

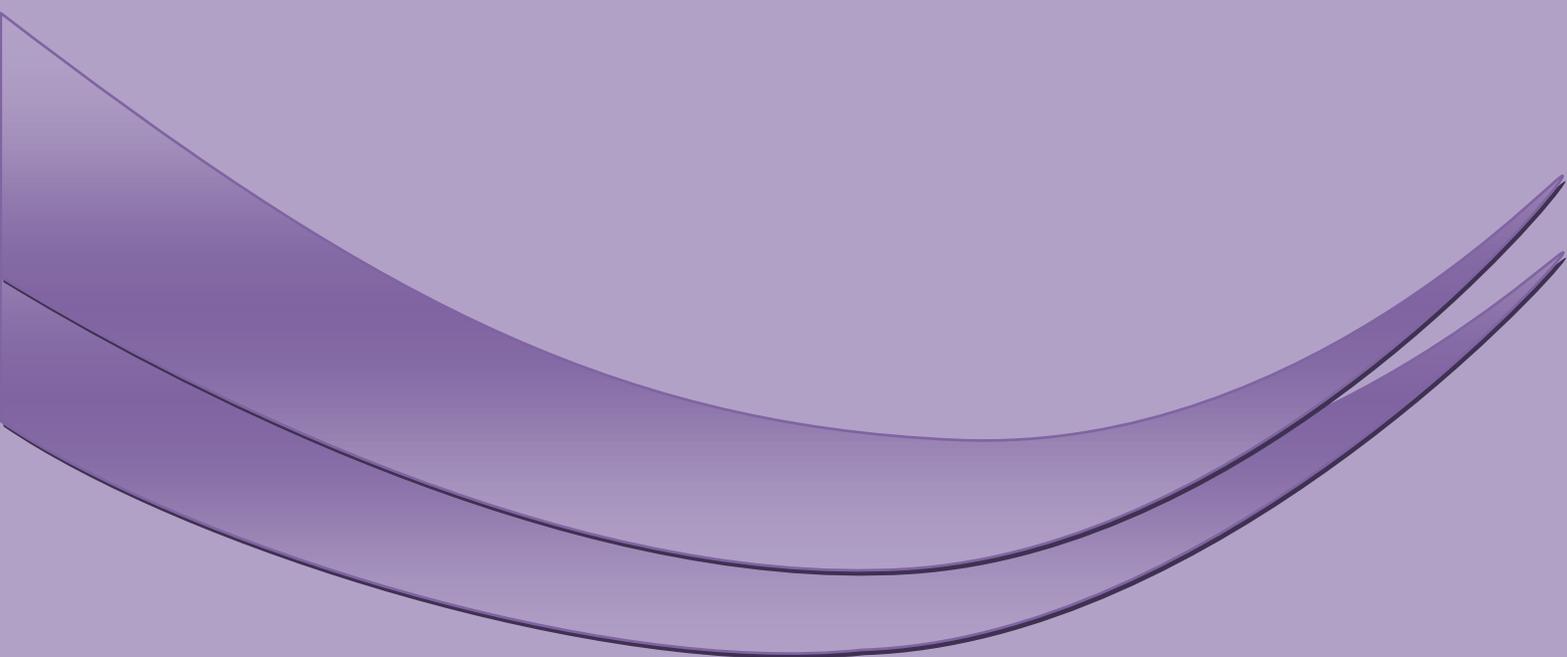
# Federation of Saint Kitts and Nevis



## NATIONAL POVERTY REDUCTION STRATEGY

(2012-2016)

### VOLUME ONE: THE STRATEGY



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**FEDERATION OF SAINT KITTS AND NEVIS**

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## Acronyms and Abbreviations

AVEC	-	Advanced Vocational Educational Centre
BFC	-	Basseterre Fisheries Complex
BNTF	-	Basic Needs Trust Fund
CARICOM	-	Caribbean Community
CDM	-	Comprehensive Disaster Management
CSME	-	CARICOM Single Market and Economy
CAREC	-	Caribbean Epidemiology Centre
CBI	-	Caribbean Basin Initiative
CCA	-	Climate Change Adaptation
CDB	-	Caribbean Development Bank
CCHII	-	Caribbean Cooperation in Health Initiative, Phase II
CIDA	-	Canadian International Development Agency
CPA(s)	-	Country Poverty Assessment(s)
CSEC	-	Caribbean Secondary Education Certificate
CSEP	-	Caribbean Sustainable Energy Programme
CSWs	-	Commercial Sex Workers
DARE	-	Drug Awareness and Resistance Education
DBSKN	-	Development Bank of Saint Kitts and Nevis
DRR	-	Disaster Risk Reduction
EC	-	Eastern Caribbean

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## Acronyms and Abbreviations

ECCB	-	Eastern Caribbean Central Bank
ECCU	-	Eastern Caribbean Currency Union
EDF	-	European Development Fund
EIMAS	-	Environmental Information Management Advisory System
EPA	-	Economic Partnership Agreement
EU	-	European Union
Ex-Im	-	United States Government's Export Import
FAO	-	United Nation Food and Agriculture Organisation
FATF	-	Financial Action Task Force
FSWs	-	Female Sex Workers
FND	-	Foundation for National Development
GDP	-	Gross Domestic Product
GIS	-	Geographic Information System
GNP	-	Gross National Product
GSKN	-	Government of Saint Kitts and Nevis
GTZ	-	German Institute for Technical Corporation (Deutsche Gesellschaft für Technische Zusammenarbeit)
HACCP	-	Hazard Analysis and Critical Control Points
HDI	-	Human Development Index
HDR	-	Human Development Report

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## Acronyms and Abbreviations

HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HMP	-	Her Majesty's Prison
ISO	-	International Organisation of Standardisation
IA	-	Institutional Assessment
ICT4EDC	-	Information and Communication Technology for Education, Diversification and Competitiveness
ICTs	-	Information and Communications Technologies
IICA	-	Inter-American Institute for Co-operation and Agriculture
ILO	-	International Labour Organisation
IMF	-	International Monetary Fund
ISCED	-	International Standard Classification of Education
LFS	-	Labour Force Survey
MDGs	-	Millennium Development Goals
MfDR	-	Management for Development Results
MoF	-	Ministry of Finance
MIC	-	Ministry of Industry and Commerce
MNS	-	Ministry of National Security
MOE	-	Ministry of Education
MOH	-	Ministry of Health
MoSD	-	Ministry of Sustainable Development

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## Acronyms and Abbreviations

MSWs	-	Men Who Have Sex with Men
MW	-	Megawatt
MIS	-	Management Information System
MSMs	-	Men Who Have Sex With Men
MCDCGA	-	Ministry of Social Services, Community Development & Gender Affairs
MPWH	-	Ministry of Public Works and Housing
MYESIT	-	<i>Ministry of Youth Empowerment, Sports, Information Technology</i>
NAFTA	-	North American Free Trade Agreement
NAS	-	National Adaptation Strategy
NDMA	-	Nevis Disaster Management Agency
NEDD	-	National Entrepreneurial Development Division
NEMA	-	National Emergency Management Agency
NIA	-	Nevis Island Administration
NHC	-	National Housing Corporation
NHLDC	-	Nevis Housing and Land Development Corporation
NHP	-	National Health Plan
NPDP	-	National Physical Development Plan (NPDP)
NPRS	-	Saint Kitts and Nevis National Poverty Reduction Strategy
OAS	-	Organisation of American States
OECD	-	Organisation for Economic Co-operation and Development



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## Acronyms and Abbreviations

OECS	-	Organisation of Eastern Caribbean States
PAHO	-	Pan American Health Organisation
PDV Caribe	-	Petrocaribe
PLHIV/AIDS	-	People Living with HIV/AIDS
PMO	-	Prime Minister's Office
PPA	-	Participatory Poverty Assessment
PSIA	-	Poverty and Social Impact Assessment
PSIP	-	Public Sector Investment Programme
PWDs	-	Persons with Disabilities
R&D	-	Research and Development
RSS	-	Regional Security System
SALW	-	Small Ammunitions and Light Weapons
SEDU	-	Small Enterprise Development Unit
SEU	-	Special Education Unit
SIDS	-	Small Island Developing State
SIRMM	-	Sustainable Island Resources Management Mechanism
SIRMZP	-	Sustainable Island Resource Management Zoning Plan
SKIPA	-	Saint Kitts Investment Promotion Agency (SKIPA)
SLC	-	Survey of Living Conditions
SLDI	-	Special Land Distribution Initiative

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## Acronyms and Abbreviations

SMEs	-	Small and Medium-Sized Enterprises
SPMIS	-	Social Protection Management Information System
SSB	-	Social Security Board
SSS	-	Social Security Scheme
STIs	-	Sexually Transmitted Infections
TVET	-	Technical and Vocational Education and Training
UK	-	United Kingdom
UN	-	United Nations
UNCCD	-	United Nations Convention to Combat Desertification
UNDP	-	United Nations Development Programme
UNECLAC	-	United Nations Economic Commission for Latin America and the Caribbean
UNICEF	-	United Nations International Children's Emergency Fund
UNODC	-	United Nations Office on Drugs and Crime
UNWTO	-	United Nations World Tourism Organisation
UPR	-	Universal Periodic Review
US	-	United States
USA	-	United States of America
USAID	-	United States Agency for International Development

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## Acronyms and Abbreviations

VAT	-	Value-added Tax
VCT	-	Voluntary Counselling and Testing
WIP	-	West Indies Power
WHO	-	World Health Organisation
WTO	-	World Trade Organisation

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# 1 Introduction

The Saint Kitts and Nevis National Poverty Reduction Strategy (NPRS) outlines the macro-economic and social policies and programmes that will be pursued over the next five years (2011 – 2015) to promote transformation, reduce poverty and improve overall living conditions. In that regard, the point of departure of the strategy is that poverty reduction cannot focus narrowly on the specific conditions of the poor, but has to address the wider economic and social conditions that trap sections of the population in poverty or vulnerability in the first place.

The Strategy has been inspired also by the commitment that the country has made in respect of the attainment of the Millennium Development Goals (MDGs), and as well in the adoption of a number of conventions to which the Government has signed up to in keeping with the objective of abiding by standards set by the international community. In respect of the MDGs, the country is committed to the specific goals agreed to for the Caribbean which are more demanding than the international MDGs: thus, universal secondary education is the objective in the Caribbean, given that universal primary level education was achieved by the middle of the second half of the 20<sup>th</sup> century.

This policy document was developed in a participatory process in which a wide cross-section of stakeholders was involved in both islands. The NPRS proposes poverty reduction targets for the short, medium and long terms, identifies indicators and details annual and intermediate targets. It seeks also to identify the resources to be mobilised to achieve the desired results. The financing needs and possible sources thereof are documented.

The NPRS provides a framework within which the Government, development partners and other stakeholders within the country (civil society, the private sector, local authorities), can collaborate tangibly, and, at the very least, can establish how their respective roles and function can contribute to the reduction of poverty in this very small country which seeks to provide a high quality of life to its citizens in this part of the global village. The NPRS seeks to be comprehensive in focus and integrating in thrust.



## Background and Context

The NPRS has to be seen against the backdrop of realities of the early 21<sup>st</sup> century and the challenges that it has posed for a Small Island Developing State (SIDS) like Saint Kitts and Nevis. Based on the development that had taken place in the last quarter of the 20<sup>th</sup> century, Saint Kitts and Nevis seemed well set then, to pursue a path to successful transformation in the early 21<sup>st</sup> century. The country seems, however, to face a grand conjuncture of forces at the present time, which dictate a paradigm shift in the development strategy that has been pursued successfully for the past three decades.

Indeed, the global recession that occurred in 2008/2009 which has been the most severe since the Great Depression of the 1930s may well turn out to be a watershed in the economic and social history of Saint Kitts and Nevis. The stark requirement for the repositioning of the country into the international economy has been brought into clearer relief. The quality of life of the population and any possibility for poverty reduction, are conditioned by the capacity of Saint Kitts and Nevis to make a successful transition to a new framework in its participation in the international economy.

## Historical Backdrop

The present crisis is likely to be as momentous as other critical periods in the country's history. Emancipation in the 19<sup>th</sup> century represented an important way station for Saint Kitts and Nevis. However, as the archetype plantation economy, when slavery ended, the lot of the new citizenry might have shown little real change. The ex-slaves remained riveted to the total institution that was this plantation economy, especially on Saint Kitts: the ex-slaves were emancipated but remained unfree (Frucht, 1977)<sup>1</sup>. Escape from the poverty in which they were left was possible only through emigration, the propensity for which dates back to this early period in the country's history.

Resistance and conflict on the plantation came to a head in the late 1930s, as happened everywhere else in the then British Caribbean. The riots of the 1930s that gripped the Caribbean almost exactly 100 years after the end of formal slavery were to mark the end of an era. The Moyne Commission Report allowed for official recognition of the fact that the plantation economy had failed to provide an acceptable quality of life to the population. It was also the first coherent frame of reference in treating with poverty in the Region. It interpreted official anti-poverty interventions largely in terms more characteristic of 19<sup>th</sup> century Britain. Pro-poor measures were about providing the minimum to paupers.

However, the continuing decline of the sugarcane industry and the rise of formal labour unions, in turn gave birth to political party structure. The decolonisation process had started and held some excitement for the population, hankering for a West Indian Nation. The attempt at West Indian Federation having failed, however, the country evolved to self-government. One of the member units, Anguilla, was to secede, leaving the two other islands eventually to accede to political independence in 1983 as a Federation. The lesson that came from the break-up of the

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<sup>1</sup> Frucht, R., "From Slavery to Unfreedom in the Plantation Society of Saint Kitts, W.I.," *Annals of New York Academy of Sciences*, Vol. 292, 1977.



three island state might have been the need for multi-island states to ensure balanced development among the various entities.

The acquisition of the sugar estates by the Government in 1975 might have been one of the other more significant events, as the population came to exercise greater control over the running of its affairs under self-government. The control of the sugar industry with the formal departure of both absentee and resident owners of the largest tract of land on the small island would have had major import on the socio-psychological frame of the population. This might also explain the challenge facing any Government of Saint Kitts and Nevis (GSKN) in the treatment of the ex-sugar lands as mere real estate.<sup>2</sup> The country settled down to a transformation path embracing the tenets of the Lewis strategy of export-oriented light manufacturing and tourism, and later financial services, especially in Nevis, with sugarcane production continuing in a monocultural mode.<sup>3</sup>

The light manufacturing sector benefitted from the Caribbean Basin Initiative (CBI) of the United States (US) Government which was a preferential agreement under which Saint Kitts and Nevis could secure expanded employment and foreign exchange earnings, from manufactured exports.<sup>4</sup> Large numbers of women benefitted from this new sector, and together, tourism and light manufacturing created a range of jobs outside of traditional agriculture. Indeed, in the last two decades of the 20<sup>th</sup> century, Saint Kitts and Nevis had to rely on imported labour to maintain sugarcane production.

The early years of independence were marked with considerable progress on the economic front. Although political power was closely contested and there was a period of some instability, and then the threat of secession on the part of Nevis, the country settled to a more regular and sedate political contest, with elections every five years, and at least two parties on each island vying for the support of the electorate. The present political party in power in Saint Kitts has its roots in the Labour Movement, which was in the forefront in the push to secure political control on the part of the mass base of the country in the running of their affairs.

The 1990s were a testing period for the economy of Saint Kitts and Nevis. The Light Manufacturing Sector came under pressure as the US and Canada embraced Mexico in the North American Free Trade Area (NAFTA). The maquiladora plants especially in the north of Mexico could deliver almost in real time to any state in the US far more cheaply than all of the Caribbean States given the relatively vast reservoir of cheap labour in Mexico. Since then, the manufacturing sector in Saint Kitts and Nevis has faced far more competitive conditions, in which the CBI no longer provides it as privileged a position in exports to the US.

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<sup>2</sup>The fact of ownership by the Government on behalf of the citizens of the country and the descendants of the workers as slaves, and then as unfree labour, vests these lands with an importance much beyond monetary consideration of real estate in the body politic of Saint Kitts and Nevis. This might explain the apparent hesitation of the Government in embarking on the whole sale alienation of lands, even though this might ease its budgetary constraints. Sale of ex-sugar lands to rich foreigners would create risks to the popularity of any Government of Saint Kitts and Nevis.

<sup>3</sup>Lewis, W.A., 1950. The Industrialisation of the British West Indies. Caribbean Economic Review, Volume 2, p1-39.

<sup>4</sup>One of the aims of the Caribbean Basin Initiative launched in 1983, was to contain the influence of radical socialist regimes in the region at the time, by facilitating economic development and export diversification of the economies of the Caribbean, both in the islands and in Caribbean littoral of the American continent.



The tourism sector has grown as well, but has had to contend with the widening of competition from other Caribbean countries as well as from new players in the exotic market elsewhere in the world – Southern Africa, with the end of apartheid, and such countries as the Maldives, Mauritius, the Seychelles and in South East Asia – Bali, etcetera. The sugar industry, meanwhile faced the challenge of reduced protection on the one hand, from the Sugar Protocol of the Lome and from the push to dominance of some of the most efficient producers – Australia, Guatemala and Brazil or the Cairns Group – with which Saint Kitts and Nevis could not compete. Hardly able to break-even, the industry created a mountain of debt for the Government which eventually proved unsustainable, forced the closure of the industry in 2005.

No sooner had the country embarked on the stimulation of an offshore financial services sector and started to see some positive results, that it was faced with a challenge from the Organisation for Economic Cooperation and Development (OECD). The member states of the OECD accused Saint Kitts and Nevis and other Caribbean Governments of creating a safe haven for some of their nationals involved in tax evasion, and money laundering, and later for persons involved in other underground activity, like international terrorism, sale of illegal arms and use of mercenaries.

The Financial Action Task Force (FATF) was established by the Advanced Countries in 1989, and by 1990s had developed standards by which to assess the financial system of countries to establish their capacity to detect money laundering and use of poorly regulated financial systems in concealing illegal gains. Saint Kitts and Nevis was required to upgrade its legislation and was, for awhile, deemed to be a ‘non-cooperative state’ which meant that it was likely to be targeted by the OECD countries with specific sanctions, which would have been costly to its development. In the wake of the more recent global financial crisis, there have been calls for further tightening up of the regulations relating to off-shore financial centres, with measures that now cast doubt on the potential benefits that can be derived by a country like Saint Kitts and Nevis.

The 1990s were a period of considerable challenge therefore as the country sought to continue on the transformation trajectory that it had followed since self-government. Another serious difficulty emanated from the environment. Saint Kitts and Nevis was victim to at least three hurricanes that wrought substantial damage on its infrastructure in the 1990s. The experience in the first decade of the 21<sup>st</sup> century suggests that climate change is already part of its reality, and the storms and hurricanes seem to be more frequent and more ferocious. The country has suffered considerable infrastructure damage from hurricanes in the last twenty years.

A long established feature of its economic and social life has been international migration. As indicated earlier, the high propensity to migrate dates back to the 19<sup>th</sup> century following emancipation. The North Atlantic and the British and American dependencies in the Caribbean have been the more important destinations of its migrants. These migrants have been the source of remittance income to Saint Kitts and Nevis which has not been inconsequential. However, with the severe recession in the North Atlantic, remittance income has fallen and some of the migrants have had to return to Saint Kitts and Nevis.

In the first half of the 20<sup>th</sup> century, there were substantial flows to Curacao and Aruba, and to the Dominican Republic, following the engagement of large numbers in the construction of the Panama Canal and then in the expansion of the sugar industry of Cuba after the Cuban War of Independence from Spain. The flows to the Dominican Republic have resulted in a type of return



migration as the descendants of these earlier migrants seek to enter Saint Kitts and Nevis where they enjoy certain rights as children or grandchildren of Kittitians and Nevisians in these earlier outflows. There are now some important settlements in both Saint Kitts and in Nevis, where there are significant numbers of Dominicanos.

The fact that Saint Kitts and Nevis has performed much better economically than some of its neighbours, especially in the Windward Islands, has made it a destination of considerable importance within the Region. Saint Vincent and then Guyana were the source for much of the labour in the sugar industry in the final years of its existence. With the economic downturn including in Saint Kitts and Nevis itself, only some of the migrants have returned to their country of origin. At the very least, it is well established that the family in Saint Kitts and Nevis is part of the wider network that transcends international boundaries. Indeed, there have been institutionalised arrangements to maintain and encourage links between the country and the Diaspora.

Another feature of the recent economic history of the country has been the growth of the regional movement. Saint Kitts and Nevis is a member of Caribbean Community (CARICOM) which is engaged in further deepening into CARICOM Single Market and Economy (CSME). Much deeper and more immediate have been the links being formed at the sub-regional level through the OECS which is destined to create an economic and political union among these countries.

Saint Kitts and Nevis is host to the headquarters for the Eastern Caribbean Central Bank (ECCB) which coordinates monetary policy for all the member states. The countries have accepted the freeing up of movement among member states as one of the goals as well as free movement of capital. There is also a number of areas of functional cooperation including representation abroad.

The country has benefitted from assistance from the international community in a variety of ways. Although its higher per capita income puts certain kinds of assistance outside of its reach, there is recognition that its internal resources are inadequate in dealing with a host of problems. There has been long standing assistance from the European Union (EU) dating back to the Lomé and Cotonou Agreements. The Economic Partnership Agreement (EPA) is the most recent instrument of cooperation and assistance between the EU and the Federation.

The mechanisms of trade adjustment following the closure of the sugar industry have been an area of focus with technical assistance and technical reports financed by the EU. Some of the resources for retraining of ex-sugar workers and for their initiation into other activity were provided by the EU. The development of a plan to arrest crime and violence that has wracked the society, has received support from the EU as well as from the US and Canada. The Government of China on Taiwan has contributed in the area of agriculture including agro-tourism and Information and Communications Technologies (ICTs), in particular. The Government of Venezuela has assisted in dealing with the escalation in the price of oil, through the Petro-Caribe Initiative. In the final analysis, the quantum of resources needed for trade adjustment and for economic reorganisation has dwarfed what the Government can secure from internal resources. Much has depended on external assistance, therefore.



## Social Development

The country has made considerable strides since universal suffrage made local officials accountable to the resident population. Given the trade union base of its earliest political party formation, it was inevitable that the provision of some minimum level of social protection would have been high on the agenda. The investment in education and health ensured basic services to the population: universal primary level enrolment was quickly achieved and access to primary health was secured with the establishment of health centres across the two islands. Social demand took the country readily to the goal of universal secondary education, and Saint Kitts and Nevis was one of the first across the region to approximate that goal.

The country has experienced declining infant and maternal mortality rates, and life expectancy is increasing and is over 68 years for men. Although no data are available in respect of its performance on the Human Development Index (HDI) for 2010, it would rank among the top countries in Latin America and the Caribbean which were at 0.706 compared to a World Average of 0.624: it would have placed just below Antigua and Barbuda which was ranked 47<sup>th</sup> in the world in 2007.

The country is a signatory to a number of conventions and accepts certain commitments made among international society. It seeks to achieve the MDGs, and has conducted two poverty assessments over a ten year period to monitor its performance in poverty reduction. Through its Labour Department, it seeks to ensure observance of the main conventions of the International Labour Organisation (ILO).

Educational upgrading is one of the major planks in the economic and social strategy of the country. The Government continues to invest in education and training for the population at large. Following on the universalisation of secondary education, attention has been paid to Early Childhood Education. The Government has also decided to improve access to tertiary education, and the Fitzroy Bryant Community College is to be upgraded to secure university status.

In respect of the ex-sugar workers, it has sought to put in place a range of opportunities to allow them to transition to a new economic and social existence. Indeed, the Government could not be faulted in this aspect of the approach to trade and structural adjustment.

There is also a clear commitment to embrace the use of ICTs across the entire spectrum of economic and social life in the county. Computers are being made accessible within the school system with the goal of having each student equipped with a lap-top. It is expected that through this measure, parents and other persons in the home will become computer literate as well.

