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CARIBBEAN OPEN TRADE SUPPORT PROGRAM: QUARTERLY REPORT

FOR THE PERIOD ENDING SEPTEMBER 30, 2006

October 7, 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

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Indefinite Quantity Contract No. AFP-1-00-04-00002-01
Task Order No. AFP-1-02-04-00002-00
Prepared for USAID/J-CAR
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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

BSP	Business Service Provider
CARICOM	Caribbean Community
CARIMAC	Caribbean School of Media and Communication
CARTAC	Caribbean Regional Technical Assistance Center
CBO	community-based organization
CDB	Caribbean Development Bank
CDERA	Caribbean Disaster Emergency Response Agency
COTS	Caribbean Open Trade Support
CRNM	Caribbean Regional Negotiating Machinery
CSME	Caribbean Single Market and Economy
ECCB	Eastern Caribbean Central Bank
EDSU	Environment and Sustainable Development Unit (OECS)
FTAA	Free Trade Area of the Americas
IPA	Investment Promotion Agency
IPR	intellectual property rights
MOFE	Ministry of Finance and the Economy (Antigua)
MOU	Memoranda of Understanding
NDC	National Development Corporation
NGO	non-governmental organization
ODM	Office of Disaster Management
OECS	Organization of Eastern Caribbean States
PIO	public international organization
PMP	Performance Management Plan
PWG	Partners Working Group
RMU	Reform Management Unit
RSO	Regional Strategic Objective
SAF	Strategic Activities Fund
SOW	scope of work
UBF	Umbrella Business Forum
USAID/J-CAR	United States Agency for International Development/Jamaica-Caribbean
UNDP	United Nations Development Programme
UWI	University of the West Indies
VAT	Value-Added Tax
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY

The USAID funded program Caribbean Open Trade Support – known as COTS – focused on implementing its second work plan that became effective on July 1, 2006, and supports activities through September 30, 2007. Reflecting a more strategic focus based on reduced funding that became effective during the current reporting period, COTS aggressively implemented activities in Antigua and Barbuda, Dominica, and in strategic regional venues, and in all of its program areas – Doing Business; Governance; Reducing Risk; and Public Awareness.

During the quarter, COTS’ Doing Business team conducted the induction workshop for the new business service provider (BSP) in Dominica to support firm level assistance activities there. The BSP signed six memoranda of understanding (MOU) for these private sector firms to receive assistance during the next quarter. Sales results during the next twelve month period from these initial interventions are expected to exceed US\$500,000. In Antigua and Barbuda, the team conducted diagnostics on twenty-eight firms, and completed the first two MOU’s. One of these clients will be establishing operations in Dominica and the other client has operations in Antigua and Barbuda, St. Lucia and Barbados. Sales results from this assistance are expected to reach more than US\$250,000 over the next twelve month period.

COTS’ private sector capacity building work during the quarter is resulting in the establishment of alliances between four private sector associations in Antigua and Barbuda, and a separate alliance between four private sector associations in Dominica. This phenomenon is quite unique for the Eastern Caribbean and will support the associations’ ability to prepare policy agendas that will be used to engage their national policy makers and to promote dialogue on trade and economic policy issues. The private sector groups will use these policy agendas in regional private sector discussions.

COTS Governance activities made great strides in both legislative reform and administrative reform. COTS completed key pieces of legislation during the quarter, among them the Financial Services Act. This Act will enable Dominica to meet the requirements of the Monetary Council of the Eastern Caribbean Central Bank pertaining to the establishment of a single regulatory unit for the regulation of offshore financial services and also meet its international obligations under the OECD’s Financial Action Task Force. Completion by COTS of the Draft Metrology Bill for Antigua and Barbuda supports the competitiveness of Antigua and Barbuda’s exports to Europe.

COTS completed the restructuring plan for the Statistics Division of Antigua and Barbuda’s Ministry of Finance and the Economy. The ministry utilized this plan as its supporting documentation to request a loan from the Caribbean Development Bank to finance a manager to implement the COTS restructuring plan. Working with Dominica’s Reform Management Unit and Land Administration Task Force, COTS’ assistance to reform the land administration and management process in Dominica began during the period. The results of this work are expected to reduce administrative barriers to acquiring, transferring and registering land for private sector development, and improve land use planning decisions, which should contribute to reducing population and structural exposure to natural hazards.

The Disaster Risk Management Benchmarking Tool (Btool) reached its draft final stage. Working with the OECS Secretariat's Environment and Sustainable Development Unit, the tool was desk-tested in Antigua and Barbuda, Dominica, and St. Vincent and the Grenadines. In conjunction with the national disaster office coordinators, the team brought together a broad spectrum of public and private sector stakeholders to review the Btool before it becomes operational in the wider OECS. To ensure that the Btool is seen as an economic development planning tool rather than simply a disaster planning tool, the team conducted targeted sessions for permanent secretaries and senior policy makers to demonstrate how national governments can use the tool to improve the country's position prior to a natural hazard event, which is far less costly than cleaning up in the aftermath.

Public Awareness activities continued to strongly support the implementation of other COTS components. Beginning in July, COTS funded a major public awareness campaign to support COTS' IPR legislative activities in Dominica. Post-campaign survey results are due shortly. The baseline survey of the public sector, the private sector, and media workers got underway in Antigua and Barbuda and Dominica. Working with regional partners including the CRNM and the CSME Unit, COTS will utilize the results to develop additional training activities to better prepare public and private sector constituencies to participate in regional and international trade dialogue.

COTS has already begun working with the private sector associations in both countries to identify the policy analyst who will work with each of the groups to analyze trade issues and prepare position papers. This activity will get underway in the next quarter. Firm level assistance activities will continue and additional MOUs will be signed, resulting in additional sales for the program.

As a result of the passage of the long awaited Antigua and Barbuda Investment Authority Act in July, in the coming quarter COTS will provide assistance in response to a request from the Minister of Finance and the Economy to assist the government to establish the new agency. In addition to ongoing work in land administration reform in Dominica, COTS assistance to restructure Dominica's NDC and activities to improve customs will commence. COTS finalized preparations to support the launch of the World Bank's OECS Doing Business Survey that will take place in St. Lucia in October. As a result of COTS funding, all six independent OECS countries appear in this important international assessment tool. Results from the World Bank Doing Business launch may result in identifying additional areas of intervention in administrative reform.

In addition to finalizing the Btool, COTS' risk reduction activities will include work with private sector associations and their clients in both countries to prepare disaster preparedness and business continuity plans. COTS support to integrate and modernize the OECS Secretariat's disaster preparedness library to make it accessible on line will also begin in the next quarter.

Working with the CRNM's private sector unit, COTS public awareness and doing business teams will sponsor trade briefings for the private sector in Dominica and Antigua and Barbuda to enable constituents to both participate more effectively in trade dialogue and take better advantage of new opportunities within the open trade environment. COTS will commence its

work with UWI's Caribbean School of Media and Communication (CARIMAC) to develop a certificate level training course on reporting of trade issues targeted at media workers. Though COTS' support will fund participants from Antigua and Barbuda and Dominica, once developed the course will be open to other participants throughout the region.

COTS began implementation of its realigned work plan during this quarter. The new work plan, which was prepared in light of a 30% overall life of project funding reduction, incorporates activities to reflect the reduced funding level. In the next quarter COTS anticipates receiving the modification from USAID that will reflect this reduced funding and will prepare a revised technical scope of work. In July, COTS also submitted its draft Performance Management Plan (PMP), which it developed in accord with the realigned work plan. The outcome of the revised technical scope may require the PMP to be revised accordingly. During the quarter the program was advised of a further reduction in funds. Although the reduction did not come to fruition, they did cause further uncertainty in regard to proceeding with activities during the reporting period.

The program continues to work closely with USAID to obtain approval for specific COTS activities in order to qualify them as meeting the biodiversity earmark requirements. Once this determination is made, COTS will know if it needs to make changes or additions to program activities in order to comply with biodiversity funding requirements. This could have implications for activities throughout the overall program.

In light of the overall reduction in funds, COTS has begun to implement difficult but necessary changes in staffing to ensure that maximum resources are allocated to implementation activities. During the coming period, COTS will continue to realign as necessary, ensuring that program implementation proceeds smoothly.

SECTION I PROGRAM OVERVIEW

A. COTS' Vision and Operational Environment

The Caribbean Open Trade Support Program (COTS) is a key component of USAID's Caribbean Regional Program. It is designed to facilitate the transition of the countries of the Eastern Caribbean – in particular Antigua and Barbuda and Dominica – to open trade, and to enable the countries to compete more successfully in the global economy, while protecting its rich natural assets. COTS activities contribute to the Regional Strategic Objective (RSO), 'Caribbean Region Positioned to Succeed in an Open Trade Environment.'

Within the scope of the RSO, COTS activities support the accomplishment of two Intermediate Results (IR):

IR-1 – Improved Business Environment Supporting Open Trade; and
IR-2 – National Investments and Natural Assets Protected.

And, in terms of achieving IR-1, COTS activities are expected to assist achieving results in the two sub-IR's:

IR-1.1 – Key Impediments to Open Trade Mitigated; and
IR-1.2 – Improved Capacity of Selected Firms to Compete in the Open Market.

To reflect nine months of on-the-ground experience and to incorporate programming changes based on revised funding levels, COTS revised its work plan in June 2006 and updated its four year program vision. COTS is implementing activities during the next 3 years to:

- Support individual firms and business clusters (where appropriate) to compete more effectively in the global economy and to enable business associations to better articulate their views to government.
- Assist government institutions and agencies to adopt and implement new legislation and overcome critical administrative bottlenecks in order to provide a more supportive environment for business growth and competition.
- Enhance public-private sector interaction and dialogue, leading to improved public policy in support of private sector growth.
- Reduce the countries' vulnerabilities to biodiversity threats and natural disasters, principally through improved land-use planning that incorporates risk reduction and biodiversity into land use decisions.
- Increase stakeholders' understanding of the business opportunities associated with more open trade and regional integration.

It is important to note that COTS' implementing strategy is based on the premise that host country counterparts (whether in the public or private sectors) almost always take the lead in hosting or implementing an activity that is supported by the program. This places host country colleagues in the role of initiators and implementers of the activities, and this generates a far greater sense of local ownership and enhances the sustainability of the work beyond the life of

COTS. Furthermore, working through counterpart organizations and agencies has created a more subtle, but very visible linkage, between our counterparts and USAID. Though COTS' activities are implemented through local colleagues, there is clear brand identity regarding sponsorship. It is interesting that there has been no resistance to establishing the USAID identity; in fact, in some cases our counterparts have insisted on it.

B. Overarching Issues

While implementing an ambitious program across a number of program areas, COTS is overcoming several challenges that have developed over the last several months. After learning that some of COTS funding comes from a biodiversity earmark, the program has been working aggressively since the previous quarter to get approval on a range of activities that will qualify as meeting the earmark requirements. Fortunately during this quarter, COTS was advised that signoff approval was delegated to the USAID/Barbados office. Early in the next quarter COTS hopes to obtain approval on a number of completed and proposed activities, particularly those in risk reduction, that qualify under the biodiversity earmark requirements. Based on this outcome, COTS may need to add new activities and/or revise existing ones in order to ensure that the biodiversity earmark requirements are satisfied.

