOSL bonds through the St. Lucia Development Bank was to have been another source of capital for the Fund.

Nevertheless, the constitution of the TIF depended on the establishment of the Land Registry to provide family members clear title to their 'family lands' as a first step in the tenure individualization process. Since the Registry was not established until only last month, no TIF-related activities have been undertaken. While the rationale for this sub-component is still valid ('family land' in undivided shares cannot be used as collateral for bank loans), it appears that the situation in St. Lucia's banking sector has drastically changed recently so as to make the Project support of the TIF activity potentially unnecessary. Due to the recent 'banana boom' explained above, the local banks are finding themselves in a position of relatively high liquidity and are therefore willing to loan much more freely for agricultural activities, including land purchases. Three banks visited expressed willingness to provide funds to family members to enable them to buy out the shares of other relatives; and Barclay's has already processed two such loans. The St. Lucia Development Bank, which received deposits from the GOSL and the commercial banks for on-lending to borrowers has no funds at present but would be willing to lend for 'family land' purchases if they could be made available.

Given the existence of these conditions, the evaluation team therefore recommends that the US \$ 475,000 reserved for the TIF sub-component (US \$ 400,000 for credit and US \$ 75,000 for technical assistance) be transferred to the Land Registration and Titling Component to complete Castries urban. We further recommend that US \$ 5,000 of this amount be earmarked for a publicity campaign to be coordinated by UAM and the banking community to advertise the availability of funds through the private banking sector for the resolution of 'family land' conflicts.

Conclusions: Summary Recommendations

The primary conclusion to this interim evaluation is that progress is being made towards achieving the original Goals and Purposes of the Project. The St. Lucian banana industry is now economically viable. Replanting rates and proper input usage have increased dramatically leading to greatly improved production figures. Having the Project's strategy and alternative in hand allowed the GOSL to negotiate the best terms possible in the purchase of agricultural inputs while still achieving the overall goals of the component. Additionally, the administrative costs of the BGA have declined over the past years, which is in no doubt due in part to the Project-supplied computers.

A similar situation exists in the case of the Marketing Component. While Project-related outputs can only account for the preparation of a report which will potentially lead to a sound marketing strategy, the country's private agricultural marketing sector has greatly improved. The St. Lucia Marketing Board no longer buys produce from farmers, and non-banana agricultural exports have returned to the highs of past years. It therefore appears to be the case that the activities contemplated for implementation under this component are either no longer necessary, or could not be accomplished before the PACD in December, 1987.

The construction and renovation of the seedling propagation facilities is still thought to be an excellent investment of Project funds. While farmer demand for the types of seedlings to be produced by these facilities is currently low, it will most likely pick up once the banana market becomes saturated, and/or otherwise becomes less attractive.

It is still too early to measure benefits from the Land Registration and Titling Component.⁵ Nevertheless, the original assumptions concerning increased investment in agricultural land stemming from secure and clear title still appear to be valid. Otherwise, the original design and current implementation of the component (with the exception of the elimination of Castries urban from the survey) appear to have been well conceived and executed. It is currently estimated that the registration and titling process, and the establishment of a well-functioning land registry, will be completed on time and slightly under budget.

The concept of the Tenure Individualization Fund continues to be valid and necessary. There will still be significant demand among the owners of 'family land' for consolidation loans once the Land Registry becomes totally functional. Nevertheless, it appears that due to increased funds in the island's banking sector, no project-provided funds will be necessary as seed capital, and no bonds need be issued by the GOSL at this time.

Based on the above, the evaluation team therefore recommends that all remaining Project monies (TIP, Marketing Promotion Fund, Marketing Opportunity Fund, etc.) be transferred to the Land Registration and Titling Component, and that contract negotiations between the GOSL and UAM be initiated for the inclusion of Castries urban in the Project area.

ENDNOTES

1 Average yield per acre for bananas is a difficult figure to estimate. Nevertheless, in 1982 they were estimated by the BGA to be 4.3 long tonnes per acre compared to an average of 7.0 tonnes per acre at present.

2 Indicators of this are banana exports:

<u>Year</u>		<u>Tonnes</u>
1982	-	42,000
1985	-	86,000
(est.) 1986	-	105,000

and agricultural land values which have increased from an average of EC \$3,000 - 4,000/acre in 1983 to EC \$10,000 - 12,000 at present.

3 Agricultural Exports (minus U.K. bananas):

<u>Year</u>	<u>Tonnes</u>
1982	1,197
1983	1,196
1984	1,952
1985	2,467
(est.) 1986	2,714

4 A statement in the Annual Report 1985/86, St. Lucia Development Bank underscores this situation in explaining the reasons for a lack of increase in its agricultural portfolio, "The vexed question of family lands and undivided property has not been helpful since the Bank does not accept undivided property as security."

5 Several non-quantifiable benefits have begun to show up including: land being cultivated 'fence row to fence row' resulting from the exact determination of property boundaries; fewer cases of domestic violence in the courts resulting from 'family land' disputes; and, increased technical capacity among the local staff hired by the Project.