There is a wide panoply of agencies that have been established to treat with the delivery of social services. In that regard, the country is well provided with agencies. However, there are problems of coordination and evidence has surfaced of potential clients of the system who are not included and use of some services by persons who may not be in need, and this in a situation of resource constraints.



## Societal Challenges

Saint Kitts and Nevis is a signatory to the Rights of the Child, and was one of the first countries to ratify the Convention. However, as is the case with many other Caribbean countries child abuse is a growing trend: a significant factor in this is the high prevalence of adolescent pregnancies. Although there has been enacted the Probation and Child Welfare Board Act, 1994, there is need for amendments to the Act to correct for certain deficiencies, according to a recent report done for United Nations International Children's Emergency Fund (UNICEF) (Sealy-Burke, 2007).<sup>5</sup> The country is receiving the support of UNICEF in this regard.

Another area critical to social development is the disaster risk management. Citizens of the country are becoming aware of the increasing vulnerability posed by global climate change. The evidence is very much in the public domain with high visibility of the erosion of the coast line in a number of locations, let alone the disasters that have struck over the last few years.

Saint Kitts and Nevis is a tourism-driven economy. In recent years, there has been a decline in personal security with the escalation in crime and violence. The return of deportees from the United States, many of whom might have been incarcerated for drug-related offences in the first place, has added to the strain on the security services. The country has witnessed the formation of gangs most of which are involved in the narcotics trade: these are patterned after the Bloods and Crips in the US, and are distinguished by the colours which they use. The gangs have extended their reach into secondary schools and there have been cases of student arrests for weapons and drugs, let alone violent fights in and between schools. Violence in schools is now a reality.

The decline in the security situation in the country poses a threat to the tourism industry let alone the impact on the rest of the economy and on the quality of life of the citizenry. The country has had to develop a formal crime plan and, in respect of the 10<sup>th</sup> programme under the European Development Fund, a substantial percentage of the assistance being requested has been allocated to addressing the issue of crime and violence and for strengthening the security services of the Federation.<sup>6</sup>

As elsewhere in the Caribbean Region, the Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) surfaced, creating a crisis in the Federation, with a prevalence that has made the Caribbean second only to Sub-Saharan Africa in terms of infection rates. The tourism-driven economies were the first to be impacted, which suggests that sex tourism might have been the initial conduit for the disease. Since its entree into the society, it has spread much beyond groups engaged in transactional sex.<sup>7</sup> The country is not yet on track for halving the number of new cases of HIV/AIDS, which is one of the goals in the MDGs.

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<sup>5</sup> Sealy-Burke, J., 2007. The Status of Child Protection in Saint Kitts/Nevis: the Need for a National Reporting Protocol, UNICEF, Barbados. [http://www.unicef.org/barbados/cao\\_unicefeco\\_child\\_protection\\_Skn.pdf](http://www.unicef.org/barbados/cao_unicefeco_child_protection_Skn.pdf).

<sup>6</sup> European Community, 2008. Country Strategy Paper and National Indicative Programme for the period 2008 – 2013 (10<sup>th</sup> EDF): Annex – Saint Kitts and Nevis.

<sup>7</sup> Caribbean Group for Cooperation in Economic Development, 2000. HIV/AIDS in the Caribbean: Issues and Options – A Background Report No 20491-LAC. Human Development Sector Management Unit, Latin America and the Caribbean Region of the World Bank. Website source: <http://www.un.org/works/goingon/HIVAIDSCaribbean.pdf>.



Saint Kitts and Nevis has had to rely on global and regional networks in the development of approaches to contain the spread of the disease and to provide support to Persons Living with HIV/AIDS (PWAs). However, with the weakening of support among the donor community, there is likely to be a drying up of funding from external sources for PWAs, with the local health authorities lacking the resources to take up the slack.

The NPRS builds on initiatives already outlined in recent annual budgets, and on such significant planning documents as the National Indicative Programme of the 10<sup>th</sup> European Development Fund (EDF), and the Adaptation Strategy that was developed by the Government in the wake of the closure of the Sugar Industry.<sup>8</sup> This latter has been one of the most comprehensive documents prepared in recent times, and recognises the place that the sugar industry once held in the economic and social functioning of the society.

### **Performance on MDGs**

The country is firmly committed to the achievement of the MDGs, and the agreement of the Government to the conduct of poverty studies within less than a decade of each other, and its involvement in poverty reduction measures, are testimony to a commitment to evidence-based policy-making. In spite of the fiscal crisis, and the recent down-turn in macro-economic performance, there has been an effort on the part of critical stakeholders to maintain a pro-poor trajectory in the various measures that the Government has had to take. Box 1.1 suggests a good record in respect of the thrust on the MDGs. In the final analysis, however, it is the capacity to grow the economy that would yield most of the resources required for poverty reduction and for advancing to achieve all the goals identified in the MDGs.

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<sup>8</sup> Government of Saint Kitts and Nevis, 2006. Adaptation Strategy in Response to the New EU Sugar Regime: 2006-2013, Ministry of Sustainable Development.

**Box 1.1: Saint Kitts and Nevis Progress Towards Millennium Development Goals**

Millennium Development Goals	Status		
	1990-2000	2001-2005	2006-2011
Goal 1: Eradicate Extreme Poverty and Hunger	In 1999/2000 the poverty gap ratio was 8.2	CPA (2001): the national poverty (household) rate was 16 %, national (individual) indigence rate was 11%.	CPA (2008): the national poverty (household) rate was 13.5%, national (individual) indigence rate was 1%; Poverty gap Index: 6.41% Saint Kitts, 2.72% Nevis; Poverty Severity- 2.59% Saint Kitts, 0.77% Nevis.
Goal 2: Achieve Universal Education	No data available	CPA (2001): 57.1% of the poor had no form of educational certification	CPA (2008): 39.2% of individuals had low educational attainment*, 9% of children had no schooling**, 17.4% of labour force had attained only primary level education while 59.7% had only completed secondary level education; 97.7 % of persons aged 15-24 years old functionally literate
Goal 3: Promote Gender Equality and Empower Women	In 1999/2000, the Gender Parity index*** in primary level enrolment was 1.04 (High level of Equality); in secondary level enrolment, the GPI was 1.02; 47.1 % of women employed in non-agriculture sectors	In 2005, the GPI in primary enrolment was 1.09, and in secondary enrolment, 0.98;	In 2010, 6.7% (1 seat out of 15) in Saint Kitts and Nevis' Parliament is held by a woman; Only three women have been elected to parliament over the last three decades****
Goal 4: Reduce Child Mortality	In 1990: there were 26 under five mortalities; In 1995: 25 under five mortalities	In 2001: there were 21 under five mortalities; 99 % of one year olds had been immunised against measles.	In 2006: there were 19 under-five mortalities (both sexes); 7.8% of infants died by their first birthday, 4.6% died after their first birthday; 99 % of one year olds had been immunised against measles.
Goal 5: Improve Maternal Health	99.4% of live births attended by trained health personnel; In 1990: 81 adolescent births (per 1000 women)	99.4% of live births attended by trained health personnel; In 2001, 68 adolescent births (per 1000 women)	100% of live births attended by trained health personnel;



Millennium Development Goals	Status		
	1990-2000	2001-2005	2006-2011
Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases	In 1999: 13 Tuberculosis cases per 100,000 persons detected	In 2001: 19 Tuberculosis cases per 100,000 persons detected	In 2009: 3.4 Tuberculosis cases per 100,000 persons detected
Goal 7: Ensure Environmental Sustainability	Proportion of marine areas protected:77%, proportion of land area covered by forest: 14.7%	Proportion of marine areas protected:77%; 2.57 metric tons of carbon dioxide produced per capita (2004). ; 14.7 percent of land area is covered by forest (2005); Energy consumption is reportedly 847 kg per capita of oil equivalents per capita. Source: <a href="http://globalis.gvu.unu.edu/country.cfm?country=KN">http://globalis.gvu.unu.edu/country.cfm?country=KN</a>	Proportion of marine areas protected:77%; 8% of individuals relied on pit latrines; 96.8% of individuals had access to safe drinking water piped from a public source; Excessive silt from erosion is deposited into the sea, contributing to negative effects on the sea grass beds, coral reefs and other spawning grounds in the marine environs; 14.7 percent of land area is covered by forest. Source: <a href="http://www.unccd.int/cop/reports/lac/national/2000/saint_kitts_and_nevis-summary-eng.pdf">http://www.unccd.int/cop/reports/lac/national/2000/saint_kitts_and_nevis-summary-eng.pdf</a>
Goal 8: Promote a Global Partnership for Development			
Goal +: Fight the Scourge of Crime and Violence			CPA 2008- 17.4% Very Satisfied with handling of crime by Police, 37.5 % satisfied and 33.9 % Very Dissatisfied

Source: Various Reports



Notwithstanding its present difficulties, following in the wake of a ballooning of debt and fiscal problems, and a global recession that has been unprecedented in the living memory of most of its citizens, the country remains a middle income country capable of ensuring a reasonable quality of life for most of its citizenry. Indeed, on some key indicators, it has performed creditably. However, like the other countries of the region, and the smallest at that, there is a conjuncture of forces that may require a paradigm shift in its strategy. In that regard, since poverty reduction is not so much about the provision of transfers but rather about economic viability and social capacity, the country is forced to examine economic strategy as an essential to transformation, and thus to the improvement of the life chances of the citizenry and moreso, the poor among them.

### **Approach to the Development of the Strategy**

The second Saint Kitts and Nevis Country Poverty Assessment (CPA) was conducted in 2007/2008. This Strategy and Action Plan is a continuation of this exercise. The Saint Kitts and Nevis NPRS has been developed through a consultative approach and built on participatory process of the last CPA.<sup>9</sup> The NPRS Planning Process consists of four main stages (Figure 1.1). Roundtable discussions, stakeholder interviews and community meetings were conducted between October and November, 2010 as part of the Situational Analysis to collect information on the current state of poverty and the socio-economy of Saint Kitts and Nevis and to identify the issues and challenges relating to poverty and development.

The individual discussions focused on the particular area of interest and the impact of recent events on quality of life in Saint Kitts and Nevis, and were directed at identifying the current and recommended initiatives to address sectoral and other issues of relevance to poverty reduction and for improving living conditions. A list of agencies consulted as part of the preparation of the Plan is provided in Appendix 1.

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<sup>9</sup> The Country Poverty Assessment consisted of participatory process through the conduct of the institutional assessment and participatory poverty assessment. The Institutional Assessment involved the collection of information from selected State agencies and civil society organisations whose operation and interventions directly and indirectly affect the living conditions and wellbeing of the poor. The participatory poverty assessment targeted individual, household and community levels and provided a multi-dimensional view of the social reality of the poor, a deeper understanding of their problems, needs and priorities, and insights into their livelihoods and their coping strategies. Community Workshops and focus group discussions were conducted in twelve communities and provided the primary source of qualitative information in the Participatory Poverty Assessment.



**Figure 1.1: National Poverty Reduction Strategy Planning Process**

Six thematic roundtable discussions were held in Saint Kitts and two in Nevis in November, 2010. Three community meetings were held in Saint Kitts and one in Nevis (Figure 1.2). These sessions were poorly attended and it was clear that greater efforts would have been necessary in sensitising communities as well as agencies and key decision and policy-makers of the all-encompassing and multi-sectoral nature of poverty reduction and the need for all to be involved. However, information and feedback received from these fora were used to develop the NPRS.

Strategic Planning Workshops were held in Saint Kitts on November 19, 2010 and in Nevis on November 24. The objectives of the Strategic Planning Workshops were to establish the goals and targets to reduce poverty in Saint Kitts and Nevis over the next five years, and to identify strategies and measures to be part of the NPRS. A range of organisations were invited to participate in the workshop, from those involved in the productive sectors, and social services sector to those involved in environmental management. The workshop format was also meant to lay the foundation for a Network of Stakeholders and Partners with one objective, poverty reduction. The session in Nevis was attended by five participants, while the session in Saint Kitts was attended by 29 participants.

The strategic planning session in Nevis consisted of a discussion of the most critical issues and challenges affecting poverty and development on the Island, and the proposed measures that should be employed to reduce poverty on island during the planning period.



**Figure 1.2: NPRS Planning Participatory Process**

The challenges, opportunities and recommendations from the stakeholder consultations have been incorporated into Saint Kitts and Nevis NPRS. The prioritisation of programmes and sequencing has been based on the outcomes of the discussions held with stakeholders and overall development objectives of Saint Kitts and Nevis.

## Structure of the Strategy

This Volume (Volume 1) presents the following:

- The Introductory Section, which provides the background and context for the development of the Saint Kitts and Nevis NPRS
- Section Two, which presents the Strategy and sets the vision, overall objectives and targets for poverty reduction, the Key Priority Areas for Poverty Reduction. The individual Priority Area examines the opportunities and the challenges that must be addressed, the outcomes (strategies) and actions to be undertaken, and proposed indicators for measuring progress; and
- Section Three, which provides the Implementation Plan – translating the NPRS into sectoral programmes and activities for implementation during the five-year plan period. It identifies the mechanism for overall coordination and monitoring. In addition, it also sets out the framework for monitoring the implementation of the Strategy.



Volume Two is the companion volume and provides the full macro-economic framework for Saint Kitts and Nevis, and detailed estimates of poverty and vulnerability along with the probable causes and manifestations. It identifies also some of the institutions involved in the reduction of poverty in the country. There are also Annexes to the NPRS for Saint Kitts and Nevis in this volume.



## 2 The Poverty Reduction Strategy

### **Guiding Philosophy for Poverty Reduction**

Poverty reduction can take place by three simple methods. One is the transfer of resources from the non-poor to the poor. A second way is the allocation of a larger share of a growing pie to the poor, as the economy expands. A third results from such a rapid growth in the quantum of the pie, that even with shares remaining the same between the poor and the non-poor, the poor receive enough to be raised out of poverty. At any point in time, there can be a mix of all of these modes.

Amartya Sen (2010) in the introductory piece to the Human Development Report (2010) adverts to the importance of locating poverty reduction and human development beyond the boundary of Gross National Product (GNP), with measures of incomes and commodities, and of deprivation, inequality and security, and proposes that it should now include the conservation of the environment and the sustainability of well-being.<sup>10</sup> Given the obvious fragility of Saint Kitts and Nevis, poverty reduction has to embrace an examination of its capacity to provide protection and to achieve sustainability in conditions where these are likely to be challenged by the threat of an uncertain international economic future and by the growing threat of climate-related events and other. In effect, poverty reduction must be seen in terms that go beyond income and expenditure accessible to the poor in the society.

On the other hand, in normal circumstances, moving poverty levels from 20 percent or more of the population to low single digits in short to medium, cannot be accomplished without a major expansion of the economy, or in the size of the pie. But, as Sen (2010) has suggested, this is not the entire picture.

For Saint Kitts and Nevis, therefore, a pro-poor poverty reduction strategy will embrace not only an increase in the size of the pie, but also redistribution, improved security of the individual, and access to education and training, reduced vulnerability of individuals and communities to the environmental challenges, and susceptibility of the population and more so the poor, to

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<sup>10</sup> United Nations Development Programme, 2010. Human Development Report 2010: The Real Wealth of Nations - Pathways to Human Development. 20<sup>th</sup> Anniversary Edition. Website source: [http://hdr.undp.org/en/media/HDR\\_2010\\_EN\\_Complete\\_reprint.pdf](http://hdr.undp.org/en/media/HDR_2010_EN_Complete_reprint.pdf)



economic shocks. Training and upgrading are critical factors in an economy which, from its sheer size, has to rely heavily on its capacity to export higher value goods and services rather than primary products. In that regard, the achievement of individual competitiveness is important, and can be secured from relevant educational preparation.

The poverty reduction strategy will be pro-poor in focus by engaging the poor in securing capacity to be self-reliant and to achieve self-actualisation, where possible. An underlying premise is that the nature of the economy and the nature of the involvement of many of the poor in it, in part explains the level and the shape of poverty. Structural problems facing the economy of Saint Kitts and Nevis in the early 21<sup>st</sup> century are responsible for some of the existing poverty.

The country has had to overcome the hurdle of the closure of the sugar industry which was the *raison d'être* of settlement in the post Columbian phase and dominated economy life even into the latter half of the 20<sup>th</sup> century. While considerable diversification took place in the late 20<sup>th</sup> century, the country has arrived at a cross-roads in its development given the shape of the global economy. As the smallest country in the Americas, and one of the smallest of SIDS, Saint Kitts and Nevis has literally to reinsert itself in this new economy. Success in that endeavour is the factor that will determine its ability to engage in sustainable poverty reduction.

## **The Strategic Vision**

The Strategic Vision for Poverty Reduction in Saint Kitts and Nevis has found expression in a number of policy documents, not only in the Annual Budget Speeches, but also in the Adaptation Strategy and the Annex to the Country Strategy Paper sponsored by the EU<sup>11</sup>. As part of its annual budget exercise, the Government has instituted dialogue with a number of stakeholders.

The Vision for Saint Kitts and Nevis is:

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*“of a society which seeks to reduce and eliminate poverty, by improving the life chances for members of society, with equitable participation of all, and with the provision for those whose circumstances dictate that that society intervenes to guarantee them some basic provision that ensures the necessities of a decent existence.”*

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As a two Island Federal State, equity evokes a geographic distribution of resources that is fair between the two Island spaces. Full freedom of movement in the Federation means that citizens are free to move between the two Islands in response to economic stimuli.

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<sup>11</sup> Annex, Saint Kitts and Nevis – European Community: Country Strategy Paper and National Indicative Programme for the period 2008 – 2013, 10<sup>th</sup> EDF, 2008.



The country will provide for the protection of the individual to the maximum possible given its ecological reality of being two small islands, with much of its land space low lying and thus at risk of inundation with sea rise from global warming.

Personal security will involve protection from crime and violence against the person, as the country grapples with reducing the scourge that has been inflicted on it with the rise of gangs and its incorporation into the international narco-trafficking industry. Personal security is also critical in the sustainability of the highly important tourism sector.

Financial probity in the running of its economic system and in the regulatory system with oversight of the Financial Services Sector is critical to the maintenance of offshore financial operations which contribute by way of tax revenue to the Government.

## **Goals and Objectives**

### **Goals**

The primary goal of the country is to develop an economic system that can adapt quickly to exogenous factors that are the reality of a SIDS, and, at all times, can maintain a course of expansion even as it exits out of sectors and industries that are no longer competitive internationally and enters new niches with goods and services that can hold their own in international markets. Economic expansion provides the possibility for sustained poverty reduction.

### **Objectives and Targets**

The main objective of the NPRS is to reduce poverty over the next five year period, by involving the poor in activities that contribute to their own development, by their subscribing their skills, knowledge or other assets to the process, and with those poor who are unable to become self-reliant, being provided with the basic decencies of life with effective targeting and efficient distribution of transfers. The specific targets in the NPRS will include:

1. Eliminating indigence and reducing poverty (estimated at 23.7 percent in 2007/2008 for Saint Kitts and 15.9 percent in Nevis) by as much as half of its current level by 2015 through the restoration of the economy on to a growth path that provides increased opportunities for entrepreneurship, income generation and employment for the adult population;
2. Providing for food security thus curbing the impact of the global crisis in food and energy looming on the horizon: annual increases in food prices will be contained at below five percent;
3. Universalising access to early childhood, and ensuring ratios of boys to girls throughout the formal system of education is exactly consistent with population ratios;
4. Reducing incidence of life style diseases by one half, reversing spread of HIV/AIDS and cutting HIV prevalence among pregnant women 15-24 year olds to zero;



5. Ensuring universal access to flush toilets for all households, by raising level from estimated 90.5 percent in 2008 to 100 percent by 2016;
6. Providing secure tenancy and ownership arrangements for all households, by ending squatting;
7. Rationalising the social protection system to eliminate the possibility of exclusion of those entitled, and of inclusion of those whose circumstances do not merit their receiving assistance;
8. Promoting good governance and a strengthening of public sector management with a view to increasing transparency and accountability: the formation of community councils will be encouraged and where feasible given authority thereby allowing residents in Saint Kitts greater voice in the affairs of their communities, and performance based budgeting introduced in all areas of the public sector and;
9. Reducing the risk to Saint Kitts and Nevis of climatic and other related natural disasters, and particularly to those who are the most vulnerable.

## Core Values

The Strategy is built on core values that were expressed during the NPRS stakeholder planning process, in addressing the following:

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Empowerment	– Participation of each at all levels of society irrespective of social station, and full freedom of all citizens to self-actualise.
Safety and Security	– Personal safety guaranteed and each enjoying a sense of being able to go about one’s business with respect from all.
Family and Community Integrity	– Seen as critical to the socialisation process and more conducive to good behaviour patterns, and to building a sense of solidarity and cohesion, as well as better coping strategies and promoting cooperation and building collaboration for the greater good and enhancing social integration.
National Pride	– Seen as the antidote to political tribalism, and embracing the motto of ‘country above self’.
Resilience	– Ability of the population, especially the poor and vulnerable, to bounce back especially after crises and providing a spring board for escape from poverty.
Caring	– Social protection and solidarity recognise that society and the economy must render assistance to victims of poverty. Disability can strike or befall anyone. Poverty reduction and social protection take account of the fact that society has a responsibility for all, and more so those afflicted by its social processes.

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Sustainability	– Commitment to the use of resources with a concern for future generations.
Accountability	– Ethos of transparency and commitment to setting clear targets and goals in government organisations and stream-lining of institutions for improved effectiveness.

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## Underlying Assumptions and Risks

It is assumed that the economy of Saint Kitts and Nevis will resume on a growth path following the world recession that has been the most acute since the Great Depression of the 1930s. As an externally propelled SIDS, its capacity for growth depends on the performance of the World Economy and more particularly on the economies of the North Atlantic with which it is linked. Earlier projections have been that the World Economy will return to a slow recovery, with implications for Saint Kitts and Nevis, especially since it has limited opening to the growing markets among the BRIC countries<sup>12</sup>.

However, the developments and political changes taking place in some countries in the Middle East - notably popular uprisings in the first two months of 2011 - and the instability in almost every other of the Arab States including among the oil producers, have led to an increase in oil prices, much above the level of 2009/2010. The country faces a scenario of energy prices that will be higher in the short to medium term, than they have been in the course of the 2010, even though there has been some softening at the beginning of May 2011.

Another area of price increases relates to food. Most of domestic demand is satisfied by imports. Vital international supply sources have experienced severe weather episodes resulting in reduced production and falling stock levels – e.g. Russia and Australia. Meanwhile, the growth in incomes in countries like China and India would drive demand upward and thus lead to price increases. Indeed, the inexorable price increases were the final spark that set alight political conflagration in the Middle East in the first place. By the last quarter of 2011, the international economy was deemed to be entering a dangerous phase, which provides little solace to Saint Kitts and Nevis.

Saint Kitts and Nevis faces the annual threat of hurricanes in the latter half of each year. The sense of increased frequency and intensity pervades, and there have been few years when one or more of the countries of the region have not been affected. There is the constant threat of the country of the land fall of a hurricane like Ivan which devastated Grenada and of Tomas that hit Saint Lucia in 2010. Saint Kitts and Nevis have experienced severe damage to the infrastructure, with loan capital being allocated to restore recently built infrastructure as happened with Port Xanthe. Another aspect of climate change is the evidence of severe droughts in recent years, which have impacted water supply and the regeneration of aquifers.

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<sup>12</sup> BRIC refers to the countries of Brazil, Russia, India and China which are the fastest growing and largest emerging markets economies. Collectively they account for just under half of the total population of the world (almost three billion people) and in recent times, they have also contributed to the majority of world GDP growth. They are typically referred to as "the BRICs" or "the BRIC countries" or alternatively as the "Big Four."



There are also some endogenous threats that confront the country. Like the rest of the region, there is a problem of male underperformance in the educational system which, in part, contributes to dysfunctionality among the youth. This is not propitious to the development of a highly educated and well trained labour force. Crime and violence have flared up in the society, and major allocations have had to be directed to policing or to avoidance costs.