In early March 2006, COTS was advised of an expected 30% reduction in the life of project funding. In May, USAID confirmed its priority areas for implementation, and COTS adjusted its activities and allocated resources accordingly. These revised priorities are reflected in the Second Work Plan, under which COTS is now operating.¹ During this quarter, COTS began implementing staffing changes based on the revised budget and further staffing changes will take place during the next two quarters to reflect this as well. One such change includes the completion of work by COTS' Legal and Economic Integration Specialist, Thomas O'Keefe.

During the middle of this quarter, COTS was notified of a further reduction in funding for the FY06 expected obligation. This additional reduction, in conjunction with uncertainty about biodiversity activities, caused further uncertainty and delayed progress on some activities since it was expected that a range of activities in the updated work plan would have to be cancelled. Quite fortunately, COTS received its complete FY06 obligation during the last two weeks of the fiscal year. The program anticipates receiving official notification from USAID early in the next quarter about the reduced life of project funding. It is expected that USAID will also advise COTS of its revised priority areas and COTS will respond in kind by preparing a revised technical program for the remaining program years.

¹ This Second Work Plan was submitted to USAID on June 30, 2006. It covers the period July 1, 2006, through September 30, 2007. This revised work plan incorporates the last quarter of the first program year, and activities in this quarterly report reflect this.

SECTION II DOING BUSINESS

COTS' work in Doing Business recognizes that an economy is only as strong as the businesses that function within it. At the same time, businesses are directly affected by their operating environment, and this includes government policy. As such, the private sector must work cohesively and be prepared to effectively communicate its needs to government on the basis of informed decision making.

Antigua and Barbuda and Dominica have a number of opportunities to expand their businesses and generate more revenue. The second work plan incorporates activities that will capitalize on these opportunities, while working to improve the trade policy environment within which it operates. To accomplish these objectives, COTS Doing Business activities are divided between two implementation areas: demand driven growth and private sector capacity building. The first implementation area focuses on working directly with firms and, where appropriate, clusters to increase sales for businesses. The second implementation area recognizes the need to strengthen industry associations' abilities to better analyze information and more effectively advocate policy positions to government on behalf of their members. COTS' capacity building work also strengthens the consulting services sector, beginning with one Business Services Provider (BSP) in Dominica.

A. Demand Driven Growth

The private sector in Antigua and Barbuda and Dominica need to increase their competitiveness during a period of change resulting from CSME integration; requirements to conform to international standards; bilateral agreements; domestic administrative changes, including tax and investment reform; and the general down-sizing of governments in the region.

The ultimate benchmark of firm-level success will be the ability of businesses to identify and complete more business transactions in a way that is increasingly environmentally friendly and more supportive of biodiversity. Sales, therefore, become both the motor of the process, and the key indicator against which success is measured.

Businesses with greater sales and employment have more bargaining power to advocate business environment reform with the government. They are also able to pay higher dues to associations, thereby improving the associations' capacity to advocate for a better business environment with the government. Firms with more sales can also increase demand for consulting services, which further develops the consulting services sector, and, in turn increases firm and cluster competitiveness. In general, more profitable enterprises respond more adequately to critical environmental and biodiversity threats. The multiplier effects are considerable.

COTS' second work plan incorporates this vision as a result of its private sector work:

- Significant sales generated for assisted firms in Antigua and Barbuda and Dominica.

- More competitive enterprises in a number of industries, such as tourism, ICT, food and beverage, agro-processing, light manufacturing, entertainment, financial services, and advertising and public relations (PR).
- Enhanced private sector knowledge of, and access to global markets, resulting in increased and sustainable exports.
- Streamlined, more efficient, pro-biodiversity and more environmentally friendly assisted lead cluster firms.

A1. Quarterly Progress Towards Objectives

During the quarter, the team focused on selecting firms in both countries to receive assistance, in both countries, from a variety of sectors that demonstrate potential to generate sales and provide a sufficient return on investment for assistance that COTS provides. In Dominica, COTS contracted a local firm, ICMS Limited, to serve as the business service provider (BSP) that will deliver firm level assistance to clients in Dominica. During the quarter, a total of twenty six (26) firms in Dominica and twenty eight (28) in Antigua and Barbuda were selected for diagnostics. Of those, six (6) firms from Antigua and Barbuda and two (2) Dominican firms have been selected for technical assistance. Anticipated sales from the interventions over the next twelve (12) months are \$500,000 and \$265,000, respectively.

Identify Potential lead cluster firms - As confirmed in COTS' previous assessment in February 2006, 'Identification of Lead Firms', the relative size of the markets and the number of firms in both countries are small and COTS is increasingly aware that this is indeed the case. This is why COTS' overall approach is to focus on firm level assistance.

Having said this, although COTS is working with individual firms rather than clusters, there are specific interventions which arise to resolve certain administrative and technical bottlenecks that transcend an individual firm, and the benefits may accrue to the broader industry sector, to the cluster, and beyond. A good example of this is demonstrated by a COTS intervention with a client in Dominica who ships products to the U.S. and Europe. Earlier this year the U.S. enacted a requirement that all shipments arriving into the U.S. must be shipped on certified pallets, and Europe is expected to initiate the same requirements within the year. The impact of this measure on the client is significant, as the majority of the client's sales are to the U.S. and European markets. Additionally, these requirements will affect all firms in the region who export to the U.S. and Europe. In working to address this issue on behalf of the client, COTS is seeking to engage additional actors in the public and private sectors to develop a solution that will ultimately benefit all exporters to the U.S. and Europe, and not only our client.

Select firms for sales lead assistance - During the quarter, COTS identified one hundred (100) large, medium and small firms in Dominica and fifty-five firms (55) in Antigua and Barbuda for preliminary evaluation as candidates for sales-driven interventions. In Dominica, COTS selected and visited twenty six (26) of these firms for further diagnostic analysis. The analysis is conducted within the context of identifying those interventions that provide the greatest return on COTS' investment, as measured by an increase in sales. Following the detailed analysis, COTS initially qualified and completed MOUs with six (6) firms for targeted interventions. These firms represent the food and beverage, soap, handicraft, and hospitality sectors. COTS conservatively

estimates that these firms will achieve a cumulative increase in sales in excess of US\$500,000 over the next 12 months as a result of COTS' assistance.

In Antigua and Barbuda, COTS completed diagnostic analyses on twenty-eight (28) firms that it selected. On the basis of the greatest return on investment, initially two of these firms, from the food and beverage services and security services sectors, were selected for direct technical assistance. COTS expects that these firms will generate additional sales of close to US\$265,000 within the next 12 months as a result of COTS assistance. It is interesting to note that one of these two firms is expanding its sales initiatives in Dominica, while the other client is expanding to Barbados and St. Lucia. COTS also completed its work with a small, local garment manufacturer in Antigua and Barbuda to ensure that their buyer's order was completed satisfactorily and shipped to the United States. The company generated US\$2,920 as a result of COTS assistance.

A2. Challenges

One of the challenges faced in Dominica has been assisting the staff of the local Business Service Provider to apply the methodology and approach in which they were trained during the COTS-led Induction Workshop held in mid-July. In the weeks following the workshop COTS has reviewed the staffing arrangement with the BSP and both parties have agreed to replace one of the staff members with a mid-level professional who has stronger business development qualifications and more experience in providing direct technical assistance aimed at increasing sales.

In Antigua and Barbuda, as part of the reduced project funding, COTS has been challenged with a shortage of staff to undertake firm diagnostics and develop technical interventions, while directly managing the commencement of operations in Dominica. In order to resolve this situation, COTS has begun recruiting for two mid level business professionals from the region to supplement the current Antigua and Barbuda -based staff who would instead provide strategic management and direction of the overall process.

The second work plan anticipated a number of firm level biodiversity interventions in order to ensure that COTS activities met biodiversity earmark requirements. The Doing Business component in particular was specifically designed as an economic growth activity to promote regional and international trade, as opposed to a biodiversity oriented component. Though there may exist opportunities to implement interventions to enhance biodiversity issues and or to mitigate threats that were identified in the recently completed Section 118/119 Threats Assessment, COTS believes that fewer of the Doing Business activities will meet the earmark requirements than originally expected. COTS will, however, continue to promote business practices that both contribute to economic growth and protect the environment.

A3. Moving Forward

Where possible, COTS will identify areas where it can provide cluster-level interventions to bolster competitiveness. In both Antigua and Barbuda and Dominica, COTS intends to accelerate the process of implementation of firm level interventions and identify additional companies to receive assistance. COTS established aggressive sales targets which it knows it will achieve.

COTS will take advantage of the beginning of the cruise ship season, the run-up to the holiday season, and the upcoming International Cricket World Cup event which is scheduled to begin in March. COTS anticipates hiring additional mid-level staff to bolster client identification, diagnostics and implementation in order to achieve sales targets.

The interventions that COTS is pursuing with client firms will lead to an improved understanding of the requirements of international markets in terms of product specifications, grades and standards, labeling and packaging requirements, good manufacturing and agricultural practices, etc. In cases where these requirements are requisites for entry into a particular market, COTS will work to provide the intervention necessary or refer the client to the OECS-EDU or Caribbean Export Development Agency which both have programs in place for providing such assistance.

B. Capacity Building

Many businesses in Antigua and Barbuda and Dominica are not prepared for emerging market opportunities. This is compounded by a lack of sufficiently trained professionals who can assist clients to meet these new challenges. In the policy environment, the business community needs to improve its capability to effectively identify, analyze, prioritize and advocate to their public sector representatives those trade, business and investment issues that reflect their interests, particularly as they relate to business competitiveness and opportunities to increase sales outside of traditional markets. Furthermore, the response of the business community needs to incorporate a more unified approach in order to have a greater impact on policy makers. In light of these needs, COTS' second work plan incorporates a vision that will result from implementing program activities. The revised COTS vision is:

- A business sector with enhanced knowledge of and analytical capacity in international trade and policy issues, better able to inform its members, and to formally advocate its agenda to public sector representatives in a coordinated fashion.
- An improved understanding between the government and the business community of their relative needs, such that the legitimacy of the competitiveness and trade agenda is enriched.
- Lead business service providers bolstered to provide services that directly lead to greater sales for their clients.

B1. Quarterly Progress Towards Objectives

Foster an Umbrella Business Forum - During the quarter, COTS worked closely with four major business associations in Antigua and Barbuda, and four major business associations in Dominica to establish an alliance under an Umbrella Business Forum (UBF). The UBF provides the basis for the individual associations to jointly represent their interests on critical economic and trade issues to their national governments, and regional public and private sector bodies. Speaking with a more unified voice, the private sector is more likely to be 'heard' by policy makers. The Antigua and Barbuda UBF presently consists of the Employers Federation, the Antigua and Barbuda Hotel and Tourism Association, the Antigua and Barbuda Cruise Tourism Association, and the Antigua Tour Operators Association. The UBF in Dominica includes the Dominica

Employers Federation, the Dominica Association of Industry and Commerce, the Dominica Hotel and Tourism Association, and the Dominica Agribusiness Association.