LIST OF PERSONS CONTACTED

Government of St. Lucia

Ministry of Agriculture, Forestry, Lands, Fisheries and Cooperatives

Cosmos Richardson, Permanent Secretary
Gabriel Charles, Chief Forestry and Lands Officer
Michael Augustin, Chief, Planning and Statistics Unit
Michael Willius, Planning and Statistics Unit
Collin Paul, Plant Propagation

Ministry of Finance and Planning

Dwight Venner, Director, Finance and Planning
Ausbert d'Auvergne, Deputy Director, Finance and Planning

Ministry of Legal Affairs

Mary Francis, Registrar General
Lester Martyr, Acting Registrar of Lands
S. d'Auvergne, Director of Public Prosecutions
Isabella Shillingford, Chief Magistrate
S. Lewis, Magistrate

Public Service Commission

Desmond MacNamara, Director

St. Lucia Development Bank

George Theophilus, Managing Director

Inland Revenue Service

Eldon Mathurin, Ex-Commissioner

Caribbean Agriculture Research and Development Institute (CARDI)

Calixte George, Deputy Executive Director

Organization of Eastern Caribbean States (OECS)

Vaughn A. Lewis, Director General
A. Compton, Director of Administration
J.D.B. Renwick, Legal Advisor

St. Lucia Private Sector

Kenneth Monplaisir, Chairman, St. Lucian Bar Association
Primrose Bledman, Attorney
Lorenzo Williams, Attorney
Goerge Odlum, Journalist
Oliver Innocent, Director of Finance, St. Lucia Banana Growers'
Association (BGA)
Melcher, Computer Systems Analyst, BGA
Fremont Lawrence, Statistical Analyst, BGA
Larry Leighton, Manager, St. Lucia Association of Farmers'
Cooperatives (STAFCO)
Pat Charles, National Research and Development Foundation
Gilly Clarke, Owner, Galley Gourmet Foods
T. Brice, Manager, Development Fund, Barciays Bank Ltd.
Neigel Gregory, Acting Director, National Commercial Bank
S. Skeete, National Commercial Bank
Remy Lesmond, Former Minister of State
Dennis Dabreo, Journalist
Boo Hinkson, Entertainer

Organization of American States (OAS)

Jan Vermeiren, Advisor

Interamerican Institute for Cooperation in Agriculture (IICA)

Keith Syrett, Project Team Leader
Kenneth Dunlop, Recording Adjudication Officer

AMENDMENT NUMBER THREE
TO THE
PROJECT GRANT AGREEMENT
FOR
AGRICULTURAL STRUCTURAL ADJUSTMENT

AMENDMENT Number Three, dated December 1, 1986, between the UNITED STATES OF AMERICA, acting through the Agency for International Development ("AID") and the Government of St. Lucia ("Grantee"):

WHEREAS, the Grantee and AID entered into a Project Grant Agreement, dated March 29, 1983, ("Agreement"); and amended the Agreement on June 7, 1984 and September 25, 1984; and

WHEREAS, the Grantee and AID desire to amend the agreement to modify the description of the Project, and to reallocate monies within the Project Budget;

NOW THEREFORE, the parties hereto hereby agree that the Agreement shall be amended as follows:

1. SECTION 2.1 shall be deleted and the following shall take its place:

SECTION 2.1 Definition of Project The Project, which is further described in Annex I, consists of assisting the Grantee in its program of Land Registration and Titling by addressing constraints in the country's Land Registration System. This will include the financing of land surveying, adjudication, registration and titling activities within the Castries urban area. The extent of this area for the purposes of this Amendment is to be defined as the area which is presently excluded from the Grant Agreement, but not to include the Forest Reserve.

2. SECTION 4.3 (d) shall be deleted in its entirety.
3. SECTION 4.4 shall be deleted in its entirety and the following shall take its place:

SECTION 4.4 Pilot Land Financing Component All Project funds assigned to this component as amended (US \$ 475,000) are to be reallocated to the Land Registry and Titling Component. The amount of US \$ 5,000 of this reallocation shall be earmarked to be used in a publicity campaign to advertise the advantages to tenure individualization and consolidation, plus the willingness of local banks to lend resources for this purpose.

4. SECTION 4.5 shall be deleted in its entirety and the following shall take its place:

SECTION 4.5 Market Promotion Program Component All Project funds assigned to this component as amended (US \$ 540,000), with the exception of the amount spent on technical assistance in the preparation of a Marketing Strategy (US \$ 13,100), and the amounts spent on technical assistance and the refurbishing of the plant propagation facilities (US \$ XXXXXX), be reallocated to the Land Registry and Titling Component.

5. SECTION 4.6 shall be deleted in its entirety and the following shall take its place:

SECTION 4.6 Market Promotion Fund and Market Opportunity Fund All funds previously assigned to these funds as amended (US \$ 300,000) shall be reallocated to the Land Registry and Titling Component.