## **Overarching Strategy**

The overarching strategy for poverty reduction is premised on a number of working principles:

1. Since poverty reduction is fundamentally about the generation and distribution of income and resources, tangible and intangible, the productive system has to be at centre stage in any initiative to achieve sustained poverty reduction.
2. As a SIDS in an international economy undergoing massive change, Saint Kitts and Nevis has to undertake a major paradigm shift to recover some level of viability in its engagement in the international economy.
3. The condition of the poor can be more effectively addressed, where they can be equipped for a successful participation in the production of goods and services, which can be part of the exports of the country.
4. While transfers can alleviate poverty, especially among those who are not capable of participation in the productive process, the size of the transfer budget depends fundamentally on the size of the economic pie, and the share redistributed from participants in the productive process to others.

Pro-poor interventions therefore have to be informed by the recognition of the above principles. The overarching strategy for poverty reduction has to be the growing of the economy along a sustainable growth path, which means the adoption of measures that ensure that reinsertion of the country with sectors or activities that are more competitive and generate a more diversified output. The economic structure that allowed a rapid transformation in the latter half of the 20<sup>th</sup> century is inadequate to the demands of the 21<sup>st</sup> century. In the absence of a shift in the existing paradigm, the economy and society can become trapped in a low equilibrium trap.

The country jettisoned the debt riddled sugar industry in the first decade of the present millennium after more than three centuries as a plantation economy. While considerable study was given to the mechanisms for orderly closure of the industry, there have been problems of transition which have not been adequately addressed with the result that key productive resources of land and labour have been effectively idled. At the very least, in the midst of escalating food prices, substantial land resources remain idle and as well labour, because there is institutional disjuncture constraining the orderly transition from one type of production to another.

The country has had to weather the fall-out effect of the recent global crisis on its tourism, financial services, and manufacturing sectors which in recent times have been the main tradable sectors. However, even before the global crisis, there was evidence that the sectors faced a number of problems. In the tourism sector, the critical stay-over visitor sector had stagnated, quite apart from disruptions that occurred because of severe weather episodes. Manufacturing



and export-processing operations have had difficulty withstanding pressure from low wage and plentiful labour supply in Asian countries.

The financial services sector faced demanding requirements set by the OECD countries as a condition for avoiding black-listing. Reduced export performance is a reality, and is not going to be reversed in the absence of a fundamental reorganisation of the economy of the country. Thus, sustained poverty reduction can be equated to undertaking a discrete shift in the existing paradigm.

This shift is layered in a number of contextual frameworks that will require sensitive industrial policy formulation on the part of the authorities in Saint Kitts and Nevis. There are the rules that have created a new global architecture in the trade in goods and services and in the realm of financial mediation. The World Trade Organisation, even up to the present Doha Rounds have led to the elimination of a host of trade barriers including the reduction of tariffs and import duties as a protective shield for domestic industry.

New financial rules on integrated supervision have placed transparency in the movement of financing resources at the centre of money management, but have also reduced the attractiveness of off-shore financial centres and the hedge they allowed to those seeking to avoid punishing tax rules or to escape tax authorities in their country of origin. The Basle Accord and the provision for integrated supervision might reduce the space that might have allowed such institutions as credit unions to provide easier access to credit for small operators in Saint Kitts and Nevis.

There are also inter-regional and regional arrangements that impact the economic space of the country. The EPA links Caribbean countries in a trade agreement with the European Union. There is also the Caribbean Basin Initiative, and CaribCan. There is the intra-regional deepening of markets and functional integration at the level of the Caribbean Single Market and Economy and the much deeper and more embracing OECS Union. All of this modulate the nature of the economic reorganisation that Saint Kitts and Nevis as a SIDS can undertake.

For the rest, it is assumed that the country commits to improving efficiency in the operations of the Government, and thus to the provision of services to the community at the least possible cost, transaction and otherwise. This is particularly relevant in the social services, where there should be a concern to reach all clients in need with the resources available. Moreover, equity and equitable treatment by the state, especially of those who are poor and vulnerable is another working principle. Those most in need should be the more favoured in systems of transfers and the resources provided should be adequate to ensure that the poor can achieve some level consistent with social decency.

## **Cross-cutting Issues**

The breadth and depth of interventions directed at poverty reduction in the context outlined above raises a range of cross-cutting issues. Some of the more critical can be noted here. The diversification thrust of the country which includes diversification within tourism cannot be undertaken without a major effort at crime reduction. There are sections of the society that have been incorporated into the narco-trafficking ring that links suppliers in South America with



markets in the North Atlantic that can be penetrated through the Caribbean island chain that are soft targets as transshipment points.

The decline in personal security and the rise in the number and size of gangs are linked to the growth of drug trade. Thus, the development and expansion of the critical tourism sector depends on the success of the Government in curbing crime and the culture of criminality that has developed in some communities. There are huge avoidance costs (for personnel, equipment, vehicles, communications, and detection systems) that have to be incurred in this regard, and the budgetary allocations to crime fighting have had to be increased in the midst of expenditure reduction that the Government has to undertake in the face of the fiscal crisis.

While there a firm fist and robust policing are necessary in fighting violent crime, community policing has to be a complement in any strategy to facilitate social integration. Meanwhile, the Government has to invest in community development and youth development services, especially since youth and young men are the group most at risk. The ‘pacification’ of the youth cannot be seen in isolation from the need to engage youth as well as the rest of the adult population on a path to life-long learning and education.

In other words, community policing, community development, youth development, second chance education and training in communities all intersect in the development of the people and in preparing them to be more competitive, in a world where knowledge is a preeminent factor in production. In that regard, the intellect of the population in large measure defines the production frontier of the country. According to Lewis, it is also the major instrument in the eradicating poverty:

*‘the fundamental cure for poverty is not money, but knowledge.’*

The intervention strategies have to be seen in terms of their longer term impact. Programmes for the promotion of wellness contribute to an improvement in the quality of life, but also to the reduction of costs of secondary health care. They also create the possibility for productivity improvement in the work place. Early childhood education and school feeding are long term investments in the human resources of the country, even though they may seem essentially as part of the delivery of social services in the short term. There is a huge intergenerational impact that is possible in raising households that might have been trapped in chronic poverty by investments in their children. Policy makers have to be perennially sensitive to the intersection of measures and causes in social policy and in the interventions that are attempted in treating with particular social problems.

Governance and institutional reform have also emerged as a cross-cutting issue throughout the plan. There have been repeated calls for greater collaboration among State agencies in particular, in the identification of gaps in service provision, reduction in level of duplication, and for greater efficiency and use of resources. The reform of the public service creates an opportunity also to restructure and reorient this important institution on a more business-like footing and to improve competencies and performance. Agreement to the revisit of the constitution as mechanism of improving administration and governance over and between the two islands, and in strengthening of partnering between the two islands may be an imperative in the development process.



The gendered reality of life provides the platform from which the impact of poverty and poverty reduction actions on men and women can be assessed with a view of achieving gender equality, As a result of differential access to resources, information, decision making and economic and political power men and women, boys and girls experience poverty differently and have varying outcomes to life experiences. Disparities between men and women exacerbate poverty while poverty causes the gap to increase between men and women.

Progress towards reducing poverty requires that the different vulnerabilities of men and women as well as the socio-cultural, socio-economic factors which negatively impact on the lives of men and women be given due consideration. Placing particular emphasis on empowerment, participation and agency not only helps to address resource, goods and information asymmetries but allows for the renegotiation of notions of access and control as well as where inequality and injustice occur. Ultimately shifting the lens on the peculiarities of men and women allows for a better understanding of the complex nature of relations not only at the household level but at the community level as well.

A gendered perspective allows for the crafting of specific interventions geared towards meeting the needs of men and women while recognizing their differences. In treating with poverty, policy makers need to be cognisant that in implementing concerted actions and strategies, that no one group should fare better than the other and no one should be left behind. Producing and utilizing sex-disaggregated data is required to support this process. Institutions with strengthened capacity to collect and produce this type of data will play a lead role in this process.

## **Priority Areas for Poverty Reduction**

Based on the analysis of the economy and society, the Consultation, focus group meetings and discussions held with stakeholders, a number of priorities have been identified. Poverty reduction in Saint Kitts and Nevis is based on five Priority Areas, namely:

### **I. Reformed Macroeconomic Framework in Support of Poverty Reduction**

The level of debt which has been one of the highest in the region compromises the growth process, given the fact that debt service absorbs a substantial share of revenue of the Government, thereby reducing the space for addressing poverty reduction. A concerted strategy for debt reduction in a reformed macro-economic framework will allow the country to mobilise resources for investing in the poor and reducing poverty.

### **II. Accelerated Economic Growth and Wealth Creation**

The fundamentals of poverty reduction, and hence this Priority Area, focuses on diversification and transformation of the economy and the development of new and viable exports, given that Saint Kitts and Nevis is an export-propelled economy, too small to rely on an internal dynamic to generate income and wealth.



### **III. Community Empowerment, Crime Reduction and Security Management**

There are a number of communities that have been wracked by crime, and other types of social dysfunctionality. Not only is personal security and safety impaired, but economic activity and the vital tourism sector are negatively impacted if there is the perception of the country as a location of high crime rates. This Priority Area is about the empowerment of the affected communities, a reduction in crime and an improvement in personal security as a social good, but also an important component, adding to the social infrastructure of the country and thus to investment in the future.

### **IV. Strengthened Social Safety Net Systems**

The country has a social safety net system that has developed over the decades. However, there are areas of duplication of services on the one hand, and gaps in provision on the other. Moreover, there are errors of inclusion of some who do not need support and the exclusion of others who should receive support. The call under this Priority Area is for better targeting. The development of a central register of beneficiaries would improve efficiency and allow those most in need to be the focus of attention. This should be the essential tenet of an effective social safety net system. Initiatives to address the protection of children and needs of targeted vulnerable groups are also vital components.

### **V. Risk Reduction and Social Protection**

Social protection focuses on interventions geared protecting basic livelihoods and the management of risks of shocks and disaster as well as the provision of a social safety net to ensure the needs of the poor and vulnerable in society are met. This Priority Area addresses some of these traditional elements such as social insurance reform, building the capacity of the population, the promotion of health and wellness, and the provision of quality housing; but it also focuses on the reduction of risk brought on by poor management of the environment, by natural disasters, global climate change and sea level rise, which can have tremendous negative impacts on a SIDS, like Saint Kitts and Nevis.

## **The Critical Success Factors for Poverty Reduction**

At the most elementary level, success at sustained poverty reduction depends on the achievement of accelerated rates of growth, driven in large measure by improved export capability. This is a necessary but not a sufficient condition. Growth will need to be pro-poor in so far as the assets and labour power of the poor are absorbed and rewarded for participation in the productive system. In addition, systems in place will need to be redistributive in thrust to ensure that a greater share of the benefits of growth redound to the benefit of the poor, at least until those at the lower end of the scale escape the poverty trap. These together are the basic necessary and sufficient conditions for poverty reduction.

However, each of these conditions is intertwined with a range of social and economic processes, which creates a more complex cycle of interrelationships. Figure 2.1 provides a mapping of some of these links. The actual objective for Saint Kitts and Nevis is to reduce poverty by as

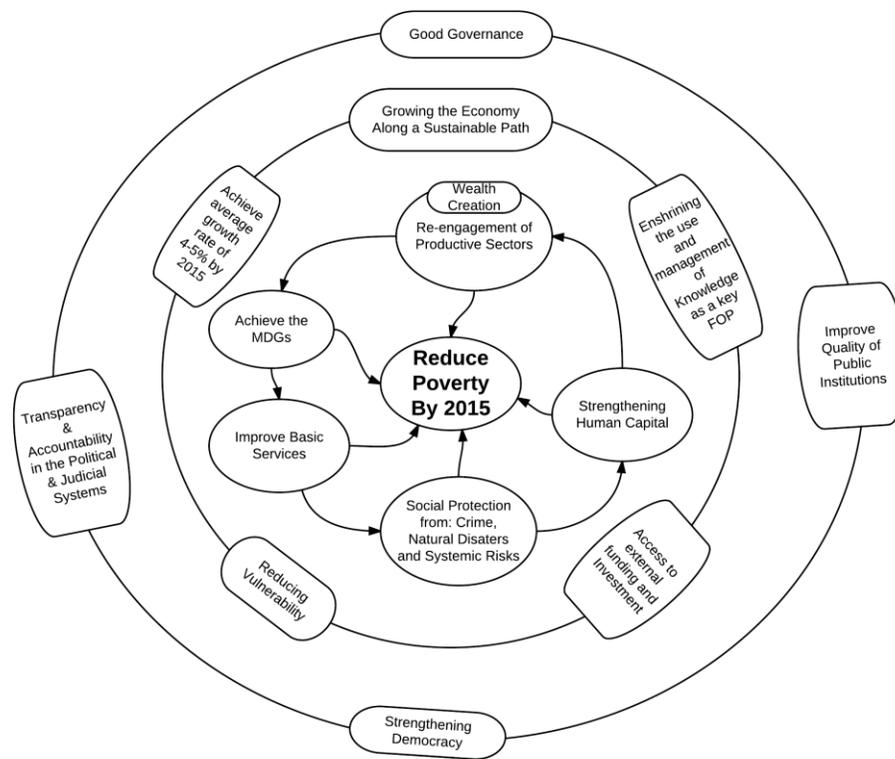


much as half of its current level by the year 2016. This is at the very nucleus of this strategy. Such an outcome is nested in an inner circle of goals which concern the growth of the economy along a sustainable path, and an outer circle of goals concerning good governance, which will knit together all other success factors.

There is a clear need for the unequivocal commitment of all stakeholders to the effort, not the least of whom should be the average citizen. At the heart of this, is the need for a mindset change and a readiness of the citizenry to make the changes necessary to put the country on a sustainable development path.

A key element of sustainable economic growth will be the enshrining of knowledge and knowledge management as the most important factor of production. This element will give direction to human resource development, as economic growth will be built on the head of each Kittitian and Nevisian. A formidable challenge to surmount will be unlocking the creativity of all citizenry to realise their potential to participate effectively in wealth generating sectors of the economy; and thereby extricating themselves from poverty, vulnerability and the risks thereof.

From the Government's end, there is a need to execute the right investment strategies, to redistribute income and to lay the foundations for a more competitive economy.



**Figure 2.1: Poverty Reduction Critical Success Factors, Saint Kitts and Nevis**



## Links to the Millennium Development Goals

Like to the Millennium Development Goals Saint Kitts and Nevis is committed to achieving many of the standards set by International Society including the Millennium Development Goals. Some of the MDGs are not relevant in their international format, to the Caribbean, and Saint Kitts and Nevis is committed to the Caribbean adaptation of these goals, and to their fulfilment in the context of the objectives of the OECS countries of deepening and strengthening the Economic Union, supported by coherent strategies among them.

Goal 1 remains relevant given the high level of poverty, even though the decrease in measured indigence and of poverty as measured by the CPA, suggests that progress was made in the last decade:

Goal 2 in the Caribbean focuses on the achievement of universal secondary education. Saint Kitts and Nevis has achieved this, except for the fact there is a problem of quality with large numbers of students not achieving full certificates. **The goal will be therefore to raise the percentage successfully completing full certificates at the secondary level: a doubling of the percentage can be achieved by 2016.**

The matter of gender disparity in (Goal 3) has to do in Saint Kitts and Nevis, with the underperformance of males, especially in secondary and increasingly in tertiary education, the under-representation of women as elected officials, and the equitable participation of women in all fields of employment by the removal of any formal and informal barriers that create segmentation of employment by gender. .

Progress has been made on Goal 4, under-five mortality, and on universal immunisation.

In respect of Goal 5 most births are attended by trained personnel.

Goal 6 the combat of HIV/AIDS, Malaria and Other Diseases requires a redoubling of effort given the challenge with HIV/AIDS incidence.

Goal 7 Environmental Sustainability presents some problems for the country, and much effort has to be directed here, given problems of fragility and environmental management, especially after the closure of the Sugar Industry.

Goal 8 involves the global partnership: While Saint Kitts and Nevis has benefitted tremendously form international assistance, its status as a middle income country has prevented its securing concessional assistance which may be necessary in the face of its high debt and the enormity of its development requirements.

## Role of Stakeholder Participation

This poverty reduction strategy has been developed with inputs and involvement with representatives from a wide range of groups and interests on both islands. The country has had experience of a participatory methodology in the two CPAs, and the Adaptation Strategy was developed with discussions with a range of groups. In the CPAs, there was bi-partisan involvement, with representatives of the political parties, in the case of Saint Kitts, equal participants in the membership of the National Assessment Team (NAT). The Government has



instituted a process of consultation for its pre-budget exercises, and the Ministry of Community Development, Culture and Gender Affairs has sought in recent times, to invite community participation in fashioning the nature and type of interventions that it undertakes.

The Department responsible for Social Services in Nevis promotes dialogue and engages the collective of NGOs on the island in discussion of issues affecting the community. The environment is propitious for stakeholder involvement which augurs well for whole system monitoring of the efficacy of the various measures and programmes in poverty reduction, as well as the deepening of participation of communities in a focused approach at major problems at the community level with the coordinated assistance of Government and NGOs operating or with a remit for work in the area.

In sum, Saint Kitts and Nevis is about to embark on a poverty reduction strategy in the midst of one of the most testing periods in its economic history. All indicators suggest that the external conditions that it faces have created a sea change for what remains an export-propelled economy.

In spite of its commendable performance on a number of key development indicators, it is still beset with high although declining poverty. Thus, embracing poverty reduction as a key policy objective, the Government and the country are attempting to undertake a radical reorientation of the economy, with diversification within existing industries and the entrée into new industries and activities, most of which, have to be immediately competitive in the global market place.

Poverty reduction therefore converges with the need to empower many of the poor to become competitive individuals in the new economy that Saint Kitts and Nevis has to build. However, there are the poor and vulnerable who have no likelihood of contributing to the production process, and need to be supported by transfers - the retired and persons with severe disabilities. However, the budget for transfers and for improved provision for the poor and vulnerable will come largely from an expanded revenue base which is sustainable only with increased or accelerated output. In other words, poverty reduction is conditioned in large measure by favourable economic and export performance, and ultimately by the competitiveness of the country in a transforming international economy. The North Atlantic to which Saint Kitts and Nevis has been linked for centuries will be no longer as dominant in the emerging international economy.



## Priority Area 1

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### Reformed Macroeconomic Framework in Support of Poverty Reduction

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#### General Policy Statement

The poor are disproportionately burdened by macroeconomic instability. This is so for various reasons: first, the poor tend to hold most of their financial assets in cash rather than in interest bearing assets and thus are less able to protect the real value of their income and assets from inflation. Secondly, factors that are known to improve living conditions and economic opportunities for the poor in the long run often have to be deserted in favour of earning much needed income – for example there is evidence of higher dropout rates among children of poorer households.

The GSKN is seized with the fact that its capacity to continue initiatives aimed at poverty reduction and alleviation depends on its achieving macro-economic stability.

The GSKN is committed to the adoption and implementation of the Eastern Caribbean Currency Union (ECCU) Eight Point Programme, in which member states of the OECS seek to restore macro-economic stability in the face of the worst economic crisis that these export-oriented economies have had to face since the Great Depression. Saint Kitts and Nevis is committed, therefore, to the implement *inter alia*:

1. A Financial Programme which will address the financing gaps of the Central Government;
2. A Fiscal Reform Programme which seeks on the one hand, to develop an efficient revenue system, broadly in line with the proposals developed by the Commission on Tax and Tax Administration Reform which rationalise and simplify the tax system, and on the other hand, to improve the expenditure system, including the management of cash flow in Government, debt servicing and the wage bill;
3. A Debt Management Programme, which is a strategy designed to reduce debt to GDP ratio to 60 percent by 2020, and to bring the high level of debt of Saint Kitts and Nevis within the bounds of debt sustainability.

This attempt at coordination of the fiscal and monetary system reflects the long established commitment to the principles of union, inherent in the operations of the ECCB, and is given further underpinning by the commitment of the countries to deepening the OECS Union, into an Economic Union, in keeping with the Revised Treaty of Basseterre, elements of which are already being implemented.<sup>13</sup>

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<sup>13</sup> The Protocol of the OECS Economic Union carries forty-three articles relating to economic issues, including Monetary and Fiscal Policy, Movement of Persons, and Trade. Website source: <http://www.mofa.gov.kn/public/Attachment/112114314271.pdf>.



The challenge for Saint Kitts and Nevis as with other OECS, is how to pursue pro-poor strategies in the midst of fiscal and other constraints. Alternatively, the challenge may be reformulated as: *how to develop pro-poor strategies that contribute to output and expansion, which, in the final analysis, is the antidote to most of the problems that are addressed by the eight point plan?*

## Baseline Analysis

### Economic and Fiscal Performance

The events ensuing from terrorist attack on September 11, 2001 precipitated the largest decline in growth prior to the 2009-10 recession (Figure 2.2). A brief resurgence was experienced in 2004 with growth rates recovering to the level of 2000. However, the subsequent years between 2005 and 2008 were marked by more modest growth of between four to five percent, following which the economy suffered serious contraction in the wake of the global recession, during which time economic activity weakened as a result of contraction in the tourism industry and construction sector. A moderate improvement is expected in 2012, driven primarily by a projected improvement in US GDP growth in last quarter 2011<sup>14</sup> and the reopening of the Four Seasons Hotel in Nevis.

Given the assumption that Saint Kitts and Nevis will continue to be heavily Tourism dependent, a slow growth and recovery rate is expected to be achieved by the end of 2011 (reaching 1.5 percent of GDP) and breaching at least 3.5 percent in the medium horizon. Projections of somewhat slower growth are still upheld for 2011-2012 based on subdued tourism activities globally, given continued higher unemployment rates in advanced economies, higher oil and food prices and limited flows of FDI.<sup>15</sup>

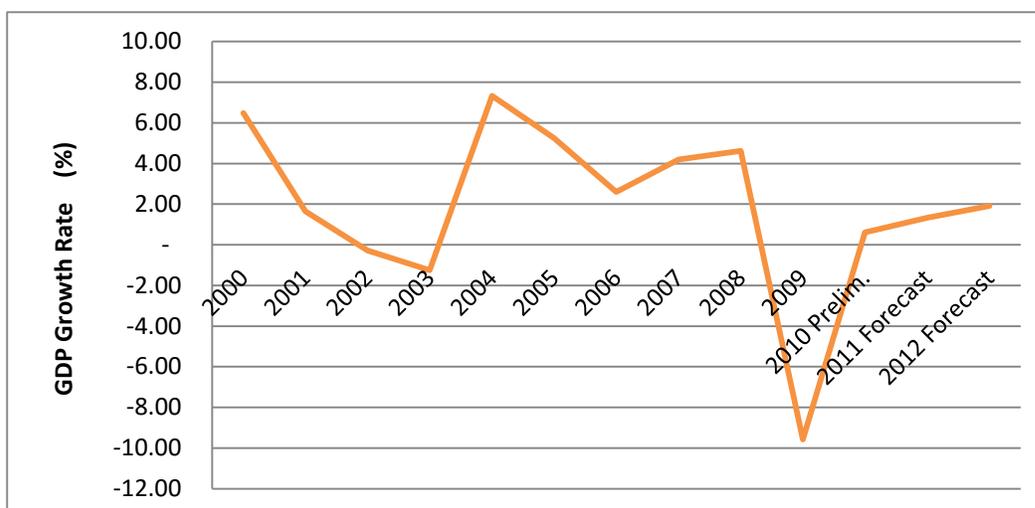
Recently, the exercise of rebasing the national accounts series was undertaken to align Saint Kitts and Nevis' series with those of other ECCU members. The rebasing of the series from base year 1990 to 2006 is expected to improve the constant price GDP series by using a wider range of data sources and due to improved estimation procedures. The rebased GDP series also reflect the inclusion of financial intermediation services indirectly measured, activities of offshore universities, and the output of owner-occupied housing.