COTS also finalized with each of the UBFs the terms of reference for an Economic/Trade Policy Analyst that COTS will fund for an initial one year period. The analyst will work with each of the UBFs to identify, prioritize, and analyze relevant trade policy issues and prepare position papers. COTS will work with the UBFs to utilize the position papers to advocate their positions to government and at regional public and private sector bodies. This is a major step forward for the private sectors in both Antigua and Barbuda and Dominica. Though human and financial resources are scarce, both countries have a myriad of private sector groups and there is little if any collaboration to work together on any mutual interests. COTS sees this as an important step forward that may eventually lead to formal establishment of an integrated private sector organization in either or both countries. COTS expects that the policy analyst will begin work in each country early in the next quarter.

Build Business Service Provider Capacity in Sales-Led Assistance – In July, COTS completed a 2 week induction workshop to train the BSP in Dominica to provide firm level assistance. COTS’ Doing Business team and other COTS staff also participated. Consultants with extensive experience in delivering market-led, firm-level assistance conducted the training which outlined the fundamentals behind the sales-driven approach. They incorporated examples from Dominica and other countries in a case study approach and the team then tested the theory with visits to potential client firms to apply the tools they acquired. During the quarter, the BSP completed 6 MOUs and sales from these initial interventions are expected to exceed US\$500,000 over the next twelve month period.

B2. Challenges

Facilitating the collaboration among the various associations in both countries has been extremely time consuming, as there are deep seeded sensitivities and suspicions between and among the individual business organizations. Some organizations have chosen not to participate, as they believe that they can effectively represent their interests to government directly and/or believe that a collaborative process reduces the likelihood of a positive outcome for their particular interests. Supporting this collaborative effort is a change from COTS’ strategy in the first work plan. In line with reduced funding and adopting a more strategic approach, some organizations have taken issue with COTS’ decision not to simply provide institutional strengthening support to individual associations. COTS does believe that as the policy analysts’ work begins and the process demonstrates success, some other organizations will decide to join the process.

Finally, getting the Boards of Directors and Executive Committees of the respective organizations to meet, particularly during the summer holiday period covered by this report, was a major challenge and somewhat delayed review and approval of the MOU’s.

In respect to COTS’ work with the BSP, initial training is a starting point. Clearly one of the reasons to work with the BSP is to upgrade its skills. As the BSP continues to utilize its training and implementation on firm level assistance continues, the new skills become more integrated. It has been a slow process with at least one member of the BSP staff effectively applying the tools,

and demonstrating a greater tendency to prepare reports. This is not unusual, given the traditional approach to business development. However, to ensure the sustainability of skills and achievement of sales targets, the BSP will add an individual who is more suited to provide firm level assistance, and move the other member to an administrative position outside of the COTS program.

B3. Moving Forward

COTS will continue to work closely with the individual business organizations to secure their final sign-off on the MOU's and complete the recruitment and hiring of the Economic Policy Analyst in each country. This will include developing the policy agenda and beginning technical work.

A new phase of firm level assistance will begin in the next quarter which involves the implementation of technical assistance activities. In addition to adding new firms to the portfolio, COTS will work closely with the BSP to implement technical assistance with client firms, ensure that interventions are implemented properly, and gather data for monitoring and evaluation.

SECTION III GOVERNANCE

COTS' Governance activities are focused on two important areas. COTS' trade and administrative reform work is designed to ensure that Antigua and Barbuda's and Dominica's legislative frameworks are in compliance with international and regional commitments, including multilateral environmental conventions designed to protect biodiversity, with some support to ensure that the government and private sector have access to reliable and timely statistical data and information to inform policy decisions. COTS' work on improving the business climate focuses on improving regulatory and administrative procedures to promote greater transparency and efficiency to support business growth.

A. Trade and Administrative Reform

The second work plan incorporates a revised vision that understands the limitations host country counterparts face in the way of human and financial resources, while at the same time providing opportunities for COTS to intervene to ensure that counterparts meet their legislative requirements to participate in the open trade environment. COTS activities in trade and administrative reform support the updated four year vision:

- Full compliance with outstanding commitments under the CSME, World Trade Organization (WTO) and multilateral environmental obligations that protect biodiversity.
- A public sector able to develop effective negotiating positions in international trade agreements, and an organized private sector with sufficient capacity to provide meaningful input.
- A statistical entity that is able to collect reliable trade, investment and other economic information for use by both relevant government agencies and a broad section of the private sector.
- More effective mechanisms for enhancing inter-ministerial coordination on matters related to the effective implementation of international and regional commitments, as well as the establishment of a legal and administrative framework that supports private sector development and competitiveness.

A1. Quarterly Progress Toward Objectives

Legislative Drafting - COTS' three legislative draftspersons produced a steady stream of new legislation for the Ministry of Legal Affairs in both Antigua and Barbuda and Dominica that will bring the countries closer to full compliance with outstanding WTO, CSME, and environmental treaty commitments, in addition to supporting the reform agenda that will strengthen the competitiveness of both countries' local business environments.² In support of COTS' work to improve the business environment, COTS' legislative draftsperson in Dominica drafted two acts that will replace the existing National Development Corporation (NDC) Act. Drafted at the request of the government, these acts will establish two streamlined agencies, one specifically responsible for promoting tourism, and the other focused on attracting and supporting business investment, which should contribute to improving the climate for business in Dominica, and provide for the country a greatly improved platform for attracting investment.

² A detailed list of legislative items prepared by COTS during the quarter will be found in Annex 1, Completed Legislative Items.

Intellectual Property Rights - In support of Dominica's efforts to promote the safeguarding of intellectual property rights, COTS financed a segment of the World Intellectual Property Organization (WIPO) conference on Intellectual Property Rights (IPR) enforcement in Roseau. July 27 saw the kick off of a major COTS funded public awareness campaign in conjunction with Dominica's IPR Registrar and COTS' Public Awareness component on the importance of having IPR laws in place to protect various forms of intellectual property, including music, literature, and even certain flora and fauna, in order to ensure that Dominican businesses reap the full economic benefits of locally developed business initiatives. The campaign included newspaper ads, radio spots, call-in radio talk shows, and a TV synopsis of the July 27 WIPO conference. Dominica's Attorney General intends to enact implementing regulations on geographical indicators, industrial designs, lay outs of integrated circuits, new plant varieties, patents, and trademarks by the end of the year. COTS reviewed four of these implementing regulations on behalf of the IPR Registrar.

Develop a National Trade Policy Framework – In accord with a request from Antigua and Barbuda's Trade Coordinator, is working on a National Trade Policy Framework. COTS expects when completed in the next quarter, this will lead to a lively debate among policy makers and the private sector. Equally important, the framework will pinpoint institutional innovations and reforms that, building on COTS interventions over the past year, Antigua and Barbuda should undertake if the country is to become more competitive in a global and liberalized trading environment.

Strengthen the Capacity of the Antigua and Barbuda Statistics Division – Having reached agreement with the Minister of Finance and the Economy (MOFE) that the government would make the necessary personnel changes, COTS prepared the blueprint for a major organizational restructuring and overhaul of the MOFE's statistics division. The MOFE utilized the COTS restructuring plan to complete its documentation requirements to obtain a loan from the Caribbean Development Bank (CDB). The bank indicated that it is interested to fund a manager for up to two years to oversee the proper restructuring of the statistics division, with the objective that the reorganized division will be able to fulfill its responsibilities to produce timely and reliable trade, investment and other economic data that is required by both the public and private sectors. The reorganization plan also identifies specific project tasks and hardware needs that other donor agencies may wish to fund. It should be noted that although for several years other regional and international agencies have been informing the MOFE that a major overhaul of the statistics division was needed, it was COTS that secured agreement from the government to finally take the steps to implement the change.

Establish Effective Inter-ministerial Communication – In Antigua and Barbuda, COTS began work with the Minister of Labour, Public Administration and Empowerment to re-establish regular meetings of the Committee of Permanent Secretaries. COTS offered to prepare a recommended legislative change, making these meetings statutory (as they are in Dominica). Though the minister committed to re-establishing these regular meetings (though not wanting them legislated) and agreed to have the first meeting by the end of September, this did not take place. This is an area that COTS will continue to focus on in the coming quarter.

Establish Effective Inter-ministerial Communications - After several months of working with the Reform Management Unit in Dominica, COTS finalized a set of guidelines for a Government of Dominica website and central portal and solicited proposals from mostly regional firms to complete the work. This contract was awarded to a regional firm in late September, and COTS expects that the web site should be operating before the end of the year. This is an important first step to improve inter-ministerial communication in Dominica, for presently there is not a central government website where members of government can access information electronically. This portal will also begin to improve the public-private interface process, as it is intended that public information will be posted on a publicly available segment of the portal.

A2. Challenges

As mentioned previously, overall reductions in funding require that COTS make certain staffing changes. As part of this process, the Legal and Economic Integration Specialist, who is also the team leader of the Governance component, completed his tenure with the program at the end of September. Moving forward, the Administrative Reform Specialist will assume management of the overall component at the beginning of next quarter. Fortunately, the legislative draftspersons working in Antigua and Barbuda and Dominica are both highly conscientious professionals who will continue to produce high quality legislation for both countries. With a continuing robust program in both countries, the challenge COTS faces is to ensure that there is sufficient management of implementation activities to maintain momentum and desired results in spite of fewer staff.

A3. Moving Forward

In the coming quarter, COTS will continue its legislative drafting work in both countries. The central portal for the Government of Dominica's website should become operational, and COTS will continue to work in Antigua and Barbuda to establish more formal meetings of Permanent Secretaries to improve inter-ministerial communication. COTS expects that the CDB will review Antigua and Barbuda's loan request at its board of directors meeting at the end of November. Should CDB approve the loan, COTS may consider additional assistance to support the restructuring of the Statistics Division in Antigua and Barbuda. COTS also expects to complete the Trade Policy Framework for Antigua and Barbuda.

B. Improving the Business Climate

This aspect of COTS' Governance activities recognizes that attracting investment in Dominica and Antigua and Barbuda is a *sine qua non* for achieving and sustaining economic growth. By any measure, both countries have room for improvement. The recent World Bank Doing Business in the OECS report (for which COTS provided partial funding) continues to demonstrate that there are institutional practices and policies that constitute significant barriers to investment. While many issues have been identified, those that stand out as high priority – and which have been revalidated by COTS – include: customs; land registration and administration; business registration; and the ineffectiveness of the investment promotion agencies in the two countries. It is within this context that COTS' revised vision for Improving the Business Climate is:

- Measurable improvements in regulatory and administrative procedures in both countries in the areas prioritize by COTS.
- Greater efficiency and transparency in investment and trade-related procedures.
- A higher profile for Antigua and Barbuda and Dominica among international investors based on improvements in the ease of doing business.
- Increased public awareness of improvements and greater understanding of key procedures, regulations, and policies affecting the business community.

B1. Quarterly Progress Toward Objectives

Streamline Arrangements for Company Registration – COTS was able to make headway in the important area to streamline the company registration process in Antigua and Barbuda. After some delays due to the difficulty of getting the key players together at the same time – including the head of the government’s information technology department, and the heads of social security, medical benefits, the Ministry of Finance and the Economy (international business) and others - COTS was finally able to discuss the proposed scope of work with them. A key consideration was the need to ensure consistency between COTS’ intervention and then government’s plans to introduce e-government systems. Fortunately, COTS obtained broad approval for the company registration work. COTS expects this work to begin early in the next quarter, and will ensure that it is consistent with the government’s plans, and COTS’ assistance, to establish an investment promotion agency.