6. SECTION 4.7 Notification Delete reference to Sections 4.2, 4.4, 4.5 and 4.6.
7. SECTION 5.2 Agricultural Activities This section shall be deleted in its entirety.
8. SECTION 5.3 Marketing and Diversification Component This Section shall be deleted in its entirety.
9. SECTION 5.4 Land Registration and Ownership Program Component This Section shall be deleted in its entirety.
10. SECTION 5.5 Pesticides This Section shall be deleted in its entirety.

The Project Description, which is Annex I to the Project Grant Agreement, shall be amended as follows:

1. Section A. Summary Clauses (b) and (c) from the Summary should be deleted in their entirety.
2. Section A. Summary Article 2 Market Promotion Component shall be deleted in its entirety.
3. Section B.1.a. The words "...--and the urban area surrounding the capital city of Castries," shall be deleted.
4. Section B.1.c. Tenure Individualization shall be deleted in its entirety.
5. Section B.2.a. and Section B.2.b. Development of Improved Marketing System for Targeted Crops and, The Market Promotion Fund, shall be deleted in their entirety.

6. Section C. shall be amended by deleting paragraph two (2) and substituting in lieu thereof, the following paragraph:

"AID funds will finance long- and short-term technical assistance to the Ministry of Finance and Planning and the Land Registry, and other organizations involved in the Land Registration and Titling Component; construction for the purpose of upgrading and expanding the plant propagation and research facilities at two of the Ministry of Agriculture's three plant propagation and research stations; commodities; and a portion of project operating costs, as shown in the attached budget.
7. Section C. paragraph four (4) shall also be amended by deleting the reference to "...the marketing authority (SLMB or a successor agency),". The remainder of the paragraph shall remain in effect.
8. Section C. paragraph five (5) shall also be amended by deleting the entire paragraph and substituting in its place the following: The Project Coordinator for the GOSL will be the Deputy Director for Planning in the Ministry of Finance and Planning. He will assign administrative personnel from his staff as required to ensure correct and timely monitoring of Project activities, including accounting for utilization of funds and reporting to AID. In addition, the GOSL will designate a senior level individual to be responsible for the Land Registration and Titling Component.
9. Section C. paragraph six (6) shall be added to include the following: US \$ 5,000 of the monies allocated to the Land Registration and Titling Component shall be applied to a Publicity Campaign alerting the public to the to the the benefits of land consolidation and individualization among 'family land' owners. Advice shall also be given as to the availability of commercial banking funds to carry out these activities.
10. Section C. paragraph seven (7) shall be added to include the following: The secondary benefits from the Land Registration and Titling Component, ie., land taxation and land use planning, be given functional capability within the planning process of the GOSL, and that the necessary legislation for their implementation be enacted.

Except as amended herein, the Grant Agreement between the Government of St. Lucia and AID dated March 29, 1983 remains in full force and effect.

Attachment A

SUMMARY PROJECT COST ESTIMATES
BY TYPE OF ACTIVITY

(US \$000's)

(Revised December 1986)

ACTIVITY	TOTAL AID	SOURCE: TOTAL HOST COUNTRY	PROJECT TOTAL
Land Registry:			
Technical Assistance			
Local Staff			
Commodities			
Operations			
		(To be completed during contract negotiations between GOSL and UAM.)	
Plant Propagation:			
Technical Assistance			
Construction/Facilities			
Banana Replanting:	126.8	600.0	726.8
Commodities	126.8	500.0	626.8
Operations	-	100.0	100.0
Pesticide Safety	30.0	15.0	45.0
Technical Assistance	10.0	-	10.0
Participant Training	10.0	-	10.0
Operations	10.0	15.0	25.0
Project Evaluation	150.0	-	150.0
Input TOTAL	8,809.65	2,915.0	11,724.65
Inflation & contingency	690.35	300.0	990.35
Project TOTALS	9,500.00	3,215.0	12,715.00

W

LEGAL ANNEX

How Well is the Land Registry Functioning?

The Project Paper on which the Project is based identified the deficiencies of the system of registration of title to, and transactions in, land in St. Lucia to include vague and inaccurate information pertaining to the identification and description of parcels of land, and the incomplete organization and maintenance of records which made it either difficult or impossible to obtain the required information.

The cadastral survey was the means recommended to cure these and other deficiencies. It was envisaged that the new land registry would be comprehensive and accurate, and encompass all private and public lands which were registered therein. Thus it could be used to regulate all private land transactions, as a tool for managing all public lands, and also for purposes of land use planning and land taxation.

The scheme to be followed was that which already exists in several Caribbean territories. Three main pieces of legislation were required to be passed by the St. Lucia Parliament before any disbursements of this component could have been made. There were a Land Adjudication Law, a Land Registration Law and a Surveyors' Law. Those laws were passed by the Parliament of St. Lucia and came into effect on July 15, 1985.

The land Adjudication Law provided the principles by which the parcels of land were to be demarcated and surveyed, and also for the preparation of the adjudication record to finality. After 90 days from the date of publication of the notice of completion of the demarcation of an area, or on the determination of all objectives which were made at the adjudication process, the adjudication record is declared to be final and should be delivered together with the demarcation map, and all other pertinent documents to the Registrar under the Land Registration Law.