Among some of the key indicators that will see a significant adjustment in the new regime are the primary balance (which is now reduced to 3.9 percent of GDP from 5.0 in the old series), and the debt-to-GDP ratio, which is projected to reach 126.3 percent by 2016, rather than 165 percent under the old regime. By 2020, this ratio is projected to reach 112.7 percent, still far short of the ECCU prudential target of 60 percent of GDP. On the basis of the rebased series, current debt-to-GDP estimates confirm that Saint Kitts and Nevis is still in the unsustainable region of 148.9 percent of GDP, compared to 190.4 percent in the old series (see Table 2.1).

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<sup>14</sup> World Economic Outlook, IMF, September 2011 Issue, available at: <http://www.imf.org/external/pubs/ft/weo/2011/02/pdf/text.pdf>

<sup>15</sup>Ibid



**Figure 2.2: GDP Growth Rate - Trends and Forecasts, 2000-2012**  
 Source: Eastern Caribbean Central Bank

**Table 2.1: Saint Kitts and Nevis Key Fiscal Performance Indicators under Rebased and Old GDP Series**

	avg. 2005-2009	Projection							
		2010	2011	2012	2013	2014	2015	2016	2020
		(In % of rebased GDP)							
Total revenue and grants	32.3	30.9	34.5	33.3	33.6	31.5	31.5	31.4	...
Total expenditure	36	38.3	37.6	35.8	35.5	35.1	35.4	35.7	...
Overall balance	-3.7	-7.4	-3.1	-2.5	-1.9	-3.5	-3.9	-4.3	...
Primary balance	3.4	-0.4	3.9	4.2	5	3.5	3.4	3.4	...
Public sector debt	...	155.8	148.9	143.7	138.5	134.2	129.9	126.3	112.7
External current account	-21.1	-21.5	-23.1	-21.4	-19.7	-18.4	-17.3	-16.8	...
		(In % of old GDP)							
Total revenue and grants	39.6	39.5	44.1	42.5	43	40.3	40.2	40.2	...
Total expenditure	44.2	49	48.1	45.8	45.4	44.8	45.2	45.7	...
Overall balance	-4.5	-9.4	-4	-3.2	-2.4	-4.5	-5	-5.6	...
Primary balance	4.1	-0.5	5	5.4	6.4	4.5	4.4	4.3	...
Public sector debt	...	199.2	190.4	183.7	177.1	171.6	166.1	161.5	144.1
External current account	-26	-27.5	-29.5	-27.4	-25.2	-23.5	-22.1	-21.4	...

### Balance of Trade

The balance of trade has deteriorated consistently since 2003 (Table 2.1). During the period, there was considerable volatility on world commodity markets, especially in the prices for food and energy. In 2007, there were price spirals in both commodity prices, as demand was driven by rapidly growing China and India, resulting in an upswing of import values between 2007 and



2008. As a net importer of both food and energy, Saint Kitts and Nevis could expect to see a repeat of these trends in its trade balance during the coming decade, as world food and energy prices currently face intensifying supply side pressures.

**Table 2.2: Value of Exports and Imports: 2003-2009**

Value of Exports (FOB)	153.84	158.15	146.96	158.17	139.43	169.31	142.93
Value of Imports (CIF)	538.9	493.42	568.27	673.69	734.9	877.01	757.69
Balance of Visible Trade	(385.06)	(335.27)	(421.31)	(515.52)	(595.47)	(707.70)	(614.76)

*Source: From the Eastern Caribbean Central Bank as quoted in United Nations Development Programme, 2010<sup>16</sup>*

### Public Sector Debt

The country has been plagued with a massive debt which puts it among some of the most indebted countries in the world considering its population size and the size of its economy. A large proportion of this debt was incurred as a result of high capital cost of rebuilding infrastructure following successive hurricanes (UNDP 2010<sup>17</sup>). A large proportion of debt was also accumulated during the latter years of non-performance of the sugar industry (National Adaptation Strategy 2006-2013).

Interest payments which in size represented seven percent of GDP in 2007- could swell to 15 percent 2014 by IMF estimates. This places more stress on revenues as the government seeks to cover its large roll-over needs. Recourse to IMF funding has added an estimated US\$19M to Saint Kitts and Nevis' external debt, due to recovery efforts after Hurricane Omar- further constricting the country's fiscal space.

Such indebtedness can create a constraint on foreign direct investment and, moreover, raises the costs of borrowing for both the public and private sectors. The high level of indebtedness of the Government to the domestic banking system carries certain risks as well, including the possibility of crowding-out private sector growth.

**Table 2.3: Total Public Sector Disbursed Outstanding Debt (DOD)**

Debt	2005 <sup>R</sup>	2006 <sup>R</sup>	2007 <sup>R</sup>	2008	2009	2010 (Proj)
*Debt % of GDP	196.8	189.3	181.3	170.0	184.7	196.3
Debt service (In percent of exports of goods and services)	62.3	22.7	23.7	21.9	24.7	34.3

*Source: IMF 2010 Article IV Consultation with St. Kitts and Nevis accessed at <http://www.imf.org/external/np/sec/pn/2010/pn10145.htm>*

<sup>16</sup> United Nations Development Programme, 2010. Poverty and Social Impact Assessment

<sup>17</sup> Ibid



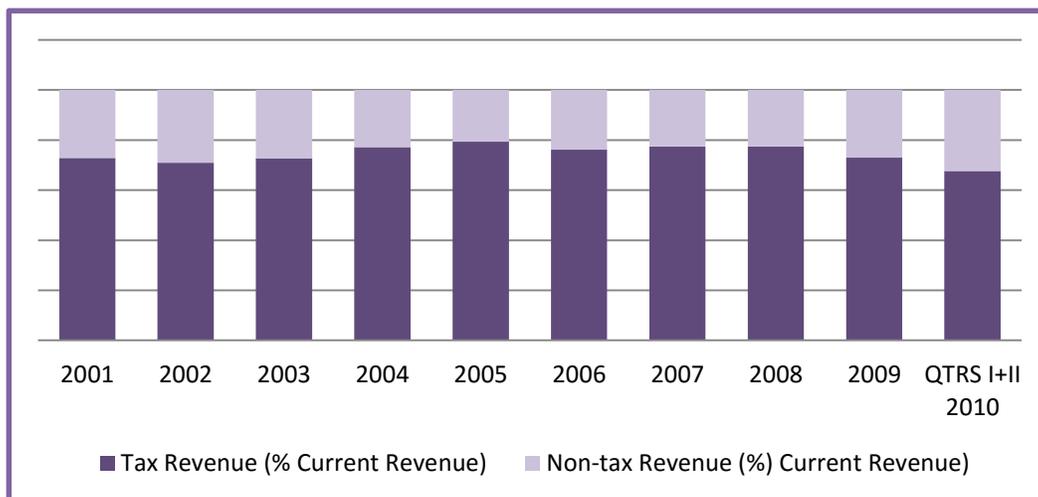
## Central Government Fiscal Operations

The fiscal situation has worsened in the more recent past, as revenues have declined. By June 2010, fiscal operations had deteriorated considerably compared to the performance in the first half of 2009. Current revenue fell by 13.3 percent reflecting declines in tax revenue as tax receipts from international trade and transactions fell, consistent with the contraction in economic activity on the island partly attributed to the events of Hurricane Omar in 2008 and the subsequent spate of sectoral declines precipitated by the 2008-2009 global financial crisis<sup>18</sup>. Non-tax revenue meanwhile rose by 15.2 percent, mainly reflecting increases in interest and dividends. The Current Account balance is expected to decline further by 6 percent from the 2011 level by the year 2016 (see Table 2.4).

Capital spending declined by 33.9 percent in 2010 following the completion of several large infrastructural projects in 2009. Capital revenue associated with the sale of Crown lands increased in 2010, while capital grants totalled EC\$1.4m in the first three months of 2010, down from EC\$1.9m for the same period in 2009. In the case of the Nevis Island Administration, fiscal operations resulted in an overall surplus of EC\$3.7m in the first quarter of 2010, in contrast to a deficit of EC\$4.7m recorded in the corresponding quarter of 2009. This development was mainly associated with an improvement in current revenue collections, most notably the yield from taxes on domestic goods and services (ECCB Annual Economic and Financial Report, June 2010).

The shortfall of public sector investment associated in part with a reduction in grant inflows will mean that large capital intensive projects will be underfunded in 2011. Fiscal operations as a whole will likely deteriorate for some time in 2011 before they improve by some margin.

Much of Government Expenditure is predicated on Tax Revenue: a fall in tax revenue implies a reduction in fiscal space for the Government, as can be seen in Figure 2.3.



**Figure 2.3: Tax and Non-Tax Revenue, 2001-2010**

*Source: Eastern Caribbean Central Bank*

<sup>18</sup> Tax revenue has been the leading source of government revenue over the ten year period, never constituting less than 70 percent of current revenue. Personal Emoluments made up the largest single share of current expenditure over 2001 to 2010, followed by interest payments.

Even in face of growing pressure on revenues imposed by debt, the authorities have requested a three year stand-by arrangement with the IMF in an amount equivalent to US\$84 million or 15 percent of GDP. This SBA is justified as a means to cushion the adjustment effort and restore confidence by signalling sustainable macroeconomic policies, while debt pressures on revenues will be managed through a measured restructuring of debt. The process of debt restructuring will take several months and will occur in phases across both commercial and official sector creditors. Up to the current period, the following debt re-structuring steps have been taken:

- Hiring of Debt and Legal Advisors;
- June 2011
  - Press release announcing the intention to seek debt restructuring;
  - Creation of the website to provide information to creditors;
  - Posting of the first presentation material updating the economic and financial situation; and
  - Initiation of bilateral discussions with key creditors
- July 2011
  - Establishing a working group for debt-land swap issues; and
  - Received financing assurances including from Paris Club.

**Table 2.4: Saint Kitts and Nevis Key Economic Indicators, 2009 -2016**

	Projections							
	2009	2010	2011	2012	2013	2014	2015	2016
CPI inflation, end of period, in percent	1	3.9	3.9	2.9	2.5	2.5	2.5	2.5
Primary fiscal balance, in percent of GDP	4.9	-0.5	5	5.4	6.4	4.5	4.4	4.3
Overall fiscal balance, in percent of GDP	-3.8	-9.4	-4	-3.2	-2.4	-4.5	-5	-5.6
Public debt, in percent of GDP	189.3	199.2	190.4	183.7	177.1	171.6	166.1	161.5
Current account balance, in percent of GDP	-34	-27.5	-29.5	-27.4	-25.2	-23.5	-22.1	-21.4
Gross international reserves, in US\$ million	122.9	155.7	154	152.2	150.4	148.4	146.3	144.1

*Source: IMF, Article IV Consultation Staff Report, September 2011*

### Key Opportunities and Challenges

There is some recognition among the international community of the huge task faced by countries in the OECS in achieving macro-economic balance following the global crisis that the international economy has experienced. The efforts at economic diversification have not yielded as yet an economic base such that countries can balance decline in one sector from which foreign exchange is derived, by growth in other sectors with capacity to compensate for any reverses in another. The experience of the last few decades of development has been one of the replacements of one or a few sectors by just a few others. The high concentration of export earnings in a narrow range of sectors has continued, therefore.



The elaboration of an ECCU Eight Point Programme establishes the level of commitment on the part of Member States to work within the limits that are available to them (Appendix 2). However, these limits are subject to drastic changes from time to time, as has been evident in the risks faced by Saint Kitts and Nevis, for example, in the occurrence of natural disasters, or an escalation in crime.

Another of the challenges to be confronted is the matter of non-tax revenue being proposed from the sale of land. The Government has implemented the Special Land Distribution Initiative which seeks to encourage home and property ownership among nationals, and has already led to an increase in home construction, in some of the areas that were previously under sugarcane.

The IMF has specifically recommended the speed up of land sales.<sup>19</sup> The distribution of land by way of sale to nationals contributes to the non-tax revenue of the Government, at a time when all sources of revenue are critical in the effort at debt reduction. However, sales of large tracts to corporate entities, although likely to be positive to revenue inflows, may have negative social impact, as alienation of significant holdings to non-nationals is politically charged in a very small country.

There might be less headway possible in respect of the sale of land to the corporate sector, domestic and foreign, given the implications for the probable negative impact this might have in a very small country.<sup>20</sup> The matter of a real estate investment trust under the control of the Government but geared to generate non tax revenue needs careful assessment. On the one hand, given the dire fiscal situation, there is pressure on the Government to realise once-and-for-all inflows, by sale of state lands. However, this is a politically charged issue in a small island state and a post-plantation society at that. On the other hand, a real estate trust that allows land to remain in public ownership and yet be used to realise revenue by leasing and in asset appreciation, has to be addressed, even though the immediate yield to the fisc may not be as large as outright sale.<sup>21</sup>

The EU and Canadian International Development Agency (CIDA) have provided assistance towards the establishment of the Debt Management Advisory Service, located at the ECCB, and this technical assistance is available to the Saint Kitts and Nevis as well as the other Member States of the ECCU, and of course, to the ECCB, in the financial regulation of these economies. Thus, Saint Kitts and Nevis is assured of good technical support in the management of its debt, let alone any funding that it may secure.

Given the arduous balancing act that is implied during the course of the next five years – streamlining public expenditure while simultaneously expanding technical capacity to ensure

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<sup>19</sup> IMF Executive Board Concludes 2010 Article IV Consultation with Saint Kitts and Nevis. Public Information Notice (PIN) No. 10/145; November 3, 2010. Website source: <http://www.imf.org/external/np/sec/pn/2010/pn10145.htm>.

<sup>20</sup> This has been raised as a concern in the entire OECS. See <http://www.cananews.net/news/131/ARTICLE/20467/2008-01-18.html>

<sup>21</sup> The various elements of REITs can be viewed at: <http://www.investopedia.com/terms/r/reit.asp#ixzz1Y3SohJTV>



efficiency of management and implementation -the authorities have hired a macro advisor, financed by DFID, and have formally requested financial and technical support from the World Bank in areas of budget support, civil service reform, social safety nets and natural disaster insurance. The IFC and the EU will also be providing assistance in land management, while CARTAC will provide assistance in public financial management.

## **Objectives and Targets**

The main objective of this Priority Area is to restore the Government to a level of macro-economic stability such that it can enjoy the fiscal space to support sustained poverty reduction, without compromising its standing before its creditors.

Under this priority area, the following targets will be pursued:

- 1) The debt to GDP ratio will be reduced to 100 percent by 2015, with the objective of 60 percent by 2020 or sooner;
- 2) Rationalisation and simplification of the structure of taxes - direct and indirect taxes - to ensure sustainable increase in revenues, to cover all recurrent expenditure, including debt service, and adequate to maintain a pro-poor poverty reduction strategy; and
- 3) Establishment of the public sector performance monitoring and reporting system by end of 2011/2012 fiscal year.

## **Key Results Areas and Outcomes**

The following are the key results and outcomes from implementations of measures under this Priority Area.

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### **1. Macroeconomic Stability**

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#### **OUTCOME 1: Macroeconomic Stability**

The OECS Eight Point Stabilisation and Growth Programme has been adopted collectively by member countries in the face of the major threats, including the fallout from global financial and economic crisis, and the secular decline in the rate of growth of economies in the Currency Union, which has led to increased unemployment and poverty and probable reverses in their Human Development Indices. The Programme focuses on achieving macroeconomic and financial sector stability through a series of programmes that would lead to improved financial and debt management; fiscal reform; the amalgamation of the indigenous commercial banks; and the rationalisation, development and regulation of the insurance sector. The Programme also focuses on sustaining growth and socio-economic development through public sector investment and strengthened social safety net programmes.



The following measures form part of the NPRS which will be undertaken as part of the ECCU Eight Point Programme and other initiatives:

#### **A. Reform the national fiscal management programme with a sensitivity to private investment**

The most important objective of fiscal reform and the new approach to fiscal management is to increase revenue to the Government, without creating disincentives to private investment and to the reward to effort. The GSKN has developed a package of fiscal initiatives in response to existing difficult conditions geared at raising revenues while containing costs. A general framework for tax reform has been elaborated by the Tax Commission of the OECS: one of the key recommendations is the rationalisation of a range of indirect taxes. In that regard, the GSKN, in its most recent budget, introduced the VAT and the Unincorporated Business Tax with a view to improve equity in the tax system and ensuring that more people are involved in sharing the tax burden. The VAT has replaced twelve different taxes, including the Consumption Tax, the Hotel and Restaurant tax, the Export Duty, and the Telecommunications Levy.

While VAT at first blush, may appear to be inherently inequitable, since it does not discriminate in imposing the burden, it is the final outcome in respect of the targeting of expenditures by the Government that will determine the level of equity in the tax system. VAT has turned out to be highly elastic in terms of yield and should allow the Government a higher revenue base with which to address poverty reduction, social transfers and the social safety net, generally. Moreover, selected items have been exempted having regard to their importance in the budgets of poorer people. These are principally food items – sugar, milk, infant formula, and rice – as well as infant and adult diapers, and medications for chronic diseases. More recently, certain services have been exempted as well, as a stimulus to production and employment.

In strengthening the revenue base, the Government will be better placed to reverse the growth in the deficit and the increase in public debt. It will also be far more capable of generating resources for long term development and for infrastructure expansion, or at the very least, will be able to raise cheaper credit for financing needed infrastructure development.

Another component of the fiscal reform package is the containment of expenditure. This will be pursued through such arrangements as a freeze on hiring in the public service, the enforcement of the regulations relating to retirement, and to the downsizing of the Air and Sea Ports Authority. The Government is committed to realigning electricity tariffs more consistently with the costs of providing a reliable supply to the public: the Electricity Department is to be corporatised, and the tariffs are being set to ensure that it is able to break even at the start of operations in this new mode.

The principle of user charges being made commensurate with costs of service provision will be applied in other areas as well, with concessions to the poor and vulnerable administered through the Social Safety Net. The sale of land also contributes one-off additions to non-tax revenues.

#### **B. Update and implement the National Financial Management Programme**

The experience within the OECS as well as elsewhere shows that weakness in the regulatory regime for of the financial system can have devastating results on the Financial System, as well as on the rest of the economy, in so far as it can create economic instability as economic agents



lose confidence in the system. The Government has established the Financial Services Regulatory which is a statutory body responsible for supervising credit unions, the international financial sector, money remittance businesses, the insurance industry and the Development Bank of Saint Kitts and Nevis. While each type of institution has its own character and modus operandi, the authority will ensure that certain regulatory arrangements appropriate to the subsector will be made to apply in the oversight that it will exercise.

### **C. Update and implement Public Sector Investment Programme**

The Public Sector Investment Programme (PSIP) is designed to ensure that the projects selected can contribute most to the expansion of the economy in so far as they can stimulate complementary investment by the private sector, or can lay the base for long-term social and economic expansion. The PSIP has included such projects as the installation of a new generator at the Electricity Department, the West Basseterre By-Pass Road, the Secondary Education Project and a Child Development Project. The PSIP is geared also to be the vehicle through which short and medium term fiscal stimuli can be provided to the economy. Indirectly at least, this will lead to expanded employment, which can be pro-poor.

The PSIP will be strengthened to allow for better selection, implementation and supervision. Consideration will be given to implementation of projects under the current PSIP with due regard to the financial constraints faced by the country. Projects will be prioritised based on their relative importance to the development of the Federation, poverty reduction and available funding.

### **D. Develop and implement improved performance based public sector results programme which gives consideration to improved transparency and accountability and performance**

Maximising efficiency in Government is now accepted as an important developmental objective. The Government has embarked on a programme to improve efficiency in the operations of the public service. There is an ongoing programme of training which is being enhanced, through the Human Resource Management Department. Technical assistance has been sought to implement a Performance Management System, the objective of which is to improve the delivery of services and to contain costs of operations.

In the final analysis, a performance based system will require a restructuring of the budgetary process and more particularly will involve rigorous reporting on output and performance which shall, in future, always be juxtaposed against allocations and expenditures. The Human Resources Management Department in the Office of the Prime Minister is the prime agency involved in this important institutional reorganisation, and will be equipped with the expertise to guide transformation in the public service to a performance based system, with the annual budget outlined with clear quantified deliverables for the respective allocations.

The obverse of this objective is improved accountability and transparency in Government. The Government has instituted a national consultative process in preparation of the budget. The Government accepts the need thereby to engage the public not only in determining the thrust of new expenditures but in explaining in lay terms the level of achievement in respect of the budget of the previous years. Moreover, with the widening of the use of ICTs among the public, substantial information will be made available online about the running of Government



Departments including on the services available to the public. Thus, through the consultative process and through online information and interactive mechanisms, clients in Saint Kitts and Nevis will become more aware of the services available, and will be better able to give feedback on the quality of delivery.

**E. Develop and implement a national debt management strategy and action plan which provide measures for managing the external and domestic debts to achieve the debt target of 60 percent of GDP by 2020**

The Debt Management Advisory Service Unit has been established with the responsibility for the active management of the Government's debt. It is required to maintain a comprehensive listing of debt, monitor payment dates, and to make payments in a timely manner, as well as to keep an updated inventory on the debt of Public Corporations. It is the institution through which the Government seeks progressively to monitor the size of the debt and the trends in debt reduction.

The measures being taken to resuscitate the economy and the reorganisation of the fiscal system should increase the revenue derived by the Government. Through its firm commitment to the ECCU Eight Point Programme, the GSKN should be able to progressively reduce the Debt to GDP ratio. The Debt Management Advisory Services Unit will perform the task of day to day monitoring of the effort and will provide the Government with real time information on its performance in debt reduction.

It is expected that the Debt to GDP ratio will be reduced to at most 100 percent by 2015, and to continue on a downward trend such that it could achieve the 60 percent guideline by 2020. Given the increasing threats deriving from weather episodes, and sea rise, as well as the loss easily predicted like earthquakes, consideration will be given to the development of a reserve fund to treat with environmental disasters, which might render it necessary to relocate large sections of its population to other locations or even to other islands, even if temporarily as has happened with Montserrat.

In effect then, the 60 percent target is merely indicative of ease in the capacity to borrow, but does not reflect fully the requirements of a country faced with inexorable demands as a result of heightened environmental threats. However, success in debt management will induce confidence among creditors, both domestic and foreign, that the Government and the country have the capability of managing fiscal operations, with the result that the country will be able to secure improved borrowing terms and even debt forgiveness, given its other circumstances of high vulnerability.

**F. Negotiate debt forgiveness and renegotiate terms and conditions of loan contracts with creditors**

The Government will seek to reschedule some of its debt and debt forgiveness from a number of creditors.



## Priority Area 2

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### Accelerated Economic Growth and Wealth Creation

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#### General Policy Statement

The strategy for poverty reduction will be built around the acceleration of income growth and of wealth creation. Generally, the Government will seek to encourage private sector growth by laying the foundations and infrastructure that can facilitate the domestic and foreign private sector to contribute to expand economic activity, thus contributing to the growth of employment and incomes. A key element of this Strategy will also be the growth of the export sector, making it a new terrain in which the poor and the vulnerable are stakeholders and valuable contributors to what is being produced. There will be a thrust towards making Saint Kitts and Nevis a producer of competitive value-added products that are ready for the international market.

#### Introduction

The level of poverty in a society establishes the percentage of the population that lacks certain basic requirements. The notion of a poverty line suggests a discrete distinction between the haves and the have-nots. There is an implied distribution of income and wealth in any designation of a poverty group, in so far as there are some in society who are not poor. The poor can be lifted out of poverty in three ways. The better-off can transfer or be made to transfer resources to the poor to place them over the poverty line. This is redistribution in a static sense.

Secondly, the poor might be involved themselves in growing the economic pie from which they derive a larger share of the benefits, of the increased pie, without any reduction in the quantum going to the non-poor. In this case, the poor may rise above the poverty line, without any reduction in the standard of living of the non-poor. Thirdly, the poor can be lifted out of poverty by way of transfers that are derived principally from increases in the size of the pie, and with enough of it being allocated as transfer income to ensure that the poor escape poverty. Clearly, the last two can be operable together, with some of the poor benefiting mainly from their own contribution to increasing the pie, and others from an enhancement of transfer payments.