Facilitate Establishment of Investment Promotion Agency – The long-awaited Antigua and Barbuda Investment Authority Act was passed in July. COTS provided review and input to several drafts of the bill, and gently prodded the government into passing the bill before the end of August. The act establishes the Antigua and Barbuda Investment Authority (ABIA), and this is a major step forward to ease business start-up, and improve transparency and timeliness in obtaining investment incentives. Responding to a request from the Minister of Finance and the Economy, COTS will assist the government to establish the agency’s structure, and outline the agency’s role in interfacing with both businesses, and other public sector agencies that provide various approvals and registration documents to establish a business. This work will begin early in the next quarter.

Support Customs Reform – COTS completed recruitment to conduct the human resource capacity assessment in Dominica. This work will get started during the next quarter.

Streamline Land Registration and Administration Procedures - COTS began its work in Dominica in conjunction with the Land Administration Task Force to streamline the processes in the very important area of land management and administration. This was highlighted as a major constraint in Dominica by COTS, and confirmed in the recent World Bank Doing Business survey. The results of this assistance will reduce the number of agencies that a firm must interact with in order to acquire land, and reduce the number of processes and length of time required to complete a transaction. This work also supports COTS Reducing Risk work, in so far as information about land is presently dispersed among a number of agencies, including the Land Registry, Physical Planning, and the Lands and Surveys divisions, and data from one is not integrated with data from another. An improved land management process will support improved

decision making regarding how land should be used in accord with knowledge of exposure to natural hazards.

Support NDC Restructuring - COTS made substantial progress to improve the business climate in Antigua and Barbuda and Dominica during the last quarter. In Dominica COTS began its assistance to the government to restructure the National Development Corporation (NDC). As stated previously, the legislative draftsman prepared the necessary acts to support the restructuring of the agency. COTS is also providing assistance to establish a structure for the new NDC, with this phase of work expected to be completed by the end of November. At the end of this process Dominica will have a two streamlined agencies, one that is responsible for promoting tourism, and an agency that is focused on investment promotion and providing investor services. The restructured agency should contribute substantially to improving the climate for business in Dominica, and provide for the country a greatly improved platform for attracting investment.

In support of restructuring the NDC, COTS is implementing additional assistance to the Industry Division of the NDC to establish an effective website marketing strategy and to coach the staff to effectively use the website to market the country as a destination for investment in Dominica. It is expected that this will yield results in additional private investment into the country. Work on this aspect of NDC assistance began in September and will continue into the next quarter.

Collaborate with the World Bank to Conduct and Publicize Results of Doing Business – This quarter saw the completion of the World Bank Doing Business report, and its special report devoted to Doing Business in the OECS, which COTS participated in. In addition to funding the publication of the report and organizing the launch of the report (in October), COTS participated in the inception missions and the right of reply visits. Though initially expected to include only Antigua and Barbuda and Dominica, as a result of COTS assistance, this year's Doing Business report includes all 6 of the independent OECS countries.

Support to Tax Reform – See below, 'D2. Challenges'

B2. Challenges

Due to the anticipated additional budget cuts that COTS was advised of during the quarter, COTS halted much needed work to improve customs services in Antigua and Barbuda. Once COTS receives official notification from USAID in the next quarter regarding life of project funding and USAID priority areas, COTS may be in a position to incorporate this work during the coming program year.

For the past two quarters, COTS has diligently worked to sub-contract with CARTAC to complete needed tax reform work in Antigua and Barbuda and Dominica. The ongoing constraint is the type of procurement mechanism that COTS can use. CARTAC is a program funded through the United Nations Development Program (UNDP); hence, assistance to CARTAC must be channeled through UNDP. As UNDP is a public international organization (PIO), the COTS contract does not presently permit procurement with a PIO. COTS is working closely with UNDP and USAID to determine what type of mechanism COTS can use to access CARTAC's services.

At various points, more so in Antigua and Barbuda than Dominica, it is extremely difficult to access public servants who are needed in the administrative reform process. Given the scarcity of human resources and general hierarchical nature of the agencies, if one individual is traveling, there is often no one in office, or no one with sufficient authority to make decisions. This is likely to be an ongoing constraint, and will possibly slow the pace of implementation.

B3. Moving Forward

COTS will implement major administrative reform activities in the upcoming quarter. Work to streamline the company registration process and to establish the Antigua and Barbuda Investment Authority will commence. The human resource capacity assessment in Dominica will be completed, as will work to improve land registration and administration. Restructuring of the NDC will also continue into the next quarter. Since the launch of the World Bank Doing Business in the OECS is being launched regionally in St. Lucia, a number of people from Antigua and Barbuda and Dominica will be unable to attend. COTS plans to have working sessions in both countries to discuss the country level results with counterparts, and use this as a basis to implement improvements in administrative reform areas. COTS expects to identify an appropriate procurement mechanism to utilize CARTAC's services to implement tax reform work in Antigua and Barbuda and Dominica.

SECTION IV REDUCING RISK

COTS recognizes that natural disasters, such as hurricanes and severe storms, have serious financial and social impacts on businesses, communities, and public infrastructure in Dominica and Antigua and Barbuda. Natural disasters can also potentially destroy fragile ecosystems, and cause serious disruption to sensitive bio-diverse areas.

With a clearer understanding of stakeholder perspectives and a stronger focus on biodiversity, COTS is working with a variety of stakeholders at various levels to ensure that regional and national level perspectives are both responsive to and informed by local level realities, and *vice versa*. Given the high cost of disaster response and recovery, there is a premium on increasing awareness as to where each country stands in terms of overall vulnerability to natural (and some man-made) disasters, as well as implementing effective disaster mitigation actions to reduce vulnerability before a disaster occurs.

Based on experience during the initial implementation period, COTS updated its vision to include more of a focus on implementing activities that will result in quantifiable reductions in vulnerability to natural hazards, and promoting activities that improve protection of bio-diverse and environmentally sensitive areas. The updated vision for COTS Reducing Risk is:

- Quantifiable reductions in vulnerability to natural hazards, resulting in greater economic resilience post-disaster event.
- Improved protection of national assets, including bio-diverse and environmentally sensitive areas, and a greater appreciation of the role these areas play in reducing the impact if natural disasters.
- More robust economies linked to healthy physical and natural resource endowments.

A1. Quarterly Progress Toward Objectives

Development and Administration of Regional Vulnerability Assessment Tool – Initially discussed in late March, COTS quickly mobilized to identify a suitable partner that could develop a ‘score card’ to measure a country’s present vulnerability, and then assess its progress after implementing risk reduction measures. The tool is designed to separate cause from effect, thereby enabling users to identify the primary causes of vulnerability, and implementing preventative measures, rather than focusing on the effects and response after a disaster occurs. The challenging aspects included having a first draft prepared for an international donor meeting in May; establishing standardized measures; incorporating a breadth of hazards; recognizing that not every country is exposed to the same range of hazards; and obtaining buy-in from a sufficient range of potential users.

During this quarter, the final draft of the Disaster Risk Management Benchmarking Tool (or Btool) was completed, and it marks a major milestone for COTS. During the ongoing development of the Btool, it was circulated to sixteen CDERA countries, and a range of regional and international donors for comment. Working with the Environment and Sustainable Development Unit of the OECS Secretariat, COTS desk-tested the tool in Dominica, Antigua and Barbuda, and St. Vincent and the Grenadines, where a total of fifty six representatives from

the public and private sectors participated, giving their received overwhelming support. These countries also started to prepare the groundwork to implement the tool. The primary purpose of these activities was to train local technical agencies on how to implement the tool, and participants are preparing the groundwork for implementation. The Btool is a cross-cutting instrument, and so in order to gain support from senior level policy makers, COTS conducted a special session for permanent secretaries and their senior colleagues to understand how the Btool supports economic planning and development. These workshops were successful and countries have now formed work teams to collaborate with the OECS to undertake local implementation. The Inter-American Development Bank (IDB) has expressed interest in possibly testing the Btool in some of its client countries, including Jamaica, Peru, Guatemala and Bolivia.

*Develop Multi-Hazard Maps for Dominica*³ - COTS undertook this activity prior to beginning work on the Btool. Counterparts in Dominica identified the need for hazard maps in order to support improved land use planning and decisions. The maps provide indicative information on floods, river and coastal areas, landslides, seismic activities, hurricane wind strengths and storm surge levels. During the quarter, COTS provided training on how to use the maps and GIS to complete vulnerability analyses for different hazard prone areas. Fifteen representatives in land development and disaster management participated. In addition to future land use planning decisions, these hazard maps will enable planners to develop and implement mitigation measures for vulnerable areas prior to a natural hazard event. Both the maps and implementing measures will improve Dominica's score on the Btool, as these are both areas that the Btool assesses.

Strengthen Construction Sector to incorporate disaster resistant construction measures – COTS had prepared solicitations to begin a number of these activities during the quarter. These activities were among those that were to be cancelled based on notification in August of the additional reduction in funding. COTS expects to receive notification from USAID regarding priority areas in accord with reduced life of project funding. In accord with this, COTS will determine if these activities are in line with USAID priorities, and make changes accordingly.

A2. Challenges

The major challenge is that of severely limited resources allocated to disaster management agencies by the national level governments. Offices are severely understaffed and under-equipped. The Office of Disaster Management in Dominica operates in a building that does not have a back up power supply. The Director of the National Office for Disaster Services in Antigua and Barbuda is now also responsible for security during the upcoming World Cup Cricket. These are institutional constraints that, while they cannot be addressed directly by COTS, should be raised as part of USAID's policy dialogue with counterparts. COTS has fostered the development of inter-agency work groups that will work under a single coordinator in order to facilitate the implementation of COTS activities. Work groups have been established in both countries, but these do assume the participation of the national disaster coordinators, both of whom now have multiple, competing responsibilities.

In regard to implementing the Btool, there is likely an issue of low sub-regional and local capacity. The OECS Environment and Sustainable Development Unit (ESDU) will spearhead

³ This activity is one from the First Year Work Plan.

implementing the activity in the OECS region. Its staff is currently over stretched, making it difficult for them to pay full attention to this activity. This is certainly the case in Antigua and Barbuda and Dominica, as previously mentioned. In order to address this issue the OECS in collaboration with COTS will hold a series of meetings with the relevant ministers to ensure that an alternate focal point is appointed for this activity.

A3. Moving Forward

The OECS ESDU is scheduled to introduce the Btool at a meeting of ministers of environment in mid-November. This will serve as 'sign off' on the tool, and serve as the needed protocol to prepare for a regional launch, which will be scheduled for early in the new year. COTS will continue to work in Antigua and Barbuda and Dominica to implement the tool in order to obtain initial scores for the countries. The OECS ESDU will be moving forward to introduce the tool in the other OECS countries.

COTS is preparing to begin its work to develop land use maps and local area development plans in Dominica. This work strongly supports biodiversity. COTS will begin work on activities that will mainstream risk reduction measures in other COTS program areas, particularly with the private sector.

Based on clarification from USAID, COTS will proceed with work plan activities that will work with communities to implement community based natural hazard mitigation measures.