The Land Registration Law came into force on 15th July 1985, and the appointment of the Registrar took effect from October 1, 1986. The delay in commissioning the Registry lay largely in the requirement of the law as passed in 1985 that in order to qualify for appointment as Registrar, the applicant should be a legal practitioner of at least ten years' standing. The law required for appointment as a High Court judge in St. Lucia, that the person be a legal practitioner of only seven (7) years standing. Thus the qualifications were set so high, that it is not surprising that the Government experienced some difficulty in finding a suitable person to accept the post at the salary levels which currently prevail in the island.

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On August 2, 1986 the Land Registration Law as amended by the St. Lucia Parliament, removed that strict qualification. Thenceforth, in theory, the Registrar needed no formal qualifications for appointment, but a suitable person had been identified and installed even before the amendment took effect. From all accounts his performance has been admirable since he opened and started to organize the Registry, but two problems have surfaced to throw doubt on the legality of his operations.

The first problem concerns the method of his appointment. The Land Registration law as originally enacted had provided that the appointment should be made by the Judicial and Legal Services Commission. When it was recognized that no suitably qualified person was available for appointment the Public Services Commission was invited to assign the present incumbent to the post, together with his substantive job as Chief Land Surveyor. But the amendment had not yet come into force. So that a fresh appointment should now be made by the Public Service Commission as required by the amended legislation.

The second problem has been posed by a list of proposed amendments to the Land Registration Law which have been proposed by the St. Lucia Bar Association. One of them deals with the touchy matter of the qualifications to be required of an applicant for the post of Registrar. If the proposed amendment is passed into law two bodies will make the necessary appointments. The Judicial and Legal Services Commission will appoint the Registrar of Lands from among legal practitioners. No period of practise as a legal practitioner is prescribed. The Public Services Commission will appoint as many Assistant Registrars as may be necessary. There will be no prescribed qualification for appointment as an Assistant Registrar; but the Registrar may authorize an Assistant Registrar in writing to perform any of the Registrar's powers and duties.

We were told that as a result of the uncertainty in the status and appointment of the incumbent Registrar, certain transactions involving land to which the new law applies are currently being registered twice; once in the old deeds Registry, and also in the new Registry, thus attracting two sets of registration fees, and possibly two sets of legal fees. This is not in keeping with the objects of setting up the land registry, which was foreseen as a place where transactions in land would take place cheaply and expeditiously with the minimum need for lawyers and surveyors. Half of the transactions dealt with since the Registry was opened, have been the subject of double registration.

The issue which is of immediate concern to the Project is not whether the Registrar should be an attorney-at-law or a surveyor (as indeed the present occupant is). Whatever the GOSL decides, it is of vital importance to preserve the integrity of the Registry. This can only be done when someone is legally appointed to the post. The incumbent has received the demarcation map and other relevant documents and has signed for them in his capacity of Registrar of Lands. He has begun to compile the Register and has issued Land Certificates. Nothing would be more wasteful of resources than if a situation were allowed to develop in which all the acts done by him so far, in good faith, were to be declared unlawful and invalid.



We are happy to report that the uncertainty which prevailed when we arrived in St. Lucia has been cleared at least for the time being. Mr. Martyr has been appointed to act as Registrar of Lands with effect from August 1, 1986 and the post is being advertised.

Since the registry has been open to the public only since October 1, 1986 it is much too early to comment adequately on its functioning. A few pertinent remarks about the appointee, his staff and the building may, however, serve as a guide as to the expectations for the future. Mr. Lester Martyr who currently heads the office is a Land Surveyor by profession and until his preferment to head the Registry was the GOSL's Chief Surveyor.

As part of his specific training for this post Mr. Martyr who has been a qualified surveyor for 11 years, paid a visit to the Land Registry in London. He also attended a Land Tenure workshop in Brazil. He has worked very closely with the UAM Land Adjudication teams and has thoroughly familiarized himself with all aspects of the operation of the Land Registration Law. Indeed, during the period December, 1985 to October, 1986 i.e. after the first section was completely demarcated and the documents were ready to be passed on to the Registry Office, he had ample opportunity to study all the records which were then kept in the custody of the Contractor.

During that period also, the Contractor adopted a useful, if unorthodox, device to ensure that the completed records were kept up-to-date by instituting what became known as an "applicant to alter the record". By this means all dealings in the land subsequent to December 1985 were duly noted; so that when the registry actually became functional in October 1986, the records handed over by the Contractors contained, as far as it was possible to do so, the most up-to-date and accurate information on those parcels.