The capacity of a country for sustained poverty reduction depends ultimately on the level of success in expanding the economy and in creating opportunities for poorer people to access increased incomes either from sustainable employment or from a higher level of transfers and support to be defrayed from resources realised from an expanded output. Under conditions of equitable development, accelerated economic growth and wealth creation can reduce poverty in short order.

The strategy for poverty reduction then might be built around the acceleration of income growth and of wealth creation. Economic policy has often centred on the selection of the measures that can lead to the fastest possible increases in income. There has been extensive



debate on the key actors in the transformation process, and indeed in the nature of distribution. The earlier division was between the advocates of growing the pie first and distributing later, and those who advocated growing the pie by distributing to the poor now such that they are empowered to mobilise more to grow the economy faster: inherent in this view is the notion that the rich engage in wasteful expenditure that would contribute less to expansion than the equivalent resources allocated to the poor.

The economic and social context of Saint Kitts and Nevis, and the thrust of policy have been directed at redistribution through growth. Generally, the Government seeks to encourage private sector growth by laying the foundations and infrastructure that can facilitate the domestic and foreign private sector to contribute to expand economic activity, thus contributing to the growth of employment and incomes.

Moreover, an increase in economic activity is likely to increase the quantum of revenue available to the Government, out of which transfers can be made to the most vulnerable, and/or investment made on the improvement in the capacity of the poor such that they can contribute to and participate in expanding incomes. In the case of a SID like Saint Kitts and Nevis, policy has to be directed not only on growing the economy, but also at growing the export sector, with the most felicitous result being one where the poor and vulnerable can contribute directly to the expansion of the export sector in a competitive international economy.

The overarching strategy of expanding the economy is supported by a number of key strategic initiatives. These have been given prominence in the last budget of the Government, which is geared to build “the Foundation for Accelerated Growth and Development”, and are as follows:

- Steady reduction in the public debt over time, by strengthening of the public finances through the reorganisation of the structure of the fiscal system in a home-grown package of fiscal initiatives;
- Downsizing of some public sector institutions, and curtailing of certain expenses in the Public Service;
- Reform of the Public Services to ensure greater accountability and effectiveness;
- Reduction of dependence on fossil fuels through the use of geothermal energy, wind energy and other alternatives;
- Rebranding the tourism sector, especially through adopting green attributes, as a result of a comprehensive environmental protection programme;
- Expansion of local food production with support to domestic farmers with improved institutional infrastructure, technical assistance and market intelligence;
- Development of diversified exports of high quality goods and services targeted at the international market and able to earn foreign exchange;
- Improved productivity of the work-force to enhance the competitiveness of products and services of Saint Kitts and Nevis, with the National Competitiveness Council being a key player in this thrust; and
- Improved security of the person by the reduction in crime and violence in the society.<sup>22</sup>

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<sup>22</sup> Dr. Denzil Douglas' 2011 Budget Address. Website source: <http://www.winfm.com/news2.asp?NewsID=5618>.

<sup>22</sup> Data on poverty levels and the poverty line were obtained from the CPAs of 2001 and 2008, and combined with real GDP per capita income levels. The methodology used was partially adapted from Lengala and Ram (2010): *Growth*



## Baseline Analysis

Over the period 2001 to 2008, there was a major decrease in estimated poverty, accompanied by virtually no change in income distribution and periodic high growth. As an export dependent economy, levels of growth are mirrored by lagged responses to growth trends in the world economy, and in particular, the economies to which Saint Kitts and Nevis are closely linked in trade. Additionally, even though there were upticks in the growth rate between 2001 and 2008 (in 2004, the economy grew at a rate of 7.32 percent), the average rate of growth within the period was 1.51 percent. In terms of sectoral trends, the agriculture sector witnessed a major overall contraction due to the closure of the sugar industry. Manufacturing, as a significant contributor to GDP contracted overall, while Tourism grew steadily as a sector.

In 2010, the economy grew at 0.61 percent, which was a significant improvement from -9.59 percent a year prior. Current ECCB forecasts predict a continuation of steady growth, with rates just below 2 percent achievable by 2012. Since poverty rates have fallen since the last CPA, the policy stance should be a continuation of investments designed to sustain robust and better distributed growth. In addition, there is now a greater necessity of incorporating in the growth strategy growth and wealth creation policies that promote more endogenous growth and the growth of linkages between sectors as a way of reducing external vulnerability. This home grown growth should be based on the strengthening and deepening of the knowledge base, the incorporation of new technologies and the creation of development opportunities that optimise the full extent of Saint Kitts and Nevis' human capital resource.

## The Growth and Income Distribution Elasticity of Poverty in Saint Kitts and Nevis

Based on data from the two Saint Kitts and Nevis CPAs (CPAs 2000 and 2008), the elasticity of poverty incidence (see Table 2.5) with respect to the rate of growth of real GDP per capita income, holding income inequality constant, was -1.43 as at 2008/2009.<sup>23</sup> This means that between 2001 and 2008, for every one percentage point increase in real growth of per capita income, there was a 1.43 percent reduction in poverty. For the reference period, this indicates that the levels of growth experienced were beneficial for the poor and that poverty targeting programmes were effective, as the level of indigence also fell considerably in both islands to 1.04 percent (Saint Kitts) and 0.0 percent (Nevis). However, the distribution of income seemed to be far less responsive to growth levels in the reference period. Calculations showed that for every one percent increase in real growth of per capita income, income distribution- represented by the Gini Index- was virtually unchanged. With a relatively high per capita GDP placing Saint Kitts and Nevis in the ranks of middle income developing countries, and despite strong indications that poverty levels seem to have responded well to growth between the CPA years, the poverty reduction and growth problematique of Saint Kitts and Nevis is mainly a challenge of equitably redistributing income. Therefore, wealth creation targets in this strategy will have to be deliberately aimed at the poor.

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*elasticity of poverty: estimates from new data, and from Senegal: Poverty Reduction Strategy Paper, International Monetary Fund, 2007. From Lengala and Ram, 2010, the direct approach was used, which finds the percentage reduction in a Foster-Thorbecke-Greer poverty indicator (poverty headcounts in this case) associated with a percentage change in real GDP per capita growth.*



**Table 2.5: Responsiveness of Poverty to Growth, 2001 and 2008**

Poverty Measure	Index Value		Growth and Income Inequality Elasticity of Poverty
	Poverty Headcount (Individual)	32.0	21.9
Real Per Capita GDP (PPP)	7,433.07	10,988.04	0.0024
Gini Index	0.397	0.397	
Sector	Sectoral Contributions to GDP (%)		Sectoral Growth Elasticity of Poverty
Agriculture	4.92	4.27	0.42
Manufacturing	13.56	10.04	0.820965
Hotel and Restaurant	4.37	6.15	-1.29
Construction	18.56	15.02	-0.40

*Source: Saint Kitts and Nevis Country Poverty Assessments, 1990/2000 and 2007/2008*

Chapter 2 examines the performance of the key economic sectors in Saint Kitts and Nevis. When the sensitivity analysis was narrowed by sector, it was shown that growth trends in agriculture and manufacturing between 2001 and 2008 had an adverse effect on poverty while growth in the Tourism sector ostensibly played a role in reducing poverty and indigence. For every percentage decline in growth of the agriculture sector, poverty increased by 0.42 percent, whereas in manufacturing, each percentage decline in growth increased poverty by 0.82 percent. Poverty levels should have been greatly reduced due to the growth of Tourism, as a percentage increase in the growth of the Hotel and Restaurant sector caused poverty to decline by 1.29 percent.

Comparative analysis of the poverty reduction opportunities available in agriculture and manufacturing versus Tourism and Construction is informative for this strategy. The working poor, as the 2007/2008 CPA corroborated, were likely to find lower paying jobs in the lower end of the service industries. Females and the poor are generally more likely to be employed in the Tourism sector, whereas the construction sector may provide more employment opportunities for poorer males. As both sectors are volatile due to their pro-cyclical nature, a greater displacement of employment into lower level jobs could increase the risk of vulnerability and create greater poverty if there is a disruption in the flow of investments to these sectors.

Therefore, the wealth creation strategy should include greater investments in developing entrepreneurial opportunities and establishing conditions to allow the poor to effectively participate in income generating occupations. Some of the key requirements for such as strategy include decreasing barriers to entry, creating a supportive legislative environment to facilitate start-up enterprises, increasing the availability of quality and timely information, and emphasising the use of knowledge as an integral resource.



## Sectoral Employment Trends: 2001-2009

Throughout the decade, the key economic sectors have also witnessed a metamorphosis in labour market trends. The closure of the sugar industry was responsible for a contraction in the share of employment in the agriculture sector from 5.62 percent in 2001 to 0.92 percent in 2008. Manufacture as a whole declined between 2001 and 2009 as a major employer, from 14.36 percent to 7.83 percent respectively. The decline in these two sectors as major employers may have caused significant job loss during the period, but should have also caused redeployment of labour into other growing sectors, such as Hotels and Restaurants – which grew steadily between 2001 and 2009-, Public Administration, which also grew by almost two percent, and Other Community and Social Services, which had the most significant growth, at just over three percent (Table 2.6).

**Table 2.6: Sectoral Share of Total Labour Force - 2001, 2008 and 2009**

Sector	2001	2008	2009
Agriculture	5.63	0.92	1.05
Manufacturing	14.36	8.83	7.83
Hotels	10.75	13.46	12.43
Construction	10.84	11.04	11.11
Public Administration	26.50	24.81	27.83
Other Community and Social Services	3.91	7.60	6.92

*Source: Saint Kitts and Nevis Social Security Board, Statistical Digest, 2010*

## Key Opportunities and Challenges

The challenge for a small country is, however, to identify the mix of sectors that can contribute to foreign exchange earnings from participation in the competitive international economy, since the traded goods and services count for so much more in the capacity of the economy to expand and transform. With its small size and labour force, there are limits to economies of scale and even of scope. Choice of sectors and industries becomes a critical matter, and experience has shown that one cannot rely totally on the market to determine the growth path of the tradable sectors.

However, industrial policy formulation is fraught with challenge in countries with far greater capacity and diversity of resources. It is even more demanding in a tiny country since mistakes in picking winners can be very costly.<sup>24</sup>

While trade protection that allowed Saint Kitts and Nevis and the OECS to market primary produce has ended, the country may still derive some benefit from such agreements as the EPA with the EU and other trade arrangements in the offing with the United States and with Canada. However, it is a moot point how reciprocal can be the relationship between Saint Kitts and Nevis

<sup>24</sup> There has been debate in the development literature on the appropriateness of picking winners. See Amsden, Alice, *Asia's Next Giant: South Korea and Late Industrialisation*, OUP, 1992. Clearly, South Korea got it right in the take-off stage and, the Leeward Islands in so far as they adopted Tourism and Financial Services at a critical time in their post-colonial development when they laid the infrastructure for both.



and the EU. It is a member of the deepening union that is developing within the OECS, and is part of the CSME of CARICOM Countries.

The Ministry of Commerce and Trade is in the process of examining the possibilities that may be offered by the EPA and other agreements. The challenge in industrial policy formulation for small countries is not necessarily in being able to pick winners, but rather in developing the level of flexibility and resilience such that it is possible to respond in short order to changes taking place in the international economy.

Such a capability is based on the level and breadth of education and training incorporated in the labour force. It is seldom possible or even necessary to discard existing physical capital or production system to which trained and trainable labour is the complement. In such circumstances, it is possible to transform a production system or even embark on a new as labour is geared up to changed competitive conditions and to new requirements in the market place.

Thus, diversification within a sector may allow for continued rewarding participation in the international economy. A well trained farming community can switch from one type of agriculture to another or respond to changing market conditions for different crops and produce relatively quickly. Workers whose services in assembly operations are no longer required might be able to switch to the export of services if they are adequately educated and trained to make the switch. Industrial policy to promote accelerated economic growth and wealth creation has to be able to accommodate the nuances involved in developing the underpinning flexibility and resilience needed for a small country to keep competitive as conditions change.

In that regard even though questions might be posed about the presumed benefits of reciprocity between the EU and Saint Kitts and Nevis in the EPA, this agreement may allow the country a temporary respite in preparing for a different mode in competitive participation in the international economy.

### **Objectives and Targets**

The main objective of this Priority Area is to underpin the objectives of the Poverty Reduction strategy with measures to accelerate the process of growth and wealth creation. The elements of this priority area are founded on the following principles and values;

1. The creation of an economy in which wealth is equitably distributed and which ensures the personal ability of the poor to overcome poverty and realise a higher standard of living;
2. The facilitation of the poor in realising these goals by establishing an entrepreneurship-enabling environment and promoting the use of knowledge as the core of development;
3. The bolstering of the competitive capacity of Saint Kitts and Nevis by targeting sectors where there is a natural competitive advantage and by creating competitive advantages in new and growing sectors;
4. The re-casting of human capital as the central and most important factor of production, with specific emphasis of optimising the growth potential of the economy through ideas, innovation, research and development;



5. The establishment of the right institutional structures and capacities to make the process of economic transformation sustainable.

Under this priority area, the following targets will be pursued:

- Entrepreneurship training will be offered at the community level to the public in modules, with the target of at least 200 persons per year, 150 in Saint Kitts and 50 in Nevis;
- Provision in part-time education and training (evening programmes) for at least five percent of the work-force;
- At least 20 new businesses per annum facilitated with improved services of the advisory agencies, speedier assessments in providing access to credit and export market information;
- At least three intensive training programmes mounted annually for small hotel and guest house operators and ancillary service providers;
  - to address service upgrading
  - to gain exposure to new tourism source markets
  - to revisit and update information on flora, fauna and social history of Saint Kitts and Nevis
- Five percent annual increase in domestic food supply; and
- Targeting the working poor and unemployed in short-term and part-time training and upgrading.

### **Key Results Areas/Outcomes, Activities and Outputs**

The following are the key results and outcomes from implementations of measures under the Accelerated Economic Growth and Wealth Creation Priority Area.

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1. **Economic and industrial restructuring and transformation, thus creating the foundations for competitive participation**
  2. **Information, Communication and Telecommunications platform developed**
  3. **Institutional capacity strengthened in support of the new economic and industrial paradigm and ethos**
  4. **Wages at the lowest level kept in line with inflation to ensure protection of the working poor**
  5. **Saint Kitts and Nevis Tourism product redefined and strengthened in an effort to reposition the industry and to capitalise on all the natural and historical assets of the islands**
  6. **Increased food security and self-sufficiency in Agriculture and Fisheries**
  7. **Local entrepreneurial development in support of poverty reduction and sustainable development**
  8. **Sustained Pro-poor Employment Creation**
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## **OUTCOME 1: Economic and Industrial Restructuring and Transformation, thus Creating the Foundations for Competitive Participation**

The Government has accepted the need for economic restructuring and transformation. This is evident in at least two of the strategic documents produced in the last decade. The Medium Term Economic Strategy Paper 2005-2008 identified the challenges posed by globalisation, trade liberalisation, the elimination of protection, and the reduced aid flow. While tourism was expected to play a vital role in the economy, sustainable economic development was premised on diversification, with social development promoted through investments in education, health, housing and public safety.<sup>25</sup>

The strategic sectoral focus of the *National Adaptation Strategy 2006-2013* elaborates on the sources of viable production and potential competitiveness of Saint Kitts and Nevis. These include:

- Diversification within its tourism product based on the amenity resources of natural beauty, culture, and forest ecosystems and on the promotion of attractions that might provide a unique experience for tourists;
- Commercial agricultural production based on both livestock production and crop production: the latter to consist of short crops or vegetables and root crops on the one hand, and of fruit and tree crops, on the other hand<sup>26</sup>;
- Fisheries development;
- ICTs; and
- International Financial Services.

The NPRS recognises the fundamental shift that has taken place in the global economy at the end of the first decade of the 21<sup>st</sup> century, with the two Asian giant economies engaged in production networks in which they retain such advantages that cheaper labour inputs provide in international competition, while at the same time, they engage in sophisticated products and services with high level skilled and professional level inputs, that allow them to match and even surpass the traditional leaders in the advanced economies in technology and knowledge applications.<sup>27</sup>

Competitiveness has to be built on knowledgeable labour capable of applying new information to create new market possibilities until overtaken by others with endowments that Saint Kitts and Nevis cannot match, by which time it has to be well poised to switch to other areas of

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<sup>25</sup> European Community, 2008. Annex Saint Kitts and Nevis –: Country Strategy Paper and National Indicative Programme for the period 2008-2013 (10<sup>th</sup> EDF). Website source: [http://ec.europa.eu/development/icenter/repository/scanned\\_kn\\_csp10\\_en.pdf](http://ec.europa.eu/development/icenter/repository/scanned_kn_csp10_en.pdf).

<sup>26</sup> The short crops identified include pumpkin, carrot, watermelon, cucumber, tomato, sweet pepper, string beans, onion, white potato, sweet potato, peanut, dasheen and yam, and the fruit and tree crops of mangoes, hybrid guava, wax apple, as well as carambola, and pine apple.

<sup>27</sup> The Royal Society, 2011. Knowledge, Networks and Nations: Global Scientific Collaboration in the 21st century. Website source: [http://royalsociety.org/uploadedFiles/Royal\\_Society\\_Content/Influencing\\_Policy/Reports/2011-03-28-Knowledge-networks-nations.pdf](http://royalsociety.org/uploadedFiles/Royal_Society_Content/Influencing_Policy/Reports/2011-03-28-Knowledge-networks-nations.pdf).

BBC News Science and Environment, 2011. Website source: <http://www.bbc.co.uk/news/science-environment-12885271>.



production of goods and services. This has to be the sheet anchor of its industrial policy for the future. Thus, having regard to the need to rely heavily on exports and foreign earning capacity, there is need to bolster the country's resilience and flexibility as the major imperative for its sustainability and survival.

In order to achieve economic and industrial Restructuring and Transformation, the GSKN will:

- Develop a Strategy and Action Plan for economic and industrial transformation of Saint Kitts and Nevis, in collaboration with all industry stakeholders across both islands and promote industrial scoping of current and future markets, starting with EPA, and other existing markets;
- Establish a system for continuous monitoring of economic and industrial competitiveness and productivity improvement in Saint Kitts and in Nevis; and
- Establish a forum for continuous dialogue among industry partners which includes the GSKN, private sector, labour movement and NGO sector.

## **OUTCOME 2: Promoting and Developing an Information, Communication and Telecommunications Platform**

The GSKN is committed to the widespread use of ICTs. In the most recent budget presentation, the Government pledged to make computers available to children and others in communities with the objective of fostering 'learning and creativity' in order to remain competitive with those in the developed world. Thus, ICTs has to be seen as offering the possibility not only for stand-alone activity by way of information processing and in such activities as medical transcription and data entry. More particularly, it is the infrastructure through which the population can remain updated in real time with new information that contributes to the expansion of knowledge and to the improvement of productivity, while, at the same time, it applies their own stock of knowledge in the production system of Saint Kitts and Nevis.

Given the small size of the country and thus the small size of its technical and scientific cadre, a high premium has to be set on taking advantage of the rich information networks created by other countries, in the process of the development of its own human resources and intellectual capital that is vital to a knowledge driven economy. Its capacity to create a competitive edge is not restricted to the use of its own internally generated information and knowledge.

The technology within the Public Service is being upgraded to allow for better knowledge management, and thus for the improvement of productivity in the public service, including through the reduction in the costs of services. Indeed, the Department of Technology is collaborating with the Ministry of Sustainable Development in the operation of the Information and Communication Technology for Education, Diversification and Competitiveness (ICT4EDC) Project, through which public servants and personnel in the private sector are exposed to specific types of training in ICTs.

There is also the provision of ICTs in a number of community centres in the country where citizens are provided the opportunity of acquiring skills in ICT and can access information for education and other purposes: the Centre at Old Road has established a model worthy of emulation across the Federation.



The Government will continue to aggressively foster and facilitate the use of ICTs to ensure that the population at large becomes more information sensitive and develops a capacity in the use of the technology, in knowledge management and in the acquisition and application of new information. The Government will continue the initiatives outlined under the National Adaptation Strategy (2006-2015) which provides a comprehensive approach to the expansion of the use of ICT and ICT-related sectors. Key to these interventions is the continued investment in human resources to support growth of the ICT industry through recruitment, training and other initiatives. In order to make the education system more relevant and to support widespread application and use of ICTs into all spheres of life in the Federation, ICT training will be provided to teachers to enhance the delivery of their subject area through the effective utilisation of computers and appropriate software.

The provision of ICTs to all community centres will remain a priority for the GSKN and where appropriate, the Government will encourage telecommunications operators to expand/provide various services to low-resource communities by requiring them to subsidise services to the most needy communities from benefits yielded in better off/urban areas.

The infrastructure within the Public Service will be upgraded to improve productivity in the delivery of public services.

### **OUTCOME 3: Institutional Capacity Strengthened in Support of the New Economic and Industrial Paradigm and Ethos**

The GSKN is in the process of restructuring and downsizing the public service and the NPRS recognises the need for the creation of a public sector that fully supports the Government and people in the initiative to bring about a change in its fiscal position and to increase economic opportunities for the people of Saint Kitts and Nevis.

The Government is committed to improve efficiency in the Public Service, mainly through the measures being implemented by the Human Resource Management Department responsible for overall upgrading of the Public Service. Therefore the Civil Service Modernisation Plan has been developed and will be implemented over a four year period, starting in 2011. This plan is expected to improve transparency and increase efficiency and effectiveness of the delivery of services in the public sector.

The Government will seek technical assistance to support the introduction of a performance management system, one critical objective of which will be to make the switch to a system of accountability and transparency that brings greater efficiency to the delivery of public services.

The important result will be output based budgeting, in which the Departments will have to indicate in considerable detail what are the deliverables to be expected from the financial resources being requested. Quarterly (or even monthly) reporting as well as end-of-the-year reports will detail the deliverables and the costs. This system should be in place in two years, and should show considerable improvement and surely greater accountability in such areas as the delivery of educational services, primary health care and social services, and other areas of direct delivery of services to the public.



#### **OUTCOME 4: Minimum Wages Kept in line with Inflation and Protection of the Working Poor**

The Ministry of Labour has a role in ensuring fair standards in the work place, and in providing protection to workers who do not have trade unions bargaining on their behalf. At the same time, it has to be concerned lest wage increases lead to the shedding of labour by employers, to the loss of competitiveness of domestic firms, and ultimately to an increase in unemployment.

The Ministry of Labour with the assistance of the tripartite partners, will update the minimum wage from time to time in the light of economic conditions for the lowest paid workers. Attention will be given to national productivity and to the improvement in attitudes to work, in the tripartite collaboration in which workplace standards are going to be addressed. In addition, a fully operational Labour Market Information System will improve flexibility, with job vacancies and unemployment data by skill category being constantly monitored.

#### **OUTCOME 5: Saint Kitts Nevis Tourism Product Redefined and Strengthened in an Effort to Reposition the Industry and to Capitalise on all the Natural and Historical Assets of the Islands**

Saint Kitts and Nevis has built a tourism product that has been oriented to the higher end of the market place. The room stock in Nevis is dominated by the Four Seasons Hotel and in Saint Kitts, the Marriott is a dominant player. Some argue that it is these large establishments that make Saint Kitts and Nevis a destination in the international industry. There are a few boutique establishments and some small hotels and guest houses. The ownership pattern in the industry is also mirrored in size of establishment, with the smaller establishments being more likely to be owned by locals, and medium sized establishments, by the local corporate sector.

There are a number of hurdles that will be addressed during this period in order to restructure the national tourism product. Attention will be paid to the growth of small scale sector which has become stagnant in recent times. The focus will be on training and placement of young people in the sector and facilitating their entry as entrepreneurs, owners and operators.