SECTION V PUBLIC AWARENESS

COTS recognizes that in a well functioning market economy, government needs to effectively communicate its programs and policies to the public, and the business community also needs to explain its rationale for the policies it advocates. In the middle is the media, which often serves as the communications link in the public discourse arena. The challenge is significant, since ‘trade liberalization’ is an inherently complex topic on which to inform constituents. This is compounded by the use of sometimes highly technical, jargon-laden language by public sector representatives; a private sector that does not understand the issues, and so cannot purposefully comment on them; and, a poorly trained media that is unable to make trade issues relevant to the ‘person on the street.’

COTS’ second work plan revised its approach from one that incorporated an overarching outreach strategy at a regional level, to one that focuses on strengthening the private sector’s understanding of trade issues such that they can interact with policy makers in an informed manner; strengthening the public sector’s ability to effectively communicate with constituents on trade issues; and, empowering the media to truly understand the opportunities and issues of regional and international trade and integration to support accurate and balanced reporting and public discourse. With this in mind, COTS revised vision for Public Awareness is:

- Strengthening the capacity of private sector organizations to communicate effectively and regularly with their members on business opportunities arising from regional and international integration, and enabling them to serve as a channel to provide feedback to the public sector.
- Building capacity within national-level public sector agencies to effectively communicate opportunities available through regional and international integration to their constituencies, soliciting feedback in a constructive manner, and incorporating this information into policy formulation.
- Empowering the media (including government public relations staff) to increase its understanding of the opportunities available through regional and international integration, resulting in more accurate and balanced reporting. This will require the media to provide a variety of viewpoints, and to effectively question policy makers. It will also increase the chances of continued positioning of these issues with the general public once the program ends.

A1. Quarterly Progress Toward Objectives

Improve Private Sector Understanding of Business Opportunities Through Regional and International Integration – Baseline Survey – Based on the stronger focus on private sector arising from the new work plan, the baseline survey was redesigned. The survey was initially intended to measure the public’s perception of and attitude towards the CARICOM Single Market and Economy (CSME) by a random sampling of 250 adults in both Antigua and Barbuda and Dominica. The survey has been redesigned to measure the awareness by the private sector, public sector and media of potential business opportunities available under free trade and regional integration.

The redesigned survey questionnaire was tested in Dominica and Antigua and Barbuda in August. A total of 12 enumerators were trained to administer the questionnaire, 4 in Antigua and Barbuda and 8 in Dominica. During September, enumerators administered the questionnaire in Dominica to 125 private sector, 14 public sector and 25 media workers. In Antigua and Barbuda, only 72 out of 164 questionnaires have been completed. COTS will use the results from the survey to structure a public awareness campaign that will provide key information to the private sector and address the perception and information gaps identified in the survey.

A2. Challenges

The main challenge this quarter has been the delay of several activities for several reasons. With the revised work plan focus, the baseline survey was restructured. Training on regional trade issues, which would come out of the baseline survey results, will take place in the next quarter due to the delay in the survey. Activities on which COTS is collaborating with the Caribbean Regional Negotiating Machinery and the CARICOM Single Market and Economy Unit were delayed due to staff holidays in August. Several smaller COTS activities were put on hold based on notification in August of the additional budget reduction. Based on receiving notification from USAID early next quarter on forward priorities, COTS may move forward on these actions.

One interesting challenge with the baseline survey has been the reluctance of the private sector in Antigua and Barbuda to participate at all. They cite as their primary reason their lack of support for the CSME. In other cases, time constraints that business owners face have required the enumerators to return several times in order to meet with business persons. The low completion level of questionnaires has slowed the pace of data collection. To overcome this, the COTS' subcontractor, Earle and Earle, has brought on additional enumerators to complete the questionnaires. COTS is also considering approaching the Ministry of Finance and the Economy (Industry and Trade) to release a statement endorsing the survey and urging businesses to participate. In spite of the delays, COTS is confident that the baseline survey and the analysis of the results will be completed by the end of October 2006.

A3. Moving Forward

A substantial number of COTS' public awareness activities will be fully underway in the next quarter. The baseline survey and the analysis of the results will be completed by the end of October. These results will guide the development of a marketing campaign targeted at the private sector to explain the business opportunities available through regional and international trade.

In November, in conjunction with the Caribbean Regional Negotiating Machinery, COTS will stage Private Sector Trade Briefings in both Antigua and Barbuda and Dominica to educate the private sector on current trade issues. The 2 day briefing will feature success stories from local firms who have generated business as a result of the new trading environment. The Antigua and Barbuda Employers Federation will serve as the host in Antigua and Barbuda, and the Dominica Employers Federation and the Dominica Association of Industry and Commerce will serve as co-hosts in Dominica. This activity will contribute to building a private sector that is more knowledgeable on current trade issues, and will support them to engage in more informed dialogue with their public sector and regional counterparts.

At a regional level, COTS will commence its work to upgrade the CSME Unit's website, www.csmeonline.org, which was originally developed under the USAID program C-Tradecom. The upgraded site will include a clearinghouse that the private sector from throughout the region will have access to. The site will provide answers to questions from the private sector to support their efforts to capitalize on opportunities under the CSME. This will also provide public sector in our target countries with a concrete tool and model by which they can educate themselves and their constituencies on business opportunities available within the scope of the CSME.

Over the next quarter, COTS will commence work with the UWI Caribbean School of Media and Communication (CARIMAC) to develop a certificate level training course on reporting of trade issues targeted at media workers. This is COTS' central activity to support the vision of a regional media understanding the opportunities arising from regional and international integration, and to report on these accurately, in an unbiased manner, promoting wider debate by offering a variety of informed opinions.

SECTION VI STRATEGIC ACTIVITIES FUND

The Strategic Activities Fund (SAF) is a flexible financing mechanism managed within COTS to allow the program to achieve its goals by responding to specific needs and opportunities through targeted interventions: local and regional subcontracts, grants, specific commodity procurements. To effectively achieve the overall goals of the COTS program, the SAF was envisioned under this task order from program design. The wide range of the scope of COTS activities, from legislative reform to natural-disaster risk reduction, presents a particular challenge to predetermine partners' needs at program outset. Another critical consideration is COTS' aim to provide a balanced approach to development, with a mix of technical assistance provided by long-term staff and short-term consultants, a range of supporting activities that are often best delivered by local and regional subcontractors — including regional universities, and in specific instances, in-kind commodities procurement. The SAF gives COTS the needed flexibility to respond to any and all need to finance activities using the most appropriate contractual mechanism. The COTS team is tapping into SAF to implement activities across the full range of program components. The SAF's vision is to be a tool that provides the COTS program the flexibility to rapidly respond to new opportunities while creating capacity in local institutions and leveraging other public- and private-sector resources.

COTS has developed a core set of criteria that is used to evaluate proposed activities to guarantee maximum impact and ensure that all activities financed by the SAF reflect partner needs and program goals. In doing so, COTS will at all times be sensitive to issues such as gender, at-risk and disadvantaged groups, HIV/AIDS considerations, and environmental impacts to ensure that activities meet program objectives in an integrated manner.

A1. Quarterly Progress Toward Objectives

Since the start of program implementation, COTS has awarded subcontracts and vendor agreements totaling nearly US\$1,000,000 through the SAF. During this quarter, signed subcontracts totaled over US\$200,000. One such contract was with Delphis eConsultancy, an IT company based in Dominica, to provide support to the Industry Division of the National Development Corporation (NDC) in its effort to centralize all investment-related procedural and legal information in one place. This was done under the Governance component. COTS also signed a contract with Freestyle Inc (a public relations firm) to communicate the importance of intellectual property rights (IPR) to the economic development of Dominica, the benefits to be derived, and the impact on the lives of Dominicans. This activity was implemented under the Public Awareness component. Previously signed subcontracts continue to support activities in several other component areas. Annex 2, attached, illustrates COTS' SAF activities.

In addition to the above activities, a Cost Plus Award Fee contract was approved by USAID and signed by COTS in July with ICMS Ltd. The firm was selected through a regional competitive bidding process to operate as the Business Service Provider (BSP) to provide firm level services to clients in Dominica.

The SAF team traveled to Dominica in early August to meet with the BSP staff to formulate operational policies and procedures related to accounting systems and submission of invoices to

COTS. The SAF team prepared and trained the BSP staff in the use of various templates for daily and monthly accounting duties, including a monthly invoice template to be used by the BSP for submission of their monthly invoices, which will be sent off to COTS by the 20th of each month.

SECTION VII MONITORING AND EVALUATION

A. Results Monitoring

As noted at the beginning of the Second Work Plan, COTS is dedicated to facilitating the transition of the Eastern Caribbean – and in particular Antigua and Barbuda and Dominica – to be better positioned to compete more successfully in the global economy, while protecting its natural assets. This is drawn directly from USAID’s Strategic Objective 9, ‘Caribbean Region Positioned to Succeed in an Open Trade Environment.’

Towards this end, COTS made great progress in this quarter. The Doing Business component surpassed its targets of companies to be evaluated for potential sales returns. Though the sales realized in this quarter were only 48% of the target, the surge in this activity shows promising results for the next quarter. The projected annual sales from the interventions already started during this past quarter alone are expected to exceed the year 2 targets by US \$278,529. With additional companies expected to enter the portfolio during the next quarter, COTS is certain that annual sales targets will be met, and, likely exceeded.

COTS expected that it would have two executed Memoranda of Understanding in place with business associations in Dominica and Antigua and Barbuda. Associations in both countries will be signing the agreements early in the next quarter, and COTS is already working with them to recruit a policy analyst in each country.

The Governance component made significant strides in both areas of its work – Trade and Administrative Reform and Improving the Business Climate. COTS successfully reviewed and submitted legislation for both Antigua and Barbuda and Dominica, and completed 83% of the priority legislative items for the life of project work in this area. In total, eighteen (18) legislative items were produced for Dominica and Antigua and Barbuda. These results were significantly higher than what was targeted for the period. COTS both exceeded its target and also added new items to the priority legislative projects in order to be responsive to our host country counterparts and to respond to a dynamic policy environment.

The successful results of the World Bank Doing Business Survey, indicating that six countries of the OECS have been included in this survey, are a significant achievement for COTS. Building on the results of the survey, COTS is already initiating several activities to assist both countries to improve their weak areas under the Improving Business Climate arm of the Governance component. These activities include:

- The land registration and administration process in Dominica, and
- Streamlining the company registration process in Antigua and Barbuda.

COTS already prepared a Tax Guide Manual for Antigua and Barbuda.

The Reducing Risk, Public Awareness and Doing Business components end the quarter strategically positioned to be able to adapt their activities for greater impact and to be able to measure the results in the coming months.

COTS completed the draft final version of the Disaster Risk Management Benchmarking Tool (Btool), and worked with the OECS Secretariat to provide training and to desk test this unique new tool in Antigua and Barbuda, Dominica and St. Vincent and the Grenadines. The OECS will assume responsibility to implement the tool in the wider OECS region. When COTS completes the first assessment with colleagues in Dominica and Antigua and Barbuda, the results will serve as the baseline measurements against which to measure further progress for successive activities within the Reducing Risk component.

The Public Awareness Baseline Survey that is measuring the awareness of private sector, public sector and media of potential business opportunities available under free trade and regional integration got underway in this quarter. The results by the end of October will frame further training and public awareness activities for both the private and public sectors.