The Registrar heads a staff of nine (9) which includes an Assistant Registrar, Senior Clerk, Senior Executive Officer, Records Sorter and typists. Both the Assistant Registrar and the Senior Clerk previously worked with the section of the general registry in which deeds relating to land transactions were registered. They have thus brought years of experience in dealing in land matters to the new registry. They also visited the Registry in the Cayman Islands. All staff members went through a period of training in the new systems of registration, under the guidance of Mr. Ken Dunlop a former Registrar of Lands of the Cayman Islands, prior to the opening of the new registry. Mr. Dunlop currently acts as the Registry Adviser and continues the on-the-job training which is crucial to the successful operation of a new registry. He is currently expected to be attached to the Registry until March, 1987.

Further training is obviously needed for the registration officers. Keeping a land register is a rather different operation from keeping a register of deeds. To a great extent registration is a recording job though one with legal implications. Whereas deeds are normally registered without inspection. A Registrar of Lands must scrutinise the documents and should not register any new right in land until he is satisfied that all legal conditions have been observed. Some of his training must therefore necessarily be legal in certain aspects such as those concerning land transfers, successions and special rights in land. It is recommended that the Registrar be exposed to the legal requirements of the Land Registration Act and the rules made

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thereunder in order that he may be thoroughly familiar with them. If feasible, a short training course for all Registrars of Lands operating the System could be devised, to be followed up in the territories by some in-house training.

The building which houses the registry is located in a very convenient and accessible part of the city of Castries and is ideally suited for the purpose of a land registry. At the time of the team's visit a heavy iron door had yet to be fitted to the Registry's vault; but we were assured that it was on order and would soon be delivered and installed. The building is not air conditioned and there are presently no plans to ensure that this is done for two main reasons. The first is that there is adequate cross ventilation through the building to maintain an even and comfortable temperature, throughout the day. The second reason is that the intention is to move the registry to another building which is currently under construction, so that both Registry and the Lands and Surveys office will be under the same roof.

The vault is about 300 square feet in size and has the capacity to accommodate the 40,000 parcels which are to be demarcated under the current contract, and also the estimated 10,000 parcels which are located in the Castries area when they have been demarcated. There is room for expansion and it is anticipated that the building will be able to accommodate St. Lucia's land registration requirements for at least the next 50 years, if it were to remain in its present location.

So far there have been 14 applications and 10 land certificates have been issued since the registry was commissioned. This number seems rather low and the main reason seems to be that there is no concerted effort made to persuade those persons who are entitled to receive them, to attend at the registry to collect their certificates. As at November 13, 1986, 6000 parcels had been finalized by the contractors and therefore the same number of certificates are due to be issued. Those persons do, however, have documentary evidence of title in the form of a claim certificate for their land which has already been brought under the new system.

One other reason for the reluctance to collect their certificates from the Registry may lie in the requirement that a fee of ECS20 be paid for the certificate. Payment in these circumstances could create in the minds of the holders of the certificate the impression that they are in possession of an instrument which could be pledged. This is far from the truth; as in fact the only indicia of title is the index card which is located at the registry, and the certificate is only prima facie evidence of the matters shown thereon. No other Caribbean territory in which this system of registration is in force has required payment for the issue of the certificate. Further, the publicity material issued by the Forestry department of the Ministry of Agriculture clearly contemplated and certainly led people to believe that the entire process was free.

Is the Specific Legislation Adequate?

The Land Registration Act was passed in the House of Assembly in St. Lucia on July 6, 1984; and in the Senate on July 12, of the same year. Although the Governor-General did not give his assent to the legislation until August 8, the law has been in force and effective from July 15, 1984. It contains 11 parts.

An amendment to the Act came into force on August 2, 1986. The effect of this amendment is as follows:-

1. Responsibility for the Land Registry has passed from the Minister of Agriculture to the Minister responsible for Planning and Development, who is currently the Prime Minister.

2. (a) The appointment of the Registrar of Lands and his Assistants is to be made by the Public Service Commission instead of the Judicial and Legal Services Commission.

(b) The Registrar of Lands is empowered to authorize an Assistant Registrar of Lands in writing, to exercise the powers and perform any of the duties of Registrar of Lands. This authorization may be varied or revoked in writing at anytime by the Registrar of Lands.

3. Where land is registered under the Act, it is subject to the rights of either spouse if the property is community property; despite the fact that there is no noting of this fact on the register.

4. (a) The Register may not issue a land certificate in respect of land if an appeal in writing has been made against a decision of a Land Adjudication Officer.

(b) Where there has been a restriction placed in the register forbidding any dealing with a parcel of land, no land certificate may be issued in respect of the land until the restriction is removed.

5. Where land is hypothecated (mortgaged) the land certificate is to be given to the mortgagee after the transaction has been duly noted on it.

6. A person may now mortgage his land to secure the payment of a future debt, or a debt which may subsequently arise on the happening of a future event.

7. A mortgagor may vary the rate of interest on his mortgage if the right to do so was contained in the instrument creating the mortgage. If it was not so contained, a subsequent variation of the rate of interest is not to affect the rights of mortgagees who lend their money before the rate was varied.

8. Where jointly owned land is mortgaged it cannot be partitioned unless the mortgagee consents in writing. Where consent is withheld the act of withholding must be reasonable.

9. Where land, or a lease, or a hypothec has been disposed of the instrument need no longer contain an acknowledgement that the consideration has been received.