The sector is plagued also by the absence of a regulatory framework that can ensure that minimum standards are observed, both in respect of rooms and room services as well as in the ancillary services. This is in spite of the programmes that have been mounted by the Tourism Association, from time to time. The supporting legislation will be put in place to allow the Tourism Authority to enforce standards.

The economic recession has been devastating to the sector, with occupancy levels in decline since 2008. While there might have been some limited signs of growth in the more recent past, the returns to the sector have been limited. Saint Kitts and Nevis, like the rest of the region, has to compete with destinations in other parts of the world.

New source destinations in Asia have not yet surfaced with demand for the product of Saint Kitts and Nevis: the country will be hard-pressed to match the requirements of this new market, among people who are accustomed to a different type of service than is provided in the Caribbean, where service of the type provided in Asia evokes an association with servitude.



There is need to invest in researching the demands of this market in Asia which is new to the Caribbean and may require hoteliers to develop language skills in Mandarin and Hindi.

The cruise industry has been the area of greatest growth in the last few years. However, revenue from this sector, in spite of its rapid growth, does not compensate for the decline in the stay-over visitor market. The Government introduced a package of measures to stimulate the sector following the precipitous fall in occupancy levels, and tied its incentives to the provision of information from the industry, and a commitment on the part of hoteliers to the creation of backward linkages to domestic agriculture.

The Government has continued to support the development of other niches in the sector. Education tourism has expanded with additional educational establishments entering to provide programmes to foreign students. Historic buildings and historic sites are being refurbished as part of the upgrading of the product.

There have been other supports for the sector. There have been training programmes for boat captains in recognition of the possibilities offered by the marine side of the domestic industry, and there are a number of marine projects ongoing. Dive operations are also being encouraged, and tour-guiding services are being upgraded: these are areas in which locals have been involved and can actively participate.

The country has embarked on a major development in the south-eastern peninsula of Saint Kitts, which will help to differentiate the product and, hopefully, raise the profile of the country, as one with a superior brand. The country has expended considerable effort on the supply side to improve its product. To achieve this stated outcome the following will be undertaken:

- i. Targeting and exploration of new markets to reduce heavy reliance on traditional markets;
- ii. Diversification into new niches – education tourism, agro-tourism, heritage tourism, events tourism;
- iii. Diversification of tourism product in Nevis and Saint Kitts to increase participation of locals. This includes the provision of support for community tourism ventures;
- iv. Partnering with OECS and other CARICOM partners in defining and branding of Caribbean hospitality and offering training to improve tourism services. The NAS (2006-2013) also calls for the establishment of a Heritage and Community Tourism Training Programme;
- v. Improvement in the depth of tourism product by specialising the training of human resource (e.g. study pilgrimages to source market countries to learn about their culture/ language, so that services are oriented around this knowledge); and
- vi. Strengthening and supporting the small accommodations and service sector.

In order to increase opportunities for local investment and increase the number of local tourism business owners, the following are proposed:

- vii. Development of a standards bureau for establishment of accommodation and service standards and monitoring; and
- viii. Deepening the agro-tourism linkages and commitment by hoteliers to use local agricultural produce and to promote local foods.



The NAS (2006-2015) provides a comprehensive programme for the development of a diversified, competitive and environmentally sound tourism product and includes over 40 projects which when implemented will further strengthen the Federation's tourism sector. Key among these is the development of heritage tourism based on the relics and structures from the sugar industry, the upgrading of key heritage sites, and development of the plantation yard museum at New River, establishment of marine parks, improvement of the tourism data collection and management system, among others.

Of critical importance to poverty reduction efforts are the projects which promote community tourism and strengthen the human resources capacity of the industry, and which are geared, namely, to: 1) improve access to credit for potential small entrepreneurs at the community level; 2) establish a tourism small enterprise empowerment fund; 3) provide incentives for small business enterprises operating in the tourism sector; 4) establish a Heritage and Community Tourism Training Programme; 5) develop handicraft t; 6) design and implement special retaining programmes for ex-sugar workers; 7) promote training in hospitality skills needed by the industry; 8) develop and implement tourism training and awareness programme; 9) expand training for frontline and other service providers to ensure that they have the tools to enhance the visitor experience and provide a globally competitive service product; and 10) establish a scholarship programme for nationals to pursue tertiary level training in tourism and hospitality management and related fields.

## **OUTCOME 6: Increased Food Security and Self Sufficiency in Agriculture and Fisheries Production**

### **Agricultural Development**

Food security, entrepreneurial development and employment generation are at the heart of the NPRS thrust. The establishment of sustainable local food systems is critical to poverty reduction, and this implies the development of sustainable domestic agricultural production systems to boost local production and to ensure that Saint Kitts and Nevis has access to a continuous supply of safe and nutritious locally grown foods. The following measures will be implemented:

#### **A. Develop a national food security policy and action plan targeting the growth of strategic crops and livestock, and fisheries**

The Food Security policy and plan of action will provide a roadmap for the development of local food system, and workable solutions that would allow the agricultural and manufacturing sectors to process locally grown food. The key objective is the supply of safe and nutritious foods to all but with the complementary objective of reducing the food import bill. A number of issues will be have to be addressed as part of this plan –

- Strategic crops – the identification of strategic crops of national importance which will be targeted for increased production with regards to ensuring that the country has a continued domestic supply as external food prices increase and markets fluctuate.
- Food safety - with particular reference to the threat to human health from the use of agro-chemicals. Key to this will be the call for the development of standards for locally produced and imported foods.



- Food production – looks at ways to increase food production in the agriculture and agri-food industries ensuring increased productivity, strengthening the links between research and production, and sustainable management of agricultural resources. This also includes the establishment of a functional system for production of safe and healthy food, and ensuring compliance with international industry standards and a strengthening of the legislative framework, continuous training and upgrade of farmers, and the certification of farms.
- Promotion of environmentally friendly practices to ensure sustainable agriculture and agri-food resources – soils, water resources, local and foreign plant materials, etcetera.
- The role of intra-regional cooperation and collaboration in ensuring food security and safety – the role to be played by Saint Kitts and Nevis and other OECS and CARICOM countries in ensuring the regional food security system.

#### **B. Promote agriculture and fishing as viable economic options to attract increased involvement of business-oriented and young farmers**

It is important to break the perception that agriculture and fisheries do not offer viable business and career options. There is general lack of knowledge and appreciation of the critical importance of the sector to national development and food security. Agriculture and agri-food industry is a vast and diversified area which offers numerous business and career options from those directly involved in farm production, to others engaged in agro-tourism, agro-processing, agro-marketing, research and development.

The Ministry of Agriculture in Saint Kitts and Department of Agriculture in Nevis, along with the Ministries with responsibility for Education, Tourism and Trade will collaborate in engaging the population, particularly young people in the business of agriculture. The Tourism Authorities can be instrumental in promoting links between the hotel and restaurant sector and the farming community. Domestic produce will be promoted as a part of the *haute cuisine* of the country. Competitions to be developed among the chefs in the country will contribute immensely in this regard.

A cadre of 100 interested young persons will be targeted and supported over the next five years to be farmers. These young people will be provided with land, credit and other resources and be trained to become modern innovative farmers, thus paving the way for the transformation of the industry. Saint Kitts and Nevis might also take on board the lessons of their regional partners that have demonstrated success in this area..

#### **C. Promote and make the link between healthy lifestyles to home-grown agricultural products and local foods**

Given changes in taste and dietary processes, there will be active promotion on the part of the Ministry of Agriculture and the Ministry of Health on the marketing of the freshness and wholesomeness of locally grown agriculture produce and agri-foods and promoting healthy eating practices. The school feeding programmes of the country will be based on a large domestic content thus encouraging the development of a taste for local fruit, vegetable and other domestic supplies.



#### **D. Strengthen the agri-business sector for increased local food production**

A farm to market value chain approach will be adopted for agricultural production in Saint Kitts and Nevis as primary production expands, thereby increasing opportunities for agro-processing, and strengthening agriculture-tourism linkages. Commodities will be targeted and structures put in place for the identification of potential industries including agro-processing industries that target the domestic and export markets. Efforts will be made to strengthen the linkages between agro-processing and tourism, not only with respect to the supply of agricultural produce to the tourism industry but also in the development of agro-tourism products and services such as farm tours, stay-over packages, the marketing of farm products in souvenir outlets and establishment of recreational farms and farm shops.

#### **E. Promote backyard gardens and school gardens**

Backyard gardens and school gardens will be used to promote good diet, the production of nutritious and wholesome foods, as well as sustainable environmental management. They can also be used as a means of educating about good foods and the development of livelihood skills in agriculture and the environment. School gardens are a good medium to extend learning of agriculture and agri-foods that can be taken well beyond the school compound. The Ministry of Agriculture will strengthen its backyard gardening programme and provide support for home gardeners by way of materials and training. Schools will be encouraged to have school gardens which will be a medium for teaching about agriculture and the environment.

#### **F. Implement the NAS with vigour and with coordination of stakeholders**

The primary objective of the Government's strategy under the National Adaptation Strategy (2006-2013) as a result of the closure of the sugar industry was *"to significantly increase agricultural production in sustainable manner through the transformation of the sector to satisfy local demand and for exports."* The main thrust of this transformation process was the development of commercial crop and livestock farms which were expected to take advantage of market opportunities while placing the industry on a more competitive and agri-business footing. The key outcomes expected were the diversification of the agricultural sector, increased food security, rural incomes and the provision of sustainable job opportunities and creation of viable stream for foreign exchange earnings. The strategy specifically targeted those who lost their livelihoods because of the closure of the industry with the expectation that through its implementation, interested ex-sugar workers will continue to work in the industry towards the creation of employment and development of agri-business enterprises.

It is important at this juncture to undertake a midterm evaluation of the NAS Agricultural Strategy and based on the outcome, redesign and refocus the agricultural production in Saint Kitts and Nevis.

#### **G. Strengthen the Bureau of Standards and expanding awareness of its remit**

The functions and operations of the Bureau of Standards will be reviewed and strengthened to meet national needs and the needs of a modern agricultural sector.



#### **H. Evaluate and revise the Special Agriculture Fund at the Development Bank with a view to support youth involvement in the sector and increased agricultural production**

At present, there is a soft loan facility available at the DBSKN for the establishment of SMEs. However, the facility will be rationalised and a youth window developed to encourage more youths to take advantage of the opportunities available to establish agriculture and agri-food businesses.

#### **I. Implement initiatives to sustainably manage the monkey population and control stray animals**

The people of Saint Kitts and Nevis are now faced with an ecological and culture dilemma as they seek ways which would allow people and monkeys to co-exist and to find practical solutions to reduce foraging on cultivated agricultural lands by monkeys and feral animals. The monkey pest problem represents one of the, if not the, major constraint to the development of a modern agriculture sector in Saint Kitts and Nevis. It is important that humane solutions be found to address the problem. The Ministry of Agriculture will collaborate with agricultural producers and leading local and regional Ecologists in establishing programmes for the management of the monkey and stray animal population. Examples of systems for managing wildlife and domesticated animal agricultural pests in the Caribbean and elsewhere will be reviewed in formulating a suitable programme for Saint Kitts and Nevis, including the establishment of sanctuaries.

#### **J. Address praedial larceny**

Praedial larceny remains a serious challenge to agricultural development which must be addressed. The Ministry of Agriculture will work with producers and the Police Service in developing a workable approach to address this problem including the establishment of a tracking system for agricultural produce. Under the Jagdeo Initiative, an agricultural produce receipt book system has been recommended, which, once in place, will demonstrate proof of legitimate purchase of agricultural produce and so protect the interests of legitimate producers.<sup>28</sup> Its adoption in Saint Kitts and Nevis will require all producers or persons involved in agricultural transactions to register their business or to form cooperatives.

Curbing praedial larceny will require the assistance of consumers and the general public at large and therefore their cooperation is critical to the success of any programme to address this problem. Consideration will therefore be given to the establishment of a public education programme which will educate producers and their families about the importance of taking action in detecting and reporting praedial larceny. The programme will also include a public awareness component to increase public and community awareness about the unacceptable nature and levels of praedial larceny, the benefits and uses of the agricultural produce book system, and the legislation and penalties for acts of praedial larceny. Critical to this is the need

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<sup>28</sup> This is a strategic framework with targeted and focused interventions at the regional and national levels geared to reposition Caribbean agriculture to satisfy regional requirements and contribute to exports under competitive conditions. President Jagdeo of Guyana chaired the Meeting of Caribbean leaders that took the decision to embark on a new thrust in Caribbean agriculture.



to review the legislation and penalties in line with the severity of the action and national importance of agricultural sector.

Farmers' associations and communities are important stakeholders in this programme and will be encouraged and given support to adopt a proactive approach to resolve the problem of praedial larceny and develop their own response to the problem.

#### **K. Implement effective agricultural resource management practices**

It is a continuous challenge to balance increased production with environmental and sustainability concerns. However, the principles of sustainable agricultural development dictate that a balance be met in order to maintain ecological functions and to ensure continued productivity. Among the basic agricultural resources – soils and water are the most critical. The need to manage them carefully must be given priority if the agricultural sector in Saint Kitts and Nevis is to expand. Already the rapid soil loss from the hillsides points to the need for the country to take stock and put in place measures to prevent such occurrences. The Government will therefore develop and establish a programme for the sustainable management and conservation of soils on ex-sugar lands. This will involve strengthening of the land management systems, including the land distribution system, the Forestry Department and Soils Department. The Department of Agriculture will continue to assist farmers in the establishment of on-farm water harvesting systems and to train them in water recycling and water conservation in agricultural production.

#### **L. Develop and promote a Caribbean Brand, marketed to compete with internationally grown produce or collaborate with WINFRESH**

The targeting of regional and international markets also should be seen against the backdrop of the regional plan to increase the regional agricultural plan (Jagdeo Initiative) and therefore consideration will be given to marketing everything under one Caribbean Brand, which should be properly developed and aggressively promoted to the Diaspora as well as the visitor market. There should be one brand of Home Grown Healthy Caribbean Agricultural Produce. The quality food and standard of packaging will be important. Alternatively, the Government will explore opportunities to enter into negotiations with WINFRESH which replaced WIBDECO and is based in the Windward Islands. There may be added advantages to cooperating with the Leeward Islands.

#### **M. Develop and strengthen the institutional capacity of farmers' associations/ fisherfolk cooperatives and clustering**

The Ministry will promote, facilitate and provide support to farmers'/producers' associations and community-based organisations engaged in agricultural and agri-food activities. This will also include strengthening and equipping the Extension Services to meet the needs of modern farming community. Extension services have to be configured in the context of formal and informal training and upgrading of farmers, who might not have had the benefit of a strong educational background. Facilities at the community level would be utilised in reaching the farming community for evening programmes designed to start them off on the road to upgrading their education and training.



#### **N. Promote and facilitate cooperatives to rent and work large parcels of land that can make an impact on supplies and hence the food import bill**

It is long recognised that micro-enterprises and SMEs can create employment, generate foreign exchange through their exports and have the potential to graduate into larger enterprises. In an effort to increase local food consumption, attention will be paid and support given for the formation of SMEs clusters and cooperatives for the production and substitution for imported food, and for production of food products for local or foreign markets.

#### **O. Strengthen the school agriculture programmes**

The important place on agriculture will be reflected in primary and secondary school curricula. The survival of the industry depends on a substantial number of students acquiring an appreciation of the Science of Agriculture and for Natural Resource Management from very early in their lives. School gardens will play an important role in increasing awareness, knowledge and appreciation for agriculture.

### **Fisheries Production**

Fisheries represents one of traditional community 'safety nets' in the region as people look towards the sea for their food, to earn income and their means of livelihoods. The sector in Saint Kitts and Nevis has the potential for further development that can provide employment opportunities and lead to SME development. The objectives of the Fisheries Strategy are to 1) increase employment and income earning opportunities within the sector; 2) diversify the industry; 3) and promote and enhance the use of business practices among fishers; 4) improve and ensure sustainable management of the country's fisheries resources; and 5) increase standards and enhance practices among fishers and fish processors thereby improving quality of fish products. A number of measures will be implemented to achieve these objectives including:

#### **A. Increase quality assurance within the fishing industry**

Quality assurance in the industry will be improved through the development and dissemination of information, and the training of fishers with respect to quality assurance in the fisheries sector, including the establishment of health and sanitary standards and development of business plans for the operations of fishing complexes.

#### **B. Incorporate ISO 22000- HACCP for Seafood Industry in the operations of the Basseterre Fisheries Complex**

The Ministry will continue to put in place measures to ensure the safety and quality of local fish products. In keeping with this thrust, the Fisheries Division will introduce ISO 22000 HACCP standards and seek the certification of the Basseterre Fisheries Complex (BFC) which will provide the necessary requirements for export of fish products to European and other markets.

#### **C. Establish National Fishers Training Programmes**

The Ministry will establish Fishers Training programmes to equip fishers with the necessary skills and tools to realise and improve their income generating potential, handling and management



of fish resources. The programmes will cover the training of fishers in all aspects of fish harvesting, the use of improved fishing techniques, production and processing, record keeping and business management. It would also be important to restructure, revitalise and strengthen the fish cooperatives.

It is critical to implement programmes that will allow fishers to wisely invest their money, take part in pension and insurance schemes, and by the establishment of an outreach programme to raise the image of fishers and fishing industry.

#### **D. Strengthen the fish processing subsector**

The fish processing sub-sector will be strengthened through the identification of opportunities and working with groups/investors in fish processing ventures; facilitating and providing support for the development of small processing operations and further encouraging fishers to operate their cooperatives as businesses.

#### **E. Improve sustainable management and monitoring of fisheries resources**

Given the importance of the fisheries industry, the system for monitoring, control and surveillance and enforcement of protection of coastal and nearshore resources and fishing grounds will be strengthened and this will include the development of protocols for ecological monitoring of coastal habitats, the establishment of co-management systems, revision of the legislative framework to address illegal fishing, undertaking public education in fishing communities to improve fishing techniques and reduce incidence of small catch sizes and knowledge of other relevant topics.

The monitoring of fish stock and the activity of fishers is critically important given the fragile nature of the resource base. A licensing programme will be instituted for fishers engaged in various activities.

#### **F. Develop tracking technology for locally registered marine vessels (as part of search and rescue system)**

Maintaining the safety of fishers at sea is of critical concern. Therefore a number of initiatives will be undertaken to ensure their safety including the development of tracking system for marine vessels which will allow for easy detection during search and system operation.

#### **G. Conduct a feasibility study on the Development of Marine Studies Programme**

The Fisheries industry requires the skilled personnel to modernise and take it to the next level. Training of residents to lead this process becomes critical. In addition, Saint Kitts and Nevis can be a hub for marine resources training in the OECS. A study will be undertaken to determine the feasibility of establishing such a marine studies programme on Island and to determine benefit to the country and the sub-region.



#### **H. Collaborate with neighbouring governments on the management of fishing grounds**

Fishing grounds are fragile resources which require monitoring and careful management against over-exploitation. The Government will seek the cooperation of neighbours to ensure more controlled management and the use of best practices, and management fish resources, fishing grounds and spawning sites.

### **OUTCOME 7: Local Entrepreneurial Development in Support of Poverty Reduction and Sustainable Development**

Saint Kitts and Nevis has to place greater reliance on the development of its own entrepreneurial capacity to ensure that the transformation of the country is located on a sustainable foundation. While it has to depend heavily on inflows of foreign capital, attention has to be placed on the promotion of domestic entrepreneurship which can have the felicitous effect of creating employment with goods and services in which the productive capacity of some of the poor can be mobilised. A number of measures outlined below will be undertaken to realise the desired outcome.

#### **A. Support the development of an entrepreneurial culture starting at primary school level (teaching children the value of money, networking, and knowledge)**

Given the absence of a business culture among most of the population, the school system will have to be the locus for the inculcation of the values of entrepreneurship and enterprise. While there are such formal subjects as Principles of Accounts and Economics, students in the school system will need to be exposed to entrepreneurship in practical exercises, and through reviewing the history of successful entrepreneurs in the nation. Students will need to be exposed to the basics of money management, investment and saving, as well as the various forms of business development- sole trader, cooperatives, partnership and private and public company.

#### **B. Undertake social marketing programmes to promote entrepreneurial development, the “entrepreneurial spirit” and to reduce risk aversion among Kittitians and Nevisians**

Social marketing programmes will be undertaken to popularise the idea of business development. The print and electronic media will be used in the promotion of entrepreneurial development to encourage more of the population to see this avenue as a normal pursuit around which careers can be built. The conduct of business camps and the creation of school business clubs are critical activities in preparing and inculcating a culture of entrepreneurship in the younger population.



### **C. Implement policies to encourage the development of SMEs**

The main agencies involved in the provision of credit to micro-enterprise and to SMEs will coordinate their approaches to ensure that whatever the type of investment, or business contemplated, there does exist a window of opportunity for start-ups and for the growth and expansion of SMEs such agencies as the Development Bank, the Credit Unions, and Foundation for National Development (FND) will need to engage in institutional coordination, which, at the very least ensures that lending in the sector is monitored and promoted.

### **D. Improve access to credit, advice and monitoring for micro and SMEs**

The agencies involved in the provision of credit to SMEs will coordinate their efforts in training and the provision of advice for micro-enterprises and SMEs. This will ensure that the differential requirements within the SME and micro-enterprise sector can be monitored and measures adapted accordingly, such that no subsector is deprived of support. There are likely to be seasonal factors that would dictate needs of operators in one type of activity compared to others in another type of activity.

### **E. Rationalise and restructure incentive programmes for local micro and SMEs**

Given that much of the supply of credit for micro-enterprises and SMEs will come from the State, the agencies involved in lending will coordinate and rationalise arrangements for SMEs and micro-enterprises, to ensure access appropriate to the conditions faced by different types of enterprises.

### **F. Negotiate with best-in-class countries to gain knowledge transfer**

There are countries that have been very successful in the stimulation of micro-enterprises and SMEs as important contributors to their transformation and development. Saint Kitts and Nevis will seek assistance from such countries for short-term attachments and study tours for staff of the organisations involved in providing credit to micro-enterprises and SMEs. Knowledge transfer can serve to improve capacity in Saint Kitts and Nevis among such agencies.

### **G. Address youth unemployment and underemployment (entrepreneurship promotion, funding, skills training and life skills training, and emphasising importance of education and lifelong learning through education marketing)**

There is an evolving range of programmes that address youth unemployment and underemployment, and second chance training and education. These will be located in the context of the need for lifelong education and training among the population at large. In other words all these programmes have to be seen as the platform for building a new approach to education, training and self development, in which the competitiveness of the citizen is based on the capacity to adapt to an ever changing economic and technological environment. All programmes will reflect this paradigm shift to a dynamic world of constant renewal through education and training.



#### **H. Support initiatives using ICTs in entrepreneurial development with special attention to its use in micro and SMEs**

ICTs will be a medium through which entrepreneurial development will be fostered. Access to real time information and critical knowledge will be an important component of the productive system for entrepreneurs of Saint Kitts and Nevis, including new entrepreneurs establishing micro-enterprises and SMEs.

The micro-enterprise sector may have to be supported with searches mounted by the Ministry of International Trade, Industry, Commerce and Consumer Affairs especially in respect of specialised data bases where access may be for a fee and requires a credit card account.

The role of the youth in bridging opportunities between ICTs and entrepreneurship will not be overlooked. There will be an added element of attempting to capture and harness the potential of ICT sensitive youth, to the extent that they are a bountiful pool of future entrepreneurs who will take the start-ups of today to the level of tomorrows large corporations.

This strategy advocates for direct attempts at capturing the imagination of the youth through the construction of an ICT entrepreneurship platform where indigenous start-up companies and foreign venture capitalists searching for new innovative ideas can be correctly matched. Youth who are already initiated in the use of social media in promoting business ideas can be strategically placed to provide impetus for the process of attracting new investors.