A summary of COTS indicator results can be found in Annex 3.

SECTION VIII PROGRAM OPERATIONS

The management priorities and requirements for the program are driven by the second year work plan which was submitted to USAID on June 30, 2006. The work plan refocuses program activities in light of changing financial and technical priorities, coupled with the need to aggressively implement program activities which yield positive results. COTS is committed to delivering high-quality assistance to regional and national organizations in OECS countries' public and private sectors and has devoted a great deal of effort to managing program activities that support the technical implementation of the program.

A. Staffing and Staff Development

Staffing. In August, Pol Klein, the Doing Business team leader, departed from the program. COTS began actively recruiting for a replacement candidate. In the interim, Preston Motes, the deputy program director is serving as acting team leader for the doing business component. A likely replacement candidate was identified and fielded to the program in mid-September on a short-term basis. COTS anticipates that the candidate will be approved and fielded as a long-term employee beginning in January 2007.

As a result of budget reductions, the Legal and Economic Integration Specialist, Thomas O'Keefe completed his assignment with the program at the end of September. While a number of the activities being implemented under this component are still underway they will be managed by the Administrative Reform Specialist and the program director.

In Antigua and Barbuda, COTS is recruiting for two mid-level business advisors to assist the Doing Business team to identify and qualify firms for technical assistance interventions. Additionally, the program has initiated a recruit in coordination with the key business associations in Antigua and Barbuda and Dominica to identify the economic policy analysts who will be assigned to support the business associations to represent their interests on key economic and trade issues to the government and regional public and private sector bodies.

COTS identified a replacement for the office manager in Dominica, who resigned in September. The new office manager will join the program in October.

Staff development and training. During the quarter COTS went 'live' with the Administrative Management Program (AMP) following an unanticipated delay by the software development firm which was upgrading the software platform. AMP is now being used by the program to process approvals, project budgetary expenditures and monitor program activities and progress. The system allows for 'around-the-clock' access by program staff and USAID.

In July the monitoring and evaluation specialist was assisted by the program's Washington office to work with the mission to finalize the program's Performance Monitoring Plan (PMP).

As COTS completes its first year of operations all staff will undergo an annual evaluation which identifies strengths and weaknesses. As part of the program's management control procedures,

the program accountant traveled to Dominica to conduct a financial and administrative audit of the program files. The audit yielded no significant findings.

B. Office Administration and Logistics

Office Administration. In Dominica COTS has arranged for the business advisors from the Business Service Providers to be housed in the COTS offices. This arrangement will allow the two organizations to work closely together on implementation of the firm-level assistance and also serves as a cost savings measure. Additionally, COTS has provided office space, on a space available basis, to client firms and collaborating organizations in need of temporary office space.

As the demands of our program office in Dominica have increased, COTS has responded with additional hardware and networking capabilities. An upgrade of the network will occur during the next quarter to improve file sharing and archiving of key documents within the office and with the main office in Antigua.

C. Financial Management and Control

Contract and financial monitoring. COTS continues to work closely with USAID/W/LAC and the regional mission to ensure that program activities conform with the biodiversity earmarks that comprise the project's current funding obligation. The program anticipates receiving approval on a number of the activities which are being implemented under the Reducing Risk component which qualify as 'biodiversity' activities. COTS is actively monitoring the expenditure of funds under this earmark to ensure that activities are in compliance with the biodiversity criteria and the program will identify additional interventions which meet the criteria if necessary.

Contract modifications. In September COTS received Modification 2 – adding incremental funding of \$2,922,984 to the program, and Modification 3 – adding \$990,000 to the program. COTS is anticipating an additional modification from USAID to reflect the budget reductions which were discussed in February. Given the relatively large amount of the proposed reduction it is likely that a major technical modification to the contract will be required to ensure expectations are in line with available financial resources.

ANNEX 1 COMPLETED LEGISLATIVE ITEMS JULY 1 – SEPT 30 2006

Antigua and Barbuda	Dominica
<ol style="list-style-type: none"> 1. Draft Metrology Bill 2. Draft Metrology Regulations 3. Bill to give effect to the Agreement establishing the Caribbean Accreditation for Authority for Medicine and other Health Professions 4. Compulsory standards - Specification for toilet tissue 5. Compulsory standards - Specification for pre-packaged ice 6. Compulsory standards - Specification for pre-packaged foods 	<ol style="list-style-type: none"> 1. Financial Services Act 2. Professional and Technical Degree Accreditation Act (Bill) 3. Consumer Protection Act (Bill) 4. Fresh Produce Trade (Quality Control and Inspection) Act (Bill) 5. Montreal (Ozone Layer) Protocol Act (Bill) 6. Decision re Banking Act that Amendments not required 7. Co-operative Societies Act 8. Draft Industrial Design Regulations 9. Draft Protection of Layout Designs (Topographies) of Integrated Circuits Regulations 10. Dominica Tourism Authority Act 11. Dominica Investment Promotion Agency Act 12. Geographical Indications Regulations

ANNEX 2 SAF SUMMARY

Activity	Beneficiary Country	Contract Value (US\$)	Paid to Date (US\$)
Governance			
Int'l Trade Policy Course	Regional	\$ 32,500.00	\$ 32,500.00
CSME magazine	Antigua	\$ 17,847.27	\$ 17,847.27
Dom. Legislative Draftsperson	Dominica	\$ 74,291.39	\$ 11,143.71
A&B Legislative Draftsperson	Antigua	\$ 61,425.03	\$ 16,891.88
Doing Business Conference	Regional	\$ 4,737.42	\$ 1,222.05
NDC website optimization & marketing	Dominica	\$ 16,739.83	\$ -
		\$ 247,619.72	\$ 79,604.92
Doing Business			
ICT Workshop - Grenada	Regional	\$ 20,030.00	\$ 20,030.00
VAT Impact Assmt - Dom. Tourism	Dominica	\$ 512.05	\$ 512.05
Dominica BSP	Dominica	\$ 180,572.91	\$ 14,964.40
		\$ 201,114.96	\$ 35,506.45
Public Private Partnership			
CCAA Miami Conference	Regional	\$ 99,500.00	\$ 99,499.60
		\$ 99,500.00	\$ 99,499.60
Public Awareness			
Reg. Public Awareness/Trade Strategy session	Regional	\$ 5,599.00	\$ 5,599.00
"Without Limits" CSME Roadshow	Antigua	\$ 2,006.80	\$ 2,006.80
Public Outreach 101 - Antigua	Antigua	\$ 3,403.52	\$ 3,403.52
Public Outreach 101 - Dominica	Dominica	\$ 6,895.07	\$ 6,895.07
CSME Baseline Survey	Regional	\$ 36,986.60	\$ 24,867.80
CSME Educulture Performances - A/B	Antigua	\$ 23,414.87	\$ 23,414.87
CSME Educulture Performances - Dominica	Dominica	\$ 22,046.00	\$ 22,046.00
CSME Media Worker's Dialogue Workshop - Dom	Dominica	\$ 1,511.20	\$ 1,511.20
CSME Media Worker's Dialogue Workshop - A/B	Antigua	\$ 3,359.19	\$ 3,359.19
IPR Awareness Campaign - Dominica	Dominica	\$ 10,232.30	\$ -
		\$ 115,454.53	\$ 93,103.43
Risk Reduction			
Coastal Vulnerability Assessment	Dominica	\$ 94,953.00	\$ 52,224.15
IDP Workshop	Antigua	\$ 32,514.21	\$ 32,230.74
Landslide Mapping & MHVA	Dominica	\$ 92,635.00	\$ 69,476.25
Vulnerability Audit Tool	Regional	\$ 60,478.54	\$ 48,339.47
Disaster Preparedness Wrkshp - AHTA	Antigua	\$ 357.67	\$ 357.67
Disaster Preparedness Wrkshp - DHTA	Dominica	\$ 989.12	\$ 989.12
		\$ 281,927.55	\$ 203,617.41
Total SAF Expenditure		\$ 945,616.76	\$ 511,331.80

SAF Payments	Contract Value	Paid to Date	Outstanding
Antigua Activities	\$ 144,328.56	\$ 99,511.94	\$ 44,816.62
Dominica Activities	\$ 501,377.86	\$ 179,761.94	\$ 321,615.92
Regional Activities	\$ 299,910.34	\$ 232,057.92	\$ 67,852.42
Total Activities	\$ 945,616.76	\$ 511,331.80	\$ 434,284.96

ANNEX 3 RESULTS MONITORING

COTS Performance Indicator Summary

No.	Performance Indicator	Year 1 Target	Year 1 Actual
1	Increased dollar value of transactions for assisted enterprises ¹	USD 8,200	USD 3,920
2	Improved administrative processes to conduct business (areas of improvement)	3	3
3	Increased understanding of business opportunities available under regional and international integration ²	N/A	-
4	Enabled legal framework for CSME compliance	42%	83%
5	Number of OECS countries listed in the Doing Business Survey	6	6
6	Improvement in Disaster Risk Management Index ³	N/A	-

¹ Target interventions initiated late in quarter. Sales figures will be reported in future quarters for these interventions.

² Not scheduled to begin reporting until FY07 Q2. Baseline survey in progress; survey results expected by end of October.

³ Not scheduled to begin reporting until FY08 after annual assessment. Baseline assessment using Benchmarking tool expected to be completed in FY07 Q1.

Performance Summary for Dominica

Output / Activity	Life of Project (LOP) Target	Year 1		% Achievement of Year 1 target	Q4:Jul – Sept 2006		% Achievement of Q4 target
		Target	Actual		Target	Actual	
Number of company evaluations completed for candidate firms	162	47	45	96%	20	26	130%
Firms with greatest risk adjusted sales potential return on intervention cost identified	54	6	6	100%	6	6	100%
Sales resulting from interventions by COTS (US\$)	1,943,054	2,700	1,000	37%	2,700	1,000	37%
Established Umbrella Business Forum [†]	1	1	-	-	1	-	-
Private sector position papers developed and advocated to Government	1	1	1	100%	1	-	-
Draft legislation submitted to Ministry of Legal Affairs from "List of Priority Legislative Projects in Dominica"	17	5	13	260%	5	12	240%
Inclusion in 2007 World Bank Doing Business Survey	1	1	1	100%	1	1	100%
Interventions completed with Customs to improve business Climate [‡]	4	1	-	-	1	-	-
Interventions to strengthen NDC [§]	2	1	-	-	1	-	-
Mitigation measures/activities developed / supported by COTS to improve vulnerability index	4	-	1	N/A	-	-	-
Improvement in Vulnerability Index ^{**}	6%	-	-	-	-	-	-
No. of firms assisted in development of Business Recovery Plans	55	10	15	150%	-	-	-
Number of persons informed of how to capitalize on potential business opportunities available via regional and international integration	1,474	471	471	100%	-	-	-
Increased understanding of potential business opportunities available via regional and international integration ^{††}	35%	-	-	-	-	-	-
Number of persons trained in public outreach tools ^{‡‡}	105	65	45	69%	20	-	-

* Target interventions initiated late in quarter. Sales figures will be reported in future quarters for these interventions.

† Memorandum of Understanding will be signed early in next quarter.

‡ Activity expected to be completed during FY07 Q1.