10. The Registrar may rectify the register or any instrument presented for registration, on receipt of a decision of the Land Adjudication Tribunal.

Part I deals with preliminary matters such as the name of the law, the meaning which must be ascribed to certain words and expressions which have been used in the law, and the reconciliation of the Act to other laws, where

there is inconsistency between them. In such a case the provisions of the Land Registration Act are to prevail. This provision is important because the Act applies only to land and interests or dealings in land which have been registered under its provisions. All this provision does is to make it absolutely clear that all such transactions must take place in accordance with the provisions of the Act.

In a document entitled "Proposed Amendments to the Land Registration Act" it is suggested that this provision is undesirable and should be repealed for the reason stated by the authors. Those reasons are basically that the subsection does not enumerate the provisions which it seeks to repeal, and that in any case where there are two conflicting laws which apply to a matter in dispute the courts will apply the provisions of the law which has been specially passed to deal with the matter in hand. In the first place the subsection does not seek to repeal any laws, since in the present state of affairs those laws will still be applicable to land which is not registered under the provisions of the Act, namely, land which is situated in those areas of St. Lucia which have been excluded from the present adjudication and registration exercise. What the section says with emphasis is that where land is registered under the Land Registration Act, no other law should apply to that land in case of conflict.

As is correctly pointed out by the authors the approach of the courts, where there is a conflict between laws which may apply to the same matter, is to apply the provisions of the law which has been specifically passed to deal with the subject matter. The authors therefore conclude that since the courts normally take this approach the subsection is unnecessary. But it is already included in the Act and such a provision is to be found in every other similar law which deals with land registration in the other territories of the Caribbean. The answer is therefore itself in the form of a question: Why remove the subsection.

The case which is cited to support the argument for repeal equally supports its retention, and is quoted here for emphasis:

"Lord Hailsham L.C. in RICHARDS V. RICHARDS (1983) 2 AER 813... in my opinion, where, as here, Parliament.....
.....
existed."

Part II deals with the organisation and administration of the land registry, and is divided into three sections. The first section relates to the registry and its officials; the second section sets out how the register is to be compiled, the method of registering land and the procedure to be followed in cancelling obsolete entries and making new editions of the register, and the third section deals with the maps to be kept and the manner in which parcels and boundaries are to be delineated.

Section 17 (4) which is contained in this part provides that no court is to entertain an action or other proceeding relating to a dispute as to the boundaries of land which has been registered under the provisions of the Act, unless the Registrar has determined and indicated the position of the uncertain or disputed boundary.

It has been proposed that this provision should be repealed since it purports to oust the jurisdiction court, and the law in the resolution of a dispute as to boundaries which have not yet been determined. The statement which has been underlined is not strictly correct.

When land has been registered under the Act, the boundaries may either be fixed or approximate. In the normal course of a case involving a dispute as to boundaries, it is the usual habit, for the parties to request or for the judge himself to decide that the matter should be referred to a licensed surveyor (or surveyors) for resolution and to file a report with the court. All the Act does is to confer on the Registrar those powers in an effort to try to achieve an inexpensive resolution of the matter outside of the antagonistic atmosphere of a court room. If the parties are dissatisfied with the decision of the Registrar they may still ask the court to resolve the dispute.

Part III deals with the effect which registration has on land. One may be registered with an absolute title or with a provisional (or conditional) title. A provisional title may ripen into an absolute title any time that the applicant can satisfy the Registrar that the qualification to which the provisional title was subject has ceased to have effect, or after 12 years which ever occurs sooner.

Part IV provides for the issue of land certificates. This document must be provided to the Registrar whenever it is proposed to deal with the land to which it pertains; and where a certificate has been lost or destroyed, it may be replaced by the Registrar. Provision is also made under this Part for inspection of the registers by legal practitioners or their duly authorized agents.

Part V provides for the form and content of documents which dispose of land or other interests registered under the Act. This includes leases, hypothecs and servitudes. The section also makes provision for the partition of land owned by proprietors in common. Part VI is headed "Instruments and Agents" and deals with a number of matters. These include the form, execution, disposal and stamping of instruments, the rights of minors and other persons under disability, and the powers of agents including holders of powers of attorney.

Section 67(1) provides that every disposition of land, a lease or hypothec must be effected by an instrument in notarial form or in such other form as the Registrar in any particular case approves. Where an instrument is prepared in notarial form the Notary (Attorney-at-law) before whom it is prepared is entitled to his fee. The other provisions of the Act provide for documents to be prepared in notarial form: Section 51 which deals with hypothec, and Section 56 which deals with transfers. Section 67 seems to have escaped the gage of the legal profession in St. Lucia at the time that the Act was passed, for in effect it permits the Registrar to accept as valid documents which dispose of land, a base or a hypothec, which is not in notarial form.