#### **I. Promote research and development in business development through incentives and other initiatives**

Investment in Research and Development (R&D) is a necessary condition for the promotion of a vibrant business development around goods and services, especially if derived from the domestic resource base. This would involve the provision of incentives for particular areas of promise among the resources of the country. In the area of Agro-processing, there is a range of non-traditional products from the agricultural sector that need to be developed and commercialised. This is a major task, given the dearth of information on crops that have not been part of traditional agriculture. The thrust in the adoption of ICTs as a stand-alone industrial activity, as well as in its application in a range of production as enabling soft-ware and hardware will be informed by R&D.

#### **J. Promote and support innovation in schools and business development**

The promotion of innovation is premised on a paradigm shift that involves a different approach to education and the acquisition and use of knowledge. The heavy emphasis on rote learning that supports certification will be replaced by the encouragement of research and the development and application of new ideas. The school has to be an important locus of this new approach. The promotion of a creative mentality will require a revisit of the existing curricula across the entire spectrum of subjects – Mathematics, the Sciences, Arts and Literature and Technology Studies. In particular, students have to be encouraged to find enjoyment in Mathematics and the Sciences which are a necessity for living in the 21<sup>st</sup> century. The access to information from many sources, can feed the process of the development and application of specialised information and knowledge of potential use to business in Saint Kitts and Nevis.



#### **K. Establish a system for registration of patents and for protection of intellectual property rights**

The updating of the system of registration of patents will be done with user friendliness as an important criterion. The Ministry of International Trade, Industry, Commerce and Consumer Affairs will provide through the mass media and at regular intervals during the year, information addressed to the general public, on intellectual property and the rights of its inventors and creative people. The objective is to ensure an understanding of the issue on the part of the ordinary citizen, and to encourage interest on the part of creative people in registering their ideas. This would assist also in the important area of culture, where there is need for a better understanding of copyright and related issues.

#### **L. Reform the school curricula (from primary to secondary level) and strengthen the teaching of modern studies (that is, business and entrepreneurship, international events, science and technology)**

The school curricula are an important base in creating the citizens of Saint Kitts and Nevis equipped to deal with their 21<sup>st</sup> century reality. It is the base of human resource development in which the citizen of this small country will be prepared with sophisticated knowledge that would afford large numbers of citizens the capacity to generate income in their engagement with the rest of the world from the location of Saint Kitts and Nevis, or in other locations in the rest of the world. The curricula will need to be revised to provide this tool-kit for living, allowing each pupil/student to have an exposure of breadth and depth through the formative years of primary and secondary school, with the Arts, Business Studies, Science and Technology and International Affairs providing the span.

#### **M. Strengthen institutional capacity to support the entrepreneurial development**

The diversification of the economy which is critical to sustainable development and thus to poverty reduction, has to be premised on a much greater involvement of the population of Saint Kitts and Nevis, engaged as entrepreneurs in the country's transformation. While foreign direct investment is a necessary feature of the process, high entrepreneurship among the people of Saint Kitts and Nevis is an imperative. The promotion of an enterprise culture among a population, and labour force with a deep tradition of wage employment dating back to roots in a plantation economy will require institutions capable of creating the mind set shift among large sections of the society.

The future entrepreneurs of Saint Kitts and Nevis will come from homes in which parents are employees and the idea of running a business and earning one's keep therefrom is totally foreign. The creation and running of a business that earns its income and profits from exports of goods and services in competition with operatives in the rest of the world is hardly like to be in the frame of reference of any but a few. The creation of an entrepreneurial class on a literal tabula rasa is the task of the institutions that Saint Kitts and Nevis will need for this enterprise. The building blocks will reside in some of the existing institutions supporting SMEs and micro-enterprises.



## **OUTCOME 8: Sustained Pro-poor Employment Creation**

One important method of poverty reduction is the utilisation of the assets of the poor in the creation of income and employment and in economic expansion. A major objective of strategy is therefore to upgrade poorer people such that they can find meaningful employment, or can secure access to credit and other services that will empower them to participate on their own in provision of valued goods and services. The promotion of entrepreneurship among the poor and among the mass of citizens generally can lead to new economic activities where the demand for labour can lead to the absorption of many of the poor.

### **A. Negotiate with donor agencies/countries to assist in building basis of large scale entrepreneurship**

Funding for entrepreneurship development and for the provision of credit facilities will require injections from the donor community and friendly countries. Revolving credit will allow an expanding number of businesses to embark on new projects and move the production frontier outward. This will contribute to employment creation, and directly to sustainable poverty reduction.

### **B. Negotiate with donor agencies/countries to set up centres of research and innovation (take advantage of natural environment by building expertise clusters in marine biology, forestry, botany, ecology and environmental sciences)**

The special natural amenities of Saint Kitts and Nevis, and obvious fragility make Saint Kitts and Nevis an excellent candidate for the study of one of the rarities in nature. With the assistance of the international community and research institutes, Saint Kitts and Nevis can be the site for specialised facilities engaged in the study of the environment, and of such fields as marine biology, forestry, and botany, and ecology. The presence of some number of researchers and students provides Saint Kitts and Nevis with the opportunity for 'research' tourism in which there is a complement of personnel in need of certain types of services from the domestic community. These may be standard tourism related services, and also complementary research support by way of local personnel. There will be a positive effect on employment, including the creation of opportunity for some of the better educated of Saint Kitts and Nevis.

### **C. Target and support SMEs/ agribusiness to produce substitutes to imports**

One area of SME potential growth is in the area of agribusiness. Saint Kitts and Nevis has to address the challenge of food security, and the reduction of the heavy reliance on imported food. The attempt to diversify agriculture will generate new supplies of raw materials which can be the source for agribusiness, including agro-processing operations. The fresh market and first stage processed and packaged products can lead to substantial supply infrastructure supporting the diversification of agriculture. Promotion of wellness and the use of local fresh supply sources will improve income and employment opportunity for the some of the poor.



#### **D. Partner with best-in-class countries to develop SMEs**

Saint Kitts and Nevis will need to implore the support of the best-in-kind and friendly countries in the establishment of SMEs and micro-enterprises. These will be the source for much of the employment and income that can be generated for some of the poorer workers of Saint Kitts and Nevis.

#### **E. Identify and develop important niches/ opportunities for exports to EU under the EPA**

There is need for Saint Kitts and Nevis to engage in research and scoping exercises to identify opportunities that exist for exploiting the EPA. There is likely to be countless niches in which the country can become engaged with the possibility of ready export markets in the EU. The investment in market research will inform industrial strategy in taking advantage of the EPA. Personnel in the Ministry of Trade, responsible for the review of the EPA will need to rise to the challenge of finding and penetrating new markets with goods and services of Saint Kitts and Nevis. This will contribute to employment expansion and ultimately to poverty reduction.

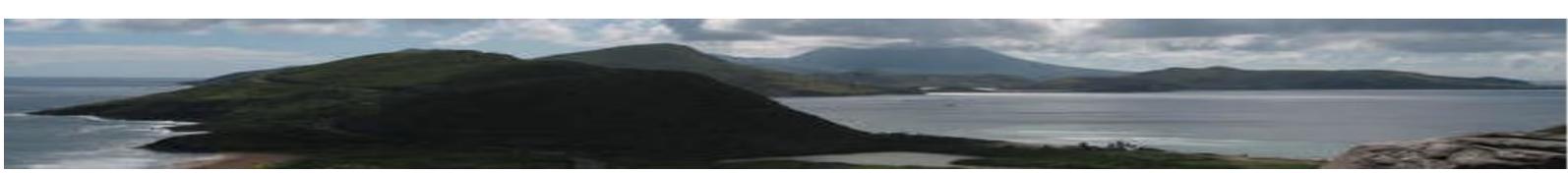
#### **F. Identify target areas of expertise to build exportable human resource base**

The country will continue to be involved in the circular migration in which its nationals go abroad, for shorter or longer periods to earn income and gather experience in other countries. The better trained and educated are its potential migrants, the higher the levels of income and exposure that they will secure abroad. Moreover, in their presence abroad, they can serve as the platform for securing better skills, training and technological preparation that might serve in good stead to those who eventually return.

In addition, some may retain links with firms and with productive units back in Saint Kitts and Nevis allowing them to 'redrain brains' in real time, while still resident abroad. This can constitute an outward push in the production possibility of the country, thereby creating new and better employment and correlatively contributing to poverty reduction.

#### **G. Negotiate with regional institutions and friendly donor countries to secure better funding/ scholarship opportunities for local scholars—build local human resource base**

The training and upgrading of the work-force to the highest possible technical levels contributes eventually to greater possibilities for Saint Kitts and Nevis in engaging in the more rewarding areas of the international division of labour. Saint Kitts and Nevis will need to secure training and higher educational opportunities in regional and international institutions, with the support of friendly donors given that with its very small population base, it will be wasteful of resources to attempt to provide certain types of training and education in country. Complementary labour services at a lower level are likely to be required, as these highly trained personnel return and become engaged in the production process. Their presence will nevertheless add to labour demand and thus create opportunity for some of the poor to become employed.



#### **H. Strengthen continuous education and after school programmes to improve the labour force**

There is need to promote life-long education as the basis for training programmes to be mounted for workers as the nature of competition changes and new technology imposes new requirements on the work-force. The Saint Kitts and Nevis worker of tomorrow will be better protected against structural unemployment and from poverty with the inculcation of the responsibility for self-upgrading as essential to one's existence in a SIDS.



## Priority Area 3

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# Community Empowerment, Crime Reduction and Security Management

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### General Policy Statement

The NPRS endorses on-going plans in place to reduce the level of crime and the spread of criminality noted in the Federation, through improvements in policing, crime detection and solution, and improvements in the criminal justice system. These initiatives are to be complemented by social interventions that can lead to social or community integration, allowing at-risk communities and households to recover their potential for positive self-actualisation. This priority area addresses some of the imperatives of reversing the slide that has emerged.

### Baseline Analysis

There is the general recognition that like in other Caribbean countries, crime and violence have exploded in Saint Kitts and Nevis. There is a deep sense of personal insecurity, and some communities are wracked by inter-personal violence. When persons and organisations referred to the issue of crime and violence in the Federation they often adverted to “poverty of mind, spirit and soul” which has overcome sections of the society. The causes of crime and its increase in the country are multi-dimensional. The loosening of social controls in the wake of modernisation, inequality and feelings of relative deprivation, economic and demographic changes, the illicit drug trade and its accompanying ills, the proliferation of gangs and gang culture, recidivism and insufficient monitoring of convicted deportees have been identified as fuelling crime in Saint Kitts and Nevis and other Caribbean countries.<sup>29</sup>

Crime, violence and disorder have short term effects on human welfare and long term effects on economic growth and social development, especially in a country so heavily reliant on tourism: travel advisories as a result of crime are dreaded by Tourism Authorities, and the costs of combating them are enormous.<sup>30</sup>

Young men are disproportionately represented in the incidence of increasing crime and violence by virtue of their being the main perpetrators and victims of crime, and over time the

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<sup>29</sup> ECLAC, 2008, Exploring Policy Linkages between Poverty, Crime and Violence: A Look at Three Caribbean States  
Website source: <http://www.eclac.org/publicaciones/xml/2/33252/L.172.pdf>.

<sup>30</sup> UNODC, 2007, “Crime, Violence, and Development: Trends, Costs, and Policy Options in the Caribbean”  
[http://www.unodc.org/pdf/research/Cr\\_and\\_Vio\\_Car\\_E.pdf](http://www.unodc.org/pdf/research/Cr_and_Vio_Car_E.pdf). 1/4/11. In November 2010, a number of cruise lines threatened to discontinue calling in Basseterre following the attack and robbery of tourists to a historic site. The Government had to mount a major public relations exercise and to provide a host of guarantees to get the cruise ship operators to rescind their decision.



perpetrators are becoming younger<sup>31</sup>. The over representation of men in violent crime, as revealed in the statistics, is said to be linked to the proliferation of gangs and their involvement and competition in the trade in narcotics. Saint Kitts and Nevis was identified in the 2002 Report on Small Ammunitions and Light Weapons (SALW) in the Caribbean with the increased use and proliferation of guns<sup>32</sup>. A 2007 United Nations Office on Drugs and Crime (UNODC) Report examining Trends, Costs and Policy Options Related Crime, Violence and Development in the Caribbean asserts that gun ownership stems from the drug trade and reduction in the demand for guns will depend on progress made in the fight against drugs. The drug trade is said to normalise illegal activities in some communities and corrupt institutions.

The nature and characteristics of crime have shifted and there is a growing trend of crime against the person and property especially with the use of fire arms. This is fuelling the level of insecurity within communities and the nation on a whole. The rate of detection of crimes remains low as the capacity of the law enforcement agencies is stretched, as they lag behind in modern and up-to-date crime fighting technologies, techniques and other resources and are slow to adopt a more inclusive and collaborative approach to crime fighting. The following table presents key trends in reported crime in the Federation.

**Table 2.7: Serious Crime Reported, 1999 – 2009**

Against Authority	113	139	188	115	184	285
Against Public Morality	58	58	45	53	64	60
Against the Person	234	178	197	222	190	239
Against Property	1,715	1,435	1,484	1,548	1,454	1,611
Against Penal Code	6	0	4	12	10	3
Total	4,125	3,815	3,924	3,957	3,910	4,207

Source: National Statistics Office

Crime against property is the main category of crime being reported in the Federation with an increase in “Robbery and Extortion” emerging as a clear trend in this category. Crime against authority is the second most dominant category and drug related crimes have shown the highest and most consistent increase since

1999. The third most reported category of crime was crime against the person. The UNODC report entitled *Homicide Statistics, Criminal Justice Sources (2003-2008)* estimates an intentional homicidal rate of 35.2 per 100,000 population for Saint Kitts and Nevis, which is superseded in the region only by Jamaica with a rate of 59.5 murders per 100,000 and Trinidad and Tobago at 39.7 in 2008.

Crimes are being committed at a younger and younger age as young people become more deeply indoctrinated in deviant culture. Males 15 to 35 years of age are estimated to commit 80 percent of crimes in the region. In Saint Kitts and Nevis juveniles accounted for 1.2 percent of crimes in 1990, 17 percent in 1998 peaking at 22 percent in 1999 and down to 7.28 percent of

<sup>31</sup> Women’s Institute for Alternative Development and Project Ploughshares, 2008, “Small Arms Proliferation and Misuse: Toward a Caribbean Plan of Action.” Website source: <http://www.ploughshares.ca/libraries/WorkingPapers/wp081.pdf>.

<sup>32</sup> CARICOM Regional Task Force on Crime and Security, 2002. A report on the proliferation of Small Arms and Light Weapons.



serious crimes detected in 2009<sup>33</sup>. It has been reported further that approximately 14.7 percent of prisoners at Her Majesty's Prison (HMP) are under 18 years of age<sup>34</sup>. Youth crime especially that associated with gang activities presents a daunting and somewhat new challenge for the country as small as Saint Kitts and Nevis. Gang members and their loved ones are the most at risk for violence from other gangs. Crime and violence is a major concern among young people as it cuts across so many dimensions of their lives, communities, schools and homes. Participants in one focus group among youths identified urban violence as a growing problem and outlined how youth especially youth in the poorer urban communities, bearing the impact of this emergent crisis in the Federation. While crime is lower in rural areas it is also growing. The impact of crime on youth must be mitigated.

Steps are being taken to strengthen law enforcement and the justice system. In that regard, in 2009 the US launched the Caribbean Basin Security Initiative, a regional security partnership with the US aimed at improving safety and security in the region. There is a commitment of funding for individual countries and regional agencies such as the Regional Security System (RSS). The US Government recently presented the GSKN with US\$1.7 million which will be used to support the strengthening of maritime borders, law enforcement capacity building and crime prevention programs including expansion of education and development activities for at-risk youth and other vulnerable populations. Saint Kitts and Nevis will also benefit from US\$3.7 million for the RSS and US\$7.4 million for United States Agency for International Development (USAID) administered initiatives to be divided between OECS member states as well as Suriname and Trinidad and Tobago.<sup>35</sup>

## **Objectives and Targets**

The main objective of this Priority Area is the revitalisation of communities through empowerment, community regeneration, bolstered social integration and enhanced security. The underlying premise is that a relatively crime-free society will be better poised to continue on a growth path of economic development and transformation, allowing all sections of society and the poor, in particular, to participate in the benefits of improved economic performance.

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<sup>33</sup> National Crime Statistics and CARICOM, 2010. Eye on the Future, investing in Youth Now for tomorrow's Community: Report of the CARICOM Youth Commission on Youth Development. Website source: [http://www.caricom.org/jsp/community\\_organs/cohsod\\_youth/eye\\_on\\_the\\_future\\_ccyd\\_report.pdf](http://www.caricom.org/jsp/community_organs/cohsod_youth/eye_on_the_future_ccyd_report.pdf).

<sup>34</sup> Financial Standards Forum, 2010. Country Brief, Saint Kitts and Nevis, EStandards Forum, NY, NY. Website source: <http://www.estandardsforum.org/system/briefs/307/original/brief-Saint%20Kitts%20and%20Nevis.pdf?1291327230>.

<sup>35</sup> United States Department of State, 20XX. Caribbean Basin Security Initiative – Saint Kitts and Nevis. Website source: <http://www.state.gov/documents/organisation/148542.pdf>.



## Key Results Areas and Outcomes

The following are the key results and outcomes from implementations of measures under the Community Empowerment, Crime Reduction and Security Management Priority Area, namely:

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1. **Reformed and modernised national security and safety system**
  2. **Empowerment of at-risk communities**
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### OUTCOME 1: Reformed and Modernised National Security System

Addressing crime is a high priority of the State. The Safety and Security Programme is part of the centrepiece of the National Indicative Programme 2008 -2013, of the 10<sup>th</sup> EDF. It is also a focal point in the *National Adaptation Strategy 2006-2013*. The current Policing Action Plan 2009 – 2011 outlined nine policing objectives to be achieved over the period, namely:

- To identify potential for disorder and to respond appropriately;
- To address public concern by increased police patrols and visibility;
- To develop and improve crime prevention, detection and prosecution intelligence systems;
- To use scientific methods to aid crime investigation and prosecution;
- To develop appropriate communication systems that would assist crime prevention, detection and prosecution;
- To increase public awareness in assisting in crime prevention and reduction;
- To promote closer working relationships between Police and the community;
- To promote closer collaboration between the various departments and units of the Police; and
- To promote improved collaboration between the Police and other agencies in crime fighting.<sup>36</sup>

The Plan involves a major step in the modernisation of the entire law enforcement machinery, with the introduction of modern crime fighting equipment and technologies with the objective of improving surveillance and detection. The physical facilities were to be upgraded across the board, with police stations and outposts being upgraded. In the most recent budget, the Ministry of National Security was one of the few to have received an increased capital allocation, in a situation in which the Government has had to cut expenditure substantially on the previous year's estimates. The Ministry is committed to implement a zero tolerance position on crime and this is underpinned by a number of initiatives, including:

- A restructured Intelligence Unit;
- A robust outreach programme to communities and to young males, in particular;
- Improving the legislative framework to address crime these include the passing of Interception of Communications Act (2010) and drafting of the Gang Bill (2011);

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<sup>36</sup> Policing Action Plan, 2009-2011.



- Ongoing installation of Close Circuit Television (CCTV) cameras throughout Basseterre and Charlestown;
- The development of strong partnerships with key organisations in other areas of Government and in the wider society; and
- Focused research and dialogue through the National Crime Commission that has been appointed to advise and assist the Government and its agencies and the community at large in combating the prevalence of crime in the country.

Many of the police stations are in a state of disrepair and some areas are not adequately served by the police. Police Stations and outposts will be upgraded so as to facilitate officers in better discharging their duties, and to improve their conditions of work and morale. The perception of the effectiveness of the police force and integrity of officers will be improved by enforcing strict standards and rewarding dedication and officers that go beyond the bounds of duty. The police cannot fight crime alone, so closer partnerships will be forged. In particular, closer, less abrasive relationships will be forged between the Police and the communities they serve through the establishment of an enhanced community policing programme, particularly in strategic communities, and by increasing day-to-day interaction with community members.

Through the Safety and Security Programme and other initiatives the following measures will be undertaken:

#### **A. Upgrade technology for crime detection and prevention**

Crime detection and prevention will be supported by the introduction of new technology. The Police recognise that they can no longer depend upon the limited accuracy of fingerprint technology currently available in the Federation in keeping abreast of the criminal elements in the society. DNA sampling is being introduced, and forensic methodologies with the appropriate legislative changes in support are being instituted. An Intelligence Fusion Centre is being established to improve the flow of information and to strengthen intelligence management. Surveillance and monitoring equipment are being installed. In the final analysis, improved detection is seen as an important and necessary though not sufficient factor in crime prevention.

#### **B. Strengthen human resource capacity through increased recruitment and training**

The multi-dimensional nature of crime prevention and crime detection requires a change in the nature of the training provided to personnel in the Police and the Security Services. Capacity building and staffing are being addressed and have been addressed in the 10<sup>th</sup> EDF. Given the need for continuous modernisation, regular in-service training and upgrading of personnel will be a permanent feature of the Police Service. The capacity to undertake proper investigations leading to effective prosecution is highly relevant in the preparation of the Police. The Service will benefit from participation also in the programmes arranged in the Regional Security System (RSS), which is supported by friendly Governments and international partners.



### **C. Revise and reform the legislative and institutional framework to improve data collection, planning, crime detection and to reduce gang violence and other forms of organised crimes**

The prevention of gang-related violence is being realised through the establishment of the Gang Profiling System in the Federation. This has allowed for better documentation and identification of gang-membership and strength. The Small Charges Act has provisions that allow the Police to deal with loitering as this relates to gangs and to gang related crimes.

The Police Boys Club, and the extension of “Operation Future Programme” across the Federation has allowed for some measure of success in counteracting gang membership. This is to be continued. Moreover, the Police Boys Club and the Defence Force Cadet Corp are to be linked in the effort to provide attractive alternatives to youth in communities at risk.

The Police Boys Club will be a key institution in combating proclivity to crime in some communities. The Drug Awareness and Resistance Education (DARE) programme is a critical factor in demand reduction in respect of drug use, and close collaboration will be maintained with the educational system. The National Drug Council is being revived and will spear-head initiatives for demand reduction and counselling for substance abusers and will engage in public education.

### **D. Develop and upgrade policing and security infrastructure**

An improved police presence and visibility are an important factor in combating crime. The Police are being provided with an improved complement of vehicles, and there is an expansion of Mobile and Foot patrols, the strengthening of the Bicycle Patrol Unit, as well as increase in Police Stop and Search Operations. The other law enforcement arms are engaged in a close collaboration with the Police, in joint operations. With the assistance of the Government of Mexico, the Government of Saint Kitts and Nevis undertook the construction of the Dieppe Bay Police Station. Others along with police outposts are being renovated to ensure better accommodation for officers: the 10<sup>th</sup> EDF is a source of some of the financing for this infrastructure upgrade. The new Security Training School is to be part of the new infrastructure.

### **E. Upgrade the prison facilities**

A new Correctional Facility will be constructed to treat with the overcrowding at Her Majesty’s Prison, which has resulted from the more effective policing by the law enforcement agencies. There will also be programmes put in place for the training and upgrading of prison officers, thereby allowing them to be more effective as positive change agents among the inmates.

### **F. Establish rehabilitation and follow-up programmes for prisoners and ex-prisoners to reduce the rate of recidivism and prevent a return to a life of crime**

The reduction of recidivism through rehabilitation and counselling is identified in the most recent budget of the Government as part of the strategy of prison reform. The new Correctional Facility will provide conditions in which it should be possible to engage in improved rehabilitation to reduce recidivism high levels of which are a prevalent characteristic among the



present prison population. Expanded skills training along with counselling will be part of the programme of the prisons.