§ Website development started, and expected to be completed in next quarter.

** Not scheduled to begin reporting until FY08 after annual assessment. Baseline assessment using Benchmarking tool expected to be completed in FY07 Q1.

†† Not scheduled to begin reporting until FY07 Q2. Baseline survey in progress; survey results expected by end of October.

‡‡ Activity delayed due to anticipated additional reduction in budget funding.

Performance Summary for Antigua and Barbuda

Output / Activity	Life of Project (LOP) Target	Year 1		% Achievement of Year 1 target	Q4:Jul – Sept 2006		% Achievement of Q4 target
		Target	Actual		Target	Actual	
Number of company evaluations completed for candidate firms	110	36	49	136%	15	28	187%
Firms with greatest risk adjusted sales potential return on intervention cost identified	36	5	2	40%	5	2	40%
Sales resulting from interventions by COTS (US\$)	1,192,556	5,500	3,920	53%	5,500	3,920	53%
Established Umbrella Business Forum [†]	1	1	-	-	1	-	-
Private sector position papers developed and advocated to Government	1	1	1	100%	1	-	-
Draft legislation submitted to Ministry of Legal Affairs from "List of Priority Legislative Projects in Antigua and Barbuda"	7	5	7	140%	4	6	150%
Inclusion in 2007 World Bank Doing Business Survey	1	1	1	100%	1	1	100%
Support to agencies to improve administrative business environment	4	1	1	100%	1	1	100%
Mitigation measures/activities developed / supported by COTS to improve vulnerability index [‡]	1	-	-	-	-	-	-
Improvement in Vulnerability Index [§]	6%	-	-	-	-	-	-
No. of firms assisted in development of Business Recovery Plans	70	10	12	120%	10	-	-
No. of persons trained and certified in safe building practices	520	-	-	-	-	-	-
Number of persons informed of how to capitalize on potential business opportunities available via regional and international integration	1,506	503	503	100%	-	-	-
Increased understanding of potential business opportunities available via regional and international integration ^{††}	35%	-	-	-	-	-	-
Number of persons trained in public outreach tools ^{‡‡}	93	53	33	62%	20	-	-

** Target interventions initiated late in quarter. Sales figures will be reported in future quarters for these interventions.

† Memorandum of Understanding expected to be signed early in next quarter.

‡ Not scheduled to begin reporting until FY 07.

§ Not scheduled to begin reporting until FY08 after annual assessment. Baseline assessment using Benchmarking tool expected to be completed in FY07 Q1.

** Per the work plan, activity planning in process, with implementation to begin in FY 2007 Q1.

†† Not scheduled to begin reporting until FY07 Q2. Baseline survey in progress; survey results expected by end of October.

‡‡ Activity delayed due to anticipated additional reduction in budget funding.

ANNEX 4 CSME QUESTIONNAIRE

CSME QUESTIONNAIRE

Hello, my name is _____, I am with Earle and Earle Associates a regional research firm. We are conducting a survey of the private sector, public sector and media in Antigua and Barbuda/Dominica on behalf of CARICOM to learn about how much you understand the potential business opportunities that are available under regional and international trade agreements such as the CARICOM Single Market and Economy. The results of the survey will be used to design programs to provide you with information that will make the CARICOM Single Market and Economy and other trade issues more accessible, clearer and relevant to you.

AWARENESS AND KNOWLEDGE OF CARICOM SINGLE MARKET AND ECONOMY (CSME)

	Very familiar	Familiar	Somewhat familiar	Very Unfamiliar
[1] Kindly rate how familiar you are with the following				
USAID	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
CSME	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
EPA (EPA Negotiations with the EU)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
FTAA	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
CBI	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Caribbean	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
WTO	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4

If "Very Unfamiliar" with the acronym "CSME" skip to Q43

[2] When you hear the acronym "CSME", what comes to your mind?

[3] Do you have sufficient information on how business in Antigua and Barbuda/Dominica can benefit under CSME?

1 Yes 2 No

[4] Through which of the following sources, did you get most of your information about CSME?

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> 1 Radio | <input type="checkbox"/> 4 Internet | <input type="checkbox"/> 7 Town Hall Community Meetings | <input type="checkbox"/> 9 Books/Magazines |
| <input type="checkbox"/> 2 Television | <input type="checkbox"/> 5 School/College | <input type="checkbox"/> 8 Word of Mouth | <input type="checkbox"/> 10 None |
| <input type="checkbox"/> 3 Newspaper | <input type="checkbox"/> 6 Posters/Fliers | | |
| <input type="checkbox"/> 11 Other: _____ | | | |

RESPONDENT'S COMPREHENSION OF CSME

[5] What aspect of Antigua & Barbuda's/Dominica's integration with CSME do you least understand?

- | | | | | |
|---|--|---|--|---|
| <input type="checkbox"/> 1 Single economy | <input type="checkbox"/> 3 Single currency | <input type="checkbox"/> 4 Caribbean Court of Justice | <input type="checkbox"/> 5 Employment Policies | <input type="checkbox"/> 6 Trade Policies |
| <input type="checkbox"/> 2 Single market | | | | <input type="checkbox"/> 7 None |
| <input type="checkbox"/> 8 Other: _____ | | | | |

ATTITUDES TOWARD AND PERCEPTIONS ABOUT CSME

[6] Which of the following best describes your attitude to CSME?

- 1 I am in favour of Antigua & Barbuda's/Dominica's participation in the CSME
2 I am against Antigua & Barbuda's/Dominica's participation of the CSME
3 Don't know

[7] Do you think that Antigua and Barbuda/Dominica is ready to participate in CSME?

Page 1: Yes 2 No 3 Don't know
 © 2006 Earle and Earle Associates

[8] Do you expect to benefit from CSME?

- ¹ Yes ² No ³ Don't know

[9] Please explain?

MEDIA ACCESS, USAGE AND EXPOSURE

[10] How often, if ever, do you listen to radio and television shows that invite listeners to call in to discuss current events, public issues and politics?

- ¹ Regularly ² Sometimes ³ Rarely ⁴ Never

[11] When was the last occasion on which you heard, read or saw any informational (media) campaign on CSME?

- ¹ This week ³ Two to six months ago ⁵ Not in a very long time
² Two to four weeks ago ⁴ Seven to twelve months ago ⁶ Never - Skip to Q22

[12] Which medium/media was used to disseminate the information on CSME?

- ¹ Radio ³ Newspaper ⁵ Pamphlets ⁷ Can't remember
² TV ⁴ Internet ⁶ Consultations
⁸ Other: _____

[13] Please describe briefly the nature of the campaign.

[14] How satisfied were you that the campaign was effective in clarifying the business opportunities available under CSME?

- ¹ Very satisfied ² Satisfied ³ Neutral ⁴ Dissatisfied ⁵ Very Dissatisfied

[15] What can be done to improve the effectiveness of campaigns on CSME and trade issues in order for them to provide information that is relevant to the private sector?

[16] What media would you prefer to use to access information on CSME and other trade issues? (**Only one answer is required**)

- ¹ Radio ⁴ Website ⁷ E-forums
² Television ⁵ E-mail ⁸ Roundtable Consultation
³ Newspaper ⁶ Newsletter ⁹ Pamphlets
¹⁰ Other: _____

Preferred Choice
(Provide Name)

Preferred time of day
(used/accessed)
(Morning (up to noon),
Afternoon (noon to 6 p.m.,
Night (6p.m to midnight))

Frequency (Sun. - Sat.)
(Specify day of days)

Morning Afternoon Evening

Tell Us About Your Preference For:

[17] Television	_____	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	_____
[18] Radio	_____	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	_____
[19] Newspaper	_____				

[20] Which three issues related to CSME and the conduct of business would you like to receive more information on?

(ATTENTION TO THE INTERVIEWER: Let the respondents themselves freely name 3 topics, you will mark the variant of answer, which most closely suits the given replies or write down the answer in the row 'other issues')

[21] **Research Assistant to Categorise**

- | | |
|--|--|
| <input type="checkbox"/> 1 General information/basic information on the CSME (e.g. CSME structure, different authorities, constitution, etc.) | <input type="checkbox"/> 8 Economic and monetary policy |
| <input type="checkbox"/> 2 Information on other CSME member countries and candidate countries | <input type="checkbox"/> 9 Immigration and emigration policy (work permits, visa issues) |
| <input type="checkbox"/> 3 Where in Antigua and Barbuda/Dominica I can get information on CSME | <input type="checkbox"/> 10 Security and defense policy |
| <input type="checkbox"/> 4 Social policy and issues related to health care | <input type="checkbox"/> 11 Cultural policy |
| <input type="checkbox"/> 5 Employment policy and labour legislation (including the CSME budget, Antigua and Barbuda's/Dominica's membership contributions) | <input type="checkbox"/> 12 Information on the Community (CARICOM) institutions and their work |
| <input type="checkbox"/> 6 Antigua and Barbuda's/Dominica's financial commitments to new and existing Community institutions arising out of the CSME | <input type="checkbox"/> 13 Information on the legal institutions including the CCJ with the CSME arrangements |
| <input type="checkbox"/> 7 Financing and access to the Regional Development Fund | <input type="checkbox"/> 14 Information on the movement of persons |
| <input type="checkbox"/> 18 Other: _____ | <input type="checkbox"/> 15 Information about doing business in other Member States |
| | <input type="checkbox"/> 16 Information relating to the movement of goods within CARICOM |
| | <input type="checkbox"/> 17 Don't know |

CSME's IMPACT ON TRADE

GOODS

Strongly Agree Agree Neutral Disagree Strongly Disagree

Under CSME

- [22] I support companies from Antigua and Barbuda/Dominica being able to import goods that are made in other CSME participating countries, free of duties, tariffs and other import levies 1 2 3 4 5
- [23] I support Antigua and Barbuda/Dominica having to remove any import duties, import licenses, tariffs and quantitative restrictions on goods of CARICOM origin ... 1 2 3 4 5
- [24] The development of regional standards for the production of goods will enhance standards of production for companies in Antigua and Barbuda/Dominica 1 2 3 4 5

SERVICES

Strongly Agree Agree Neutral Disagree Strongly Disagree

Under CSME

- [25] I would be interested in being able to easily purchase services such as IT support, advertising, financial management and so on from other islands without restrictions 1 2 3 4 5
- [26] Other CSME participating countries would have to remove any barriers that will restrict Antiguan and Barbudan/Dominican companies from providing services in these countries 1 2 3 4 5
- [27] I support nationals of CSME states having the same access to rent or lease land and buildings in order to provide services 1 2 3 4 5

PEOPLE

Strongly Agree Agree Neutral Disagree Strongly Disagree

Under CSME

- [28] I support companies from Antigua and Barbuda/Dominica being able to hire workers from any of the CSME participating countries 1 2 3 4 5
- [29] Free movement of skills/labor will make it easier for Antiguan and Barbudan/Dominican companies to source skilled professionals to staff their businesses 1 2 3 4 5
- [30] If I were self-employed/private sector individual, I would support free movement of skills/labour as it would facilitate expansion of business 1 2 3 4 5

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
[31] The free movement of skills/labour refers to specific categories of persons (i.e. University Graduates, artistes, musician, sportspersons, media workers)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

INVESTMENT

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Under CSME I support					
[32] Antiguan and Barbudan/Dominican companies being able to access external investment from other CSME participating countries	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[33] Companies and citizens being able to transfer money to another country without having to obtain authorisation ..	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[34] Companies and citizens having the right to buy shares in any country in any member state	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[35] The free movement of capital across the region which will result in increased investment opportunities for Antigua and Barbuda/Dominica investors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[36] Nationals of all CSME states having the same access to purchase land, building and other property for the provision of services	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[37] The harmonisation of interest rates across CSME participating countries benefit company financing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[38] Antiguan and Barbudan/Dominican companies being able to expand their businesses to other CSME participating countries	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

COMPETITION

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Under CSME					
[39] Companies in Antigua and Barbuda/Dominica will have to adjust their way of doing business in the face of competition from other CSME participating countries	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[40] Antiguan and Barbudan/Dominican companies will be able to favourably compete with companies in other CSME participating countries	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[41] Antiguan and Barbudan/Dominican companies have the required resources to compete among other CSME participating countries. <i>(Please explain below)</i>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
[42] Please explain					

DEMOGRAPHIC

[43] Sex 1 Male 2 Female

[44] Marital status ... 1 Married 2 Single (never married) 3 Separated 4 Divorced 5 Widowed

[45] Age

- 1 16 - 19 3 26 - 30 5 36 - 40 7 46 - 50 9 56 - 60 11 Over 65
- 2 20 - 25 4 31 - 35 6 41 - 45 8 51 - 55 10 61 - 65

[46] What is the highest level of education you have attained to date?