Section 68 provides for the execution of documents by natural persons and corporations. No special provisions are made for illiterate persons. This is to be regarded as a matter which could fall within the provisions of the Civil

Code by virtue of the provisions of section 119 of this Act. In so far as corporations are concerned, the section requires the seal to be affixed in the presence of a permanent officer e.g. clerk, secretary, etc., and to be countersigned by a member of the Board of Directors or other governing body of the corporation. It is for consideration whether the list of persons who are authorized to sign on behalf of a corporation should not be governed by the Companies Act or the Articles of Association of the company.

Part VII deals with the transmission of land or other interests in land on death, bankruptcy, liquidation, compulsory acquisition or by a judgment of the court; and the effect of a trust on the proprietorship register.

Part VIII provides for the registration, effect and cancellation of inhabitations; the lodging effect, withdrawal and removal of cautions; and the placing, effect variation and removal of restrictions. All three are devices which tend to prevent dealings in the land or other interest to the extent stated in the inhibition, caution or restriction.

Part IX provide for the registration of land or servitudes by prescription (long possession).

Part X deals with the power of the Registrar and the Court to rectify the register in certain circumstances; the right to compensation of any person who has suffered damage through any error, mistake or omission in the register.

Part XI provides the methods by which decisions of the Registrar may be questioned.

Part XII deals with miscellaneous matters. There include the service of notices, offences, fees, and the power to make rules.

Apart from the specific comments made, the legislation governing the registration of land is quite adequate. It is in fact standard legislation which is also in force in the other Caribbean territories of the Cayman Island, the Turks and Caicos Islands, the British Virgin Islands, Antigua, Anguilla and Montserrat. The St. Lucia Act has, however, undergone quite a bit of modification in order to assimilate its provisions to that of the Civil Code of St. Lucia.

EVALUATION OF THE ST. LUCIA AGRICULTURE STRUCTURAL ADJUSTMENT PROJECTI. PURPOSE

This Work Order authorizes assessment of the progress of the St. Lucia Agriculture Structural Adjustment Project (No. 538-0090) towards Project objectives. The report to be completed by USDH staff and MUCIA, will identify problem areas and constraints, and recommend appropriate Project modifications. Evaluators are expected to work side-by-side with USAID technical and evaluation personnel, who will frequently accompany them to the Project site and who will work closely in completing final recommendations of the report.

II. BACKGROUND

AID authorized the \$9.5 million Agriculture Structural Adjustment Project March 23, 1983 to promote agricultural development in St. Lucia.

The goal of the Project is to expand employment and increase incomes of St. Lucian rural farm families by supporting structural adjustment of the agricultural sector that will lead to greater private sector investment and production. The Project's purpose is to promote more rapid development of the St. Lucia agricultural sector by restructuring critical agricultural sector markets.

The three components of the Project are as follows:

1. Land Registry and Ownership Component

This sub-component is to establish a more active and effective market for agricultural land in order to improve small farmer access to land and secure property rights required for financially viable family farms. This will be accomplished by improving public sector policies and procedures for the management of the land market, by strengthening the market system for agricultural land, and by providing, through issuance of clear title, the necessary incentives for investment in land.

2. Market Promotion Component

The marketing sub-component is to improve St. Lucian capacity to produce and market targeted crops and the nation's ability to continue to expand production and marketing activities within the private sector. These improvements will encourage and support expanded production by enabling St. Lucian farmers to raise their output of these crops profitably and will also make St. Lucian products more competitive in regional and extra-regional markets, thereby promoting a larger market share for St. Lucia's agricultural sector.

3. Banana Replanting Component

This sub-component is to increase banana yields significantly by the second year of the Project, by increasing private funds invested in agriculture, through increased replanting and input usage in the banana industry.

In subsequent amendments to the Grant Agreement the three sub-components were slightly modified, but the original goal, purpose and outputs remain intact.

III. SCOPE OF WORK

A. The contractor shall perform the following tasks:

Task 1 -- Review Appropriateness of Project Design

The contractor shall review each major element of the original Project design (to include the goal, purpose, outputs, problems to be addressed, assumptions made, activities to be undertaken, implementation plan, and financial resources provided) with the purpose of determining how well the design elements fit the setting in which the Project is actually being implemented. The review conducted under this task order shall determine the degree to which the original Project design elements are appropriate in light of the actual experience of the Project, especially experiences changing Government policies. The contractors shall then prepare a memorandum setting forth their professional judgement regarding the design appropriateness of conceptual, operational and financial elements of the Project.

Task 2 -- Review of Implementation Activities and Accomplishments

The contractor shall identify and review each major activity being undertaken to implement the Project, and shall describe outputs accomplished in each major activity. Objectively verifiable measures shall be used wherever possible to describe outputs. Care shall be taken to describe activities and achievements planned in the original Project design, as well as those not planned in the original design. In those instances, if any, where it appears that actual achievements of outputs of any activity will be significantly less than originally planned, the contractor shall analyze causes of shortfalls and delays and make recommendations for solutions. The contractor shall comment on effectiveness of the work accomplished by principal organizations, firms, and individuals responsible for implementing the Project. The contractor shall also comment on the responsiveness and effectiveness with which RDO/C met its responsibilities to monitor the Project and to disburse funds on a timely basis. The contractor shall prepare a memorandum which describes their findings, with specific comments and a summary of conclusions of Project activities and accomplishments.