#### **G. Conduct detailed studies which assess and profile crime and characteristic of criminality in Saint Kitts and Nevis**

The documentation and data collection area is being addressed with the use of information technology in the police service. An electronic database of criminal statistics has been developed and shall be utilised in monitoring crime patterns in communities and among individuals through a Crime Pattern Analysis. There is an anticipated expansion in the role of the Crime Intelligence Unit, as well, to cover terrorism and related activities, in addition to its involvement in regular intelligence gathering. Also, the Police will work closely with the Financial Intelligence Unit in the monitoring of illegal financing in drug-related transactions.

#### **H. Review of Penal Codes and Justice System**

The updating of the Justice System is high on the agenda in combating crime. In the recent budget, the Government announced its intention to update legislation in keeping with the demands of the 21<sup>st</sup> century. Three amendments are being made in respect of the Evidence Bill and the Firearms Act and a draft Criminal Procedure Code is to be formalised.

### **OUTCOME 2: Empowerment of At-risk Communities**

There are now a number of communities where the descent into social anomie has been acute leading to their becoming notorious for violence and crime. Community members want to feel safe and live free from fear. In order to re-establish safety within communities, crime and violence and general disorder will be reduced and perceptions of the incidence of crime within the community will be improved.

Adequate aftercare and support will also be provided for victims of crime. This issue will receive due attention and tighter, collaborative partnerships between key stakeholders who respond to and treat with violent crimes will be forged.

The empowerment of at-risk communities will be an area of special focus with a number of measures, as listed below.

#### **A. Establish Community Policing Systems**

Community policing, the convening of Town Hall Meetings by the Police, the appointment of School Liaison Officers as part of community outreach, and the building of strong partnerships will be part of the interventions to be implemented in at-risk communities. Complementing this effort will be the initiative of the Ministry of Community Development, Culture and Gender Affairs, which through the Department of Community Development will work with community groups in an attempt to restore values and morals and the sense of belonging.



## **B. Support the conduct of community-based clean-ups and beautification in poor under-resourced communities**

The Ministry of Community Development will utilise a participatory approach in the development of social programmes aimed at arresting social and economic decay. The clean-up of poorer communities creates an opportunity for building community cohesion and creating civic pride. Management teams will be developed to assist in the oversight in the use of multi-purpose centres which will be part of the infrastructure of communities and would serve as the base for community mobilisation, in addition to being a physical focal point in the amenities of communities.

## **C. Introduce Life Skills and Support Initiatives**

The Department of Social and Community Development has streamlined its training responsibilities in conjunction with the National Skills Training Program (NSTP) to enhance skills development in Saint Kitts and Nevis. The Department assesses the needs of the individuals and communities and provides this information to the NSTP to facilitate certified training. The Department therefore in conjunction with the NSTP will provide opportunities for improving income generating skills to increase options for individuals and families to secure a greater sense of well being in communities and families. The Department in the past has offered - training opportunities as identified by communities as relevant to their advancement and in that regard has in the past provided programmes in vehicle maintenance, basic computer literacy, hairdressing, candle making, dress making upholstery, tiling, plumbing and the arts.

Moreover, there is exposure to entrepreneurship, business, and marketing as part of skills training. The Ministry will work also with persons with disabilities and other vulnerable groups to facilitate their greater participation in their communities. The National Ageing Policy which is to be implemented presently, will allow older persons to participate in all aspects of community life consistent with their capabilities.

The Department of Social and Community Development, Culture and Gender Affairs will continue to work with communities generally, providing them with interactive training, and preparation in advocacy, leadership skills and group dynamics, conflict management, and meeting procedures thus allowing them to become more self-reliant and capable of taking initiatives in their own self-interest, in effect, in community empowerment.

The pilot initiative launched by the Ministry of Community Development, Culture and Gender Affairs, the 'Mold, Empower, Nurture, and Direct' (MEND) Programme, is a new initiative which will help to create a new approach to social assistance, using a holistic approach to address the issues in the lives of individuals that may perpetuate a cycle of poverty.

## **D. Facilitate Adult and Continual Learning**

The Department of Social and Community Development will support the Ministry of Education in providing opportunities and infrastructures for adult and continual learning. Recognising the depth of the academic curriculum coupled with the need for additional offering to be taught traditionally, the Department will support such initiatives through community outreach. Specific areas of interest include local history, civics and values education.



#### **E. Assess children for learning disabilities at a young age to reduce behavioural problems**

The Ministry of Community Development, Culture and Gender Affairs is seeking to establish and identify all cases of persons with disabilities, including children with learning disabilities, and shall work with other stakeholder agencies in ensuring that legal and human rights of all are observed. The Ministry of Education has made provision for a more appropriate learning environment for students with learning disabilities in primary and secondary schools.. The Child Development Project of the Ministry of Community Development, Culture and Gender Affairs includes the development of diagnostic kits to identify children with learning or other difficulties, at an early stage. This will be expanded on both islands.

#### **F. Develop youth empowerment initiatives that provide support and positive opportunities for at-risk youths, particularly young men**

Saint Kitts and Nevis has a high rate of teenage pregnancy, which puts many teen mothers at risk of falling into or remaining in poverty. Through Project Viola, the Ministry of Community Development, Culture and Gender Affairs has eliminated major barriers that might lurk in the way of teen mothers in completing secondary education, and this is underpinned with a summer training programme and job attachment for teen mothers. There is now the possibility created for teen mothers with the appropriate education to proceed to tertiary education.

The Ministry proposes to expand its musical instructional programme for young people in areas of interest, especially in drumming and dance training, and will collaborate with the school system in this regard. Meanwhile, the new Co-Ed Juvenile Rehabilitation Centre will provide rehabilitative services, including counselling, education and life skills, to enable at-risk juveniles to be reintegrated into their communities.

#### **G. Develop and strengthen programmes in areas that engage and sustain interest of children (5 – 13 years) – ICTs, sports, gaming, the arts, with special emphasis in under-resourced and at-risk communities**

Multi-purpose centres are being established in all communities, and will be available to all residents. The Department of Culture will encourage the development of the Living Arts in communities – Performing Arts, Visual Arts and Literal Arts, and will target young people to develop their talents and instil confidence and generally will provide positive outlets to direct their energy. The Department of Culture will collaborate with Community Development Officers in focusing on youths-at-risk or in at-risk communities in the development of activities that can provide a wholesome outlet for their talent and capable of attracting them away from deviant behaviour. The Ministry of Education and Information will also be collaborators through programmes in Sports and computer literacy to be promoted in a non-formal environment and targeted at upgrading the skills of young people and adult learners.

The Ministry of Youth Empowerment, Sports, Information Technology, Telecommunications and Posts recognises the role of Sports as an instrument in youth development and will work closely with other Ministries in the implementation of the Sport Programme for the nation as a whole. There will be training of Youth Officers to enable them to work with youth organisations and youths generally in acquiring the necessary skills to grow their capacity.



#### **H. Establish Police Clubs in strategic communities**

The Police are committed to partnering with civil society, the private sector and community organisations in crime prevention. There will be an increase in community based interactive sessions as part of the effort in Community Policing. The Police Dare Programme has been coordinated with the Police Boys Club structure and targeted in certain communities. This approach will be pursued.

#### **I. Reduce the harm caused to society by drug use and abuse among youth and young adults**

The National Drug Council will spear-head initiatives in demand reduction, through the counselling and public education programmes being implemented on the impact of drug use in society. Through Operation Future, the Police are involved in regular visits to educational institutions to promote a drug-free way of life among the youth.

#### **J. Conduct studies of males-at-risk in the school system and in community life**

The Social and Community Development, Culture and Gender Affairs has in its employ a male gender field officer, whose role will be to collaborate with the National Men's Association to identify programmes and activities aimed at addressing men's concerns, and more so boys-at-risk and men-at-risk. The Department of Gender is also conducting research in order to better inform training programmes in targeting the problems affecting boys and girls in the school system and men and women in the home and in the community. The establishment of a Research and Documentation Centre, as well as a community data base will improve the approach to social development.



## Priority Area 4

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### Strengthened Social Safety Net System

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#### General Policy Statement

Saint Kitts and Nevis will endeavour to develop a streamlined, effective and efficient system of provisioning for those most at risk of deprivation, and to strengthen the resilience of the vulnerable and poor. High quality services will be available and accessible to those who need them in both Saint Kitts and Nevis.

Key to this is the rebranding of the Ministry of Social Development, Community and Gender Affairs as a high performance, client oriented agency equipped with adequate capacity to deliver benefits and coordinate activities in the social sphere. Collaborative partnerships will be forged between all stake holders to assure a coordinated and deliberate approach to social development in the country. A strong platform will be built for informed decision making and recalibration through the establishment of an integrated Management Information System (MIS) and through the upgrade of ICT.

#### Baseline Analysis

Over the years Saint Kitts and Nevis has laid a solid foundation of social provisioning for the vulnerable in the society and has been able to build on early pioneering measures in areas such as education and health care to transform the lives of residents. These achievements juxtaposed against the current reality of rapid global transformation, negative fallout in the financial markets, increased social disorganisation and disintegration, a lengthening recession and the deteriorated fiscal position of the Government create the imperative for the Federation to shore up its defences against any possible reversals in advances in these areas and to ensure sustained progress. The following identifies some of the important elements to note.

#### Disjointed Safety Net

A 2009 assessment of the Social Safety Net of Saint Kitts and Nevis pointed to the fact the foundation for a modern social safety net is already in place. There remain some problems which challenge the effectiveness and efficiency of provisioning and protection offered through the social safety net however. A large proportion of the poor remain excluded from benefits offered. What is provided through social assistance and non-contributory pensions is just a fraction of what is necessary for survival when compared to the derived poverty line for a household or individual. Delivery mechanisms remain antiquated and bureaucratic. Moreover, provisions across the various stakeholders continue to be uncoordinated and this has lead to



duplication of efforts, and coverage deficiencies, as the same beneficiaries are targeted and data available are patchy regarding beneficiaries, their needs and the types of services they access across the board.

A weak culture of monitoring and evaluation also points to the need for programmes to be streamlined based on effectiveness and for a sharper focus to be brought to bear on social provisioning. Such transformation will be premised on clearly identified priorities, institutional strengthening, capacity building and a revamped programmatic, policy, regulatory and legislative environment.

## Vulnerable Social Groups

### Women

Women experience poverty differently to men and employ different coping strategies. The onslaught of the global downturn and recession has been accompanied by increased insecurity in the labour market and a deterioration of working conditions for women as the number of working hours are shortened, rates of remuneration reduced, overtime eliminated or redundancies occur.

Many women who worked in manufacturing companies on the industrial estate are now on the breadline as multi-national companies scale back their overseas operations. While severance packages offer a buffer between jobs, the low level of wages earned means that many of these women could still face increased difficulties when monies run low and the job market remains tight. Women in Saint Kitts and Nevis are heavily represented in the light manufacturing sector and the Tourism industry, whose fragility to trade adjustment and the vagaries of global economic fortunes potentially compromises their ability to meet their own needs and that of their families, thus making them more vulnerable. Employment remains gender differentiated and this locks women out of certain types of job where they may be able to earn higher incomes.

The low level of educational qualification among women in the lowest quintile (43 percent without) and women in general (28 percent without) raises question about the level of preparation of some sections of the female population for functioning in a modern society. Poorer women are clearly constrained from rising through education and training into pursuits with better life chances.

Violence against women is a problem as the Department of Gender Affairs handles upwards of 30 reports annually of domestic abuse alone. There is agreement that violence is often a recurring aspect in the lives of some women and may have physical and emotional effects on them and may also affect their children<sup>37</sup>. Women in the lowest quintile were found to be less likely than those in other quintiles to be in a marital union or a stable union. Women across the board are involved in unstable relationships and many times engage in serial or fleeting

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<sup>37</sup> United Nations International Children's Emergency Fund, 2007. Situation Analysis of Children and Women in the Eastern Caribbean. Website source: [http://www.unicef.org/barbados/cao\\_unicefeco\\_sitan.pdf](http://www.unicef.org/barbados/cao_unicefeco_sitan.pdf).



relationships which result in children being born to a series of men thus embroiling them and their children further in chronic poverty.

Women working in the informal sector or in unpaid work at home, are ineligible for certain not covered by social insurance schemes like maternity and disability benefits. There have been significant improvements in maternal health and some services of obstetricians are available through community health for those who do not seek care during pregnancy, (15-20 percent of women in the lowest quintile)<sup>38</sup>. Obesity is an issue for women (75 percent of women overweight)<sup>39</sup> in Saint Kitts and Nevis especially as it predisposes them to chronic ailments such as hypertension and diabetes. While more men than women are infected with HIV and AIDS in Saint Kitts and Nevis, evidence points to the fact that the burden of the HIV/AIDS epidemic is shifting to women as the incidence of women testing positive for HIV/AIDS has increased annually especially those in the 18 – 34 age bracket. Transactional sex and prostitution and their impact on the wellbeing of women is a growing source of worry.

### The Aged

A total of 3,821 persons in the population are 65 years of age and over accounting for 7.6 percent of the entire population. Just about 2.6 percent (in Nevis) and 4.4 percent in Saint Kitts of the poor were in the 65 and over age cohort in Saint Kitts and Nevis. Although the aged did not figure prominently in the findings of the poverty assessment, they are considered to be among the most vulnerable especially due to their level of dependence on other segments of the population. Poorer older persons who may not have contributed to social security have access to limited streams of income such as public assistance and assistance pensions which are often inadequate to cover their needs. Elderly females in multigenerational families are still engaged in maintaining the household and caring for younger members of the family. Regardless of economic status, older persons who live in extended families or on their own are more vulnerable to instances of neglect, abuse, abandonment, hunger and loneliness.

While there are a number of services that cater to the elderly there are many who need the services but are unable to access them. Despite the phenomenon of persons living longer there still is no dedicated division to address the specific needs of this segment of the population. Some older persons are engaged in social activities in their communities. However, there is greater participation among older women than among older men. Poorer aged persons sometimes find it difficult to participate in activities when monetary outlay is required and as such, are less likely to participate in their communities.

Ill health affects older persons to a greater degree than it does other segments of the population. Many older persons suffer from non-communicable life style diseases such as hypertension and diabetes which decrease their quality of life or predispose them to develop disabilities. For many older persons, income is a delimiting factor to nutritious and healthy eating.

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<sup>38</sup> Kairi Consultants, 2008. Saint Kitts and Nevis Country Poverty Assessment Report. Prepared on behalf of the Government of Saint Kitts and Nevis and the Caribbean Development Bank.

<sup>39</sup> Figures quoted by the Chief Medical Officer



## Children

Findings of the 2007 Saint Kitts and Nevis CPA indicate that children were more likely to be impacted by poverty than other age cohorts. Children accounted for 42 percent of the poor. Poverty is linked with negative conditions such as substandard housing, homelessness, inadequate nutrition and food insecurity, inadequate child care, lack of access to health care, unsafe neighbourhoods, and under-resourced schools which negatively affect children. A range of services to protect and support children are already in place in Saint Kitts and Nevis. However, many of these programmes require better targeting and expansion of coverage especially to cover children residing in some of the more vulnerable communities.

When the economic situation of households becomes compromised children face the brunt of the downward adjustment as resources are diverted from areas such as child care, certain food items, health and education to cover expenses which the households consider more critical to the survival of its members. Children in Saint Kitts and Nevis are exposed to all forms of abuse and evidence indicates that child sexual abuse in particular is a persistent and increasing problem.<sup>40</sup> Lack of supervision and neglect is an especially gnawing issue as family and community networks weaken especially in Nevis where for the first time children from Nevis are being sent down to Saint Kitts to the children's home. Obesity among children resulting mainly from poor diet and inactivity (10 percent)<sup>41</sup> is a growing trend. Yet at the other end of the spectrum, data indicate that up to 21 percent of children are underweight for their age<sup>42</sup>. More children are presenting with Type 2 diabetes and cardiovascular disease.

Child Abuse: WHO views child abuse as a silent health emergency. One of the most challenging difficulties in the provision of social protection in Saint Kitts and Nevis has to do with the abuse of children and more so with abuse of girls, who are victims of child sexual abuse, which exacerbates other factors that contribute to children being disproportionately represented among the poor.

Evidence indicates that child sexual abuse in particular is a persistent and increasing problem.<sup>43</sup> The CPA found that 1.3 percent of women in Saint Kitts had their first child as adolescents, and overall, 41.0 percent in Saint Kitts and 37.2 percent in Nevis of women reported having their first child when they were teenagers. Moreover, the lower the socio-economic status, the higher was the percentage of women who had their first child as teenagers. Behind these statistics, is a high level of sexual exploitation of girls in the society. Very few cases result in successful prosecution of perpetrators who are mainly adult men.

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<sup>40</sup> Huddersfield, 2009. Child Sexual Abuse in the Eastern Caribbean. UNICEF. Website source: [http://www.unicef.org/infobycountry/files/Child\\_Sexual\\_Abuse\\_in\\_the\\_Eastern\\_Caribbean\\_Final\\_9\\_Nov.pdf](http://www.unicef.org/infobycountry/files/Child_Sexual_Abuse_in_the_Eastern_Caribbean_Final_9_Nov.pdf).

<sup>41</sup> UNICEF, 2007. Situation Analysis of Children and Women in the Eastern Caribbean. Website source: Website source: [http://www.unicef.org/barbados/cao\\_unicefeco\\_sitan.pdf](http://www.unicef.org/barbados/cao_unicefeco_sitan.pdf).

<sup>42</sup> PAHO, 2007. Health in the Americas: Volume II.

<sup>43</sup> UNICEF, 2009. Child Sexual Abuse in the Eastern Caribbean. UNICEF. Website source: [http://www.unicef.org/infobycountry/files/Child\\_Sexual\\_Abuse\\_in\\_the\\_Eastern\\_Caribbean\\_Final\\_9\\_Nov.pdf](http://www.unicef.org/infobycountry/files/Child_Sexual_Abuse_in_the_Eastern_Caribbean_Final_9_Nov.pdf).



## Marginalised Youth

For the most part young people in Saint Kitts and Nevis are doing well and are healthy. Some youth however are existing on the fringes of society exhibiting poorly adapted patterns of behaviour which have negative consequences for themselves and the society at large. Teenage pregnancy constitutes a persistent challenge to Saint Kitts and Nevis with 2005 figures indicating a rate of 19 percent of total births despite ongoing sex education programmes. Sexually active youth are particularly vulnerable to contracting HIV or pregnancy. In a 2008 study only 21 percent of sexually active teens reported using a condom<sup>44</sup> every time during sex, which has implications for the health of teens in the country. The burden of care for poor families is increased as they often have to shoulder the care of an additional member. Youth drug abuse, involvement in crime and violence and membership in gangs are major concerns and are likely to persist over time if these patterns of behaviour become entrenched.

Sexual abuse of young girls persists and transactional sex is becoming more evident especially among teenage girls and more recently boys. With the low level of performance at the high school level especially among boys, with the narrow range of skills possessed by many youth in the Federation, and with the tight labour market, many youth remain jobless. Data for 2005 indicate that unemployment among young people 15-24 years of age stood at or about 11 percent. Many youth are not availing themselves of opportunities in post secondary education and training or are not completing programmes in which they enrol. Participation of young men in such programmes is low.

This same age cohort accounted for 15.8 percent of the poor in Nevis and 25.7 percent of the poor in Saint Kitts. A number of support services have been put in place to foster the development and empowerment of youth in the country ranging from police youth clubs, after school programmes, youth skills training programmes and counselling services in schools. However, there are still gaps. Young people in poorer communities are particularly vulnerable and have less access to services. Youth participation in leadership training is still limited.

## Persons with Disabilities

Persons with Disabilities (PWDs) in the Federation continue to be plagued with challenges. The country faces an imperative to improve their quality of life. While to a large extent, support has been provided for children with disabilities through the development of the Special Education Unit (SEU), there is a gap in provisioning for young adults and persons in the older age brackets. To date one institution, Ades Place, caters to students who have left the primary school system at the SEU and provides basic skills training and activities for youth and adults. The development of skills or the opportunity to achieve higher levels of education improves a disabled persons employability or ability to become self-employed. It will also enable a disabled person of various capacities to contribute to the overall development of the country while meeting their own needs.

There are a number of institutions which advocate for PWDs and provide services such as training or workshop sessions for their membership, namely the Saint Kitts and Nevis Association of PWDs, and the Society for the Blind and the Mental Health Association. These

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<sup>44</sup> UNICEF, 2009. Children in Barbados and the Eastern Caribbean: Child Rights: The unfinished agenda. Website source: [http://www.unicef.org/barbados/Child\\_Rights\\_-\\_The\\_Unfinished\\_Agenda.pdf](http://www.unicef.org/barbados/Child_Rights_-_The_Unfinished_Agenda.pdf).



organisations require additional support to enhance their effectiveness in advocating for the rights of their membership and providing essential services. Other key challenges for persons with disabilities pertain to access to public institutions and the need for the country to sign on to the need to the 2007 United Nations (UN) Convention the Rights of PWDs. Increasing the knowledge of the difficulties of persons with various types of disabilities lays the foundation for the development of a more inclusive society.

### **Other Vulnerable Groups**

There are other groups whose needs are not well served by the structures currently in place. These include the homeless, the mentally ill, school dropouts and deportees. Drug abuse is often a factor in respect of the first two. Household poverty and deviance contribute to problems in school attendance and to drop-out. The deportee problem has saddled the country with challenge of rehabilitating nationals faced with integration into a society that may be new to them.

### **Objectives and Targets**

The objectives of this Priority Area are to:

- 1) Reorganise the delivery of social safety net services such that all who succumb to poverty and vulnerability, are treated equitably and consistently with their needs, with all those capable of self-sufficiency, being empowered to achieve that capacity for self-actualisation;
- 2) Improve the plight and address the silent emergency of abused children whose condition is ignored, or tolerated, and in which regard, parents and guardians have become complicit with perpetrators
- 3) Ensure a routinised response to groups known to be subject to specific risks and vulnerabilities, for example, PWDs, the Aged, etcetera.

### **Key Results Areas and Outcomes**

The following are the key results and outcomes from implementations of measures:

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- 1. Modernised Social Services System**
  - 2. An Enhanced Child Protection System**
  - 3. Improved Quality of Life and Living Standards for Vulnerable Groups**
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### **OUTCOME 1: Restructured and Modernised Social Safety Net System**

An assessment of the social safety net completed for Saint Kitts and Nevis in 2009 identified the need for the social safety net to be streamlined, better targeted and modernised. There is a need to develop a more effective, efficient and responsive system of provisioning. Jump-starting



this process will entail reviewing the SSA report and addressing key recommendations proposed in the report.

The programming of the social safety net will be streamlined in the first instance by improving coordination and collaboration within and between the public sector and the non-governmental sector entities involved in the provision of services and programmes. This will reduce duplication of programmes and rationalise the allocation of resources. Establishing a “one-stop-shop” for social services within the public sector will further strengthen the government’s ability to deliver benefits, improve coordination, and manage data collection and to connect clients to needed services across the board.

Upgrading the existing system to an integrated Social Protection Management Information System (SPMIS) will help to reduce risks associated with delivering programmes, such as risks for potential errors, political manipulation, service interruption and fraud.<sup>45</sup> This system also will help to introduce a higher measure of accountability and control in the implementation and monitoring of key programmes. Particular consideration will be given to making access to the programmes such as the uniform grant and the text book programme, conditional upon school attendance and performance. Such a change in type of programming will benefit from the SPMIS system. The SPMIS will form one part of a Monitoring and Evaluation Unit.

Another aspect of the Monitoring and Evaluation Unit will be a multi-disciplinary Social Protection Committee which will be geared towards planning and evaluating progress on key outcome areas based on the social protection policy and the Poverty Reduction Strategy.

The Nevis Island Administration employs a system of public assistance delivery which, to a certain degree, recognises families within the system, and that the same amount given to an individual cannot sustain a family and this is reflected in the amount of assistance provided. As such, steps will be taken to review the public assistance programme to ensure that the amount of assistance is being provided to assist those most in need. In addition, consideration will be given to tying payments to a bank card which will help to simplify delivery and improve access to needed funds.

A strengthened social policy framework will enable the Government, its key social partners and individuals engaged in formal and