- 1 Primary 2 Secondary 3 Post Secondary/Vocational/Technical 4 Tertiary 5 None of the listed

[47] Job title

- 1 CEO 2 Owner 3 Senior Manager 4 Manager

[48] Employment sector

- 1 Public - Go to Q49 - Q50 2 Private - Go to Q50-Q53 3 Media Worker - Go to Q54 - Q55

[49] Length of time working in public sector

- 1 0 - 5 years 2 6 - 10 years 3 11 - 15 years 4 Over 16 years

[50] Employment Sector

- 1 Agriculture (Agriculture and Forestry) 8 Health
- 2 Fishing 9 Hotels and Restaurant (Hotels and catering)
- 3 Mining and Quarrying (Extraction of fuels) 10 Financial (Banking and Insurance)
- 4 Manufacturing 11 Transport and communication
- 5 Utilities (Electricity, Gas and Water supply) 12 Telecommunications
- 6 Construction 13 Domestic services
- 7 Wholesale and Retail trade 14 Legal
- 15 Other: _____

[51] Number of employees

- 1 0 - 24 3 50 - 99 5 250 - 500 7 1,000 and over 9 Not available
- 2 25 - 49 4 100 - 249 6 501 - 999 8 Branch

[52] Gross monthly revenue for private sector

- 1 Under \$50,000 5 \$200,001 - \$250,000 9 \$400,001 - \$450,000 13 Not Stated
- 2 \$50,000 - \$100,000 6 \$250,001 - \$300,000 10 \$450,001 - \$500,000
- 3 \$100,001 - \$150,000 7 \$300,001 - \$350,000 11 Over \$500,000
- 4 \$150,001 - \$200,000 8 \$350,001 - \$400,000 12 None

[53] Length of time working in private sector

- 1 0 - 5 years 2 6 - 10 years 3 11 - 15 years 4 Over 16 years

[54] Type of media

- 1 Radio 3 Newspaper 5 Talkshow host 7 Internet based
- 2 TV 4 Magazine 6 DJ
- 8 Other: _____

[55] Length of time working in media

- 1 0 - 5 years 2 6 - 10 years 3 11 - 15 years 4 Over 16 years

IDENTIFICATION INFORMATION

[56] Country 1 Antigua and Barbuda 2 Dominica

[57] Date of interview _____

[58] Start time _____

ANNEX 5 PRESS CLIPPINGS

Antigua to benefit from risk management project

Tuesday September 12 2006, Antigua Sun

Antigua & Barbuda will be one of the stops in the latest regional collaborative effort between the Organisation of Eastern Caribbean States (OECS) Secretariat and the United States Agency for International Development (USAID) to assist OECS member states in disaster risk management.

The two organisations will host three consecutive training workshops in September to improve the ability of national governments and other relevant institutions to benchmark their country's natural disaster risk, through the use of a self-administered tool, the Disaster Risk Management Benchmarking Tool (DRMBT).

The workshops will be held in Dominica, St. Vincent and the Grenadines and Antigua and Barbuda during the period 14 – 22 Sept.

These three member states, which are part of a pilot, will be introduced to the tool and its applications. The training sessions will also provide member states with the opportunity to assist the resource team with refining and finalising the instrument to ensure greater national relevance.

Each workshop will be held over a period of two days with the first in Dominica on 14 and 15 September.

Participants for the workshops will be drawn from national disaster offices, public agencies, private sector organizations and civil society.

The organisations anticipate that by the end of the workshops, the B-tool would have stimulated considerable discussions and would have also succeeded in a significant test drive that would inform its improvement and in-country institutionalisation.

As part of the agenda for the two-day workshop, a half-day policy session will be held on the morning of day two with ministers and permanent secretaries in each of the three pilot countries, in which USAID and the OECS Secretariat will advance the usefulness and benefits of the B-tool in an effort to gather high-level support for and national endorsement of the tool.

In this session, resource persons will also present on the topic "Issues and Challenges in Disaster Management in the Caribbean".

The long-term plan of the joint Disaster Risk Agenda between the OECS and the USAID is to assist governments to proactively plan and implement significant actions that would reduce their vulnerability to natural disasters and create greater economic resilience. The B-tool has therefore been developed as part of a broader commitment to achieve sustained growth through the development and implementation of meaningful plans to reduce the disaster risk profile of Caribbean countries.

With the application of B-tool, countries will be better able to manage disaster risk, and ultimately lessen the impact of natural hazards and related environmental and technological disasters.

continue under the lead of the Ministry of Labour and Social Security.

The two-day protest, which started on Thursday forced public hospitals to scale down operations as nurses stayed off the job to press their demands for improved salaries.

Corruption trial against former government minister adjourned

PARAMARIBO, Suriname (CMC) – A court last Friday adjourned the trial of former public works minister Dewanand Balesar, who has been indicted on fraud and corruption charges.

The court put off the trial until 25 Oct., following a request from the accused lawyer, Irvin Kanhai for more time to prepare his case. Balesar is charged for awarding more than 30 fraudulent contracts to friends, family and party loyalists totalling about US\$36,000.

According to court documents Balesar had also ordered employees from his department to do construction, renovations and electrification jobs at his private home. The bills for these jobs were paid through fraudulent invoices by the Ministry of Public Works.

Dominica moving to protect intellectual property rights

ROSEAU, Dominica (CMC) – Dominica hosted a workshop earlier this week as part of efforts to develop a regime to protect intellectual property rights.

The workshop, held last Thursday, targeted customs and police officers and was conducted by officials from the World Intellectual Property Organisation (WIPO) in cooperation with USAID and the government of Dominica.

Mission director for USAID in Jamaica and the Caribbean Karen Turner told the opening ceremony that the time is ripe for Dominica to protect its intellectual property rights.

"Protection of intellectual property rights is essential to support Dominica's businesses particularly in areas where Dominica has unique competitive advantage," Turner said.

Protect Intellectual Property

Attorney General and Minister for Legal Affairs and Immigration, Ian Douglas has described as "timely" the convening of a workshop on Intellectual Property Rights and Enforcement which took place here last week.

The Attorney General was at the time delivering an address at a workshop on Intellectual Property Rights, for Police and Custom

Officials organised by the World Intellectual Property Organisation (WIPO) in collaboration with the Government of Dominica, the United States Agency for International Development (USAID) and the Organisation of Eastern Caribbean States.

The Dominica Government's top legal adviser said the holding of the workshop at this time was timely due to rapid changes

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Protect Intellectual Property

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in technology. "At a time that the world that we live in has become globalised, and in the advent of information technology which has changed not only the traditional forms of doing business, but it has enabled basic human transactions to become more sophisticated; the emergence of trading blocs and economic unions have opened up new markets and made available a vast array of goods and services capable of being traded electronically, facilitating transactions from one end of the globe to the next," Douglas said.

Douglas explained further, that due to these new global realities, "the area of and topic of Intellectual Property is so pertinent today". The AG impressed upon the Police and Customs officials present, of the need for them as enforcement and judicial officers to understand the various facets and numerous issues involved in the administration of Intellectual

Property.

He also spoke of the assistance Dominica has been receiving from WIPO and elaborated on the benefits to Dominica and the Region of this new project. "This Project is aimed at creating the conditions for development, protection of ownership, management and use of intellectual property assets in the Caribbean region, fostering technological innovation and knowledge-based enterprises as well as a cultural industry.

"The project is expected to support ongoing regional initiatives for economic development contributing to the value of their intangible assets, including human resource and intellectual property," he said.

According to him, it is also expected to promote technology transfer, strengthen regional research and development initiatives, encourage funding of innovation and creativity and promote an intellectual property culture throughout the Caribbean region.

Douglas also made



ATTORNEY GENERAL IAN DOUGLAS WITH ONE OF THE FACILITATORS.

reference to recommendations coming out of a meeting of Heads of Intellectual Property (IP) offices of the Caribbean in Suriname in June of 2002. One of the recommendations submitted by the Heads to their Ministers was for their ministers to request WIPO to conduct a needs assessment for the Caribbean offices which are in the process of establishing separate IP offices.

"The needs assessment for Dominica was conducted on January 9th 2003. The assessment con-

cluded that there must be resources assigned especially to deal with IP issues both legal and administrative, especially bearing in mind that the potential for generating national revenues is very significant. Patent registration and other areas of intellectual property can become significant revenue generating areas for government, once properly established and managed with the necessary support mechanism," he stated.

Disaster Mitigation Mulled At Two-Day Session

By Colin James

Sub-regional disaster planners and policy makers are meeting here to set benchmarks to help reduce the impact of natural hazards and come up with accurate assessments.

A two-day workshop, organised by the Organisation of Eastern Caribbean States

(OECS) and funded by the United States Agency for International Development (USAID) through its Caribbean Open Trade Support (COTS) programme, concluded Friday.

Thursday's day session was for participants from national disaster offices, public agencies, private sector organisations and civil society

to dialogue on "how to improve the ability of national governments and other relevant institutions to benchmark their country's natural disaster risk."

Policy makers held a half-day session Friday to advance the "usefulness and benefits of the B-tool in an effort to gather high-level support for and national endorse-

ment of the tool."

David Popo of the OECS Secretariat said disaster mitigation and management is still not a culture among the sub-region after several years' damages caused by hurricanes, earthquakes and flooding.

"We still have not really engendered the culture of risk reduction with respect to dis-

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asters," Popo said. "In furtherance of that, we need to ensure that the countries integrate disaster management and risk strategy into the wider development planning processes. Managing risk is still seen as a government thing."

Philmore Mullen, deputy director of the National Office of Disaster

Services (NODS) said the B-tool "is ideal because it puts (countries) in a position where (they) can monitor in some shape or form natural disasters."

He said the tool is also important if countries "are going to chart a new course in sustainable development."