Task 3 — Recommend Project Modifications to Reach Expected Outputs

Consistent with the original purpose and goal, the contractor will examine each component of the Project and recommend improvements needed for the remaining Project. Recommendations will include but not be limited to:

1. Land Registry and Ownership Component

- * How can the effectiveness of the monitoring system for the Land Registration Survey be improved?
- * How well is the land registry functioning?
- * Is the specific legislation adequate?
- * What is the COSL strategy for implementing the Tenure Individualization Fund?

2. Market Promotion Component

- * Based on a review of the COSL National Agricultural Marketing Development Strategy (NAMDS), what changes are recommended in this component to promote the more rapid development of St. Lucian private sector marketing agents?
- * Has the rationale for undertaking this component changed? If so, how?
- * Is the monitoring strategy still relevant? If not, what are the recommendations for changes?
- * What changes in the implementation schedule are recommended based on expected outputs and benchmark actions?
- * What are the key actions required to implement these recommendations?

3. Banana Replanting Component

- * How many acres of bananas have been replanted?
- * Has data processing equipment improved St. Lucia Banana Growers Association's monitoring of grower accounts?
- * What improvements in pesticide safety and management have been accomplished? What remains to be done?

- * Given changes that have occurred, what changes are needed in this component?

Task 4 — Prepare Final Report

Based on the work and reviews accomplished in Tasks 1 through 3, the contractor shall document the findings and conclusions in a report entitled "An Interim Evaluation of the St. Lucia Agriculture Structural Adjustment Project: AID Project No. 538-0090". This report shall include the following sections:

1. An Executive Summary including the purpose of the evaluation, methodology used, findings, conclusion and recommendations, the development impact of the Project and lessons learned.
2. A listing of evaluation team, including host country personnel, their field of expertise and the role they played on the team.
3. A separate sub-section presenting findings.
4. A separate section on the expected development impact of the Project.

The contractor may include additional sections in the report as deemed useful. The contractor shall present RDO/C with a complete written draft of this report prior to their departure from RDO/C.

B. The evaluation team shall perform the services required in three phases as follows:

1. Phase I

The duration of Phase I will be approximately four work days. The evaluation team leader will be expected to become familiar with the Project, determine the evaluation criteria, and identify specific data and benchmarks for measuring Project impact within an appropriate framework. At the conclusion of Phase I, the evaluation team will discuss planned methodology and planned field work activity with RDO/C.

2. Phase II

During Phase II the evaluation team will visit St. Lucia to collect data and to conduct interviews with technical assistance staff, Ministry of Agriculture officials, farmers, and personnel of cooperating organizations.

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3. Phase III

Phase III involves the analysis of findings and the preparation of the draft report to be accomplished in five work days.

IV. REPORTS

The report described in Task 4 in the above section shall constitute the "final report" of the contractor's work accomplished under this work order. This report shall be submitted to RDO/C in five (5) copies no later than three weeks after departing post.

V. RELATIONSHIPS AND RESPONSIBILITIES

Contractor personnel will be responsible to the Mission Director of RDO/C or his designee and will coordinate their activities with GOSL officials and other appropriate individuals in St. Lucia.

VI. PERSONNEL

A. It is expected that work under this contract will begin in Barbados with travel to St. Lucia and conclude with a final week of report preparation and debriefing in Barbados.

B. It is anticipated that performance of this evaluation will require the following expertise:

- | | |
|---|----------------|
| 1. Agricultural Economist/Marketing Specialist and Team Leader: | 28 person days |
| 2. Legal Adviser: | 5 person days |

VII. TERM OF PERFORMANCE

The contractor shall initiate work on or about September 1, 1986 and the Estimated Completion Date is September 30, 1986.

VIII. CEILING PRICE

In no event shall the maximum U.S. dollar obligation under this Work Order exceed \$26,000.

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ILLUSTRATIVE BUDGET

	<u>US\$</u>
A. <u>Salary</u>	
1. Agriculture Economist/Marketing Specialist (28 work days @ \$261/day)	\$ 7,308
2. Legal Advisor (5 work days @ \$261/day)	1,305
B. <u>Fringe Benefits</u>	
27% of Salaries	2,326
C. <u>Per Diem</u>	
1. Agriculture Economist/Marketing Specialist (30 days @ \$100/day)	\$ 3,000
2. Legal Advisor (7 days @ \$100/day)	700
D. <u>Travel</u>	
1. Air Fares - Assumes at least two trips from U.S. to countries of the Caricom states, as may be required (@ \$1,200 per trip)	\$ 2,400
2. Ground Transportation	500
E. <u>Report Preparation, Communication, Contingency</u>	<u>500</u>
SUBTOTAL (All Direct Costs)	\$18,039
Indirect Costs (43% of Subtotal)	\$ <u>7,757</u>
TOTAL	\$25,796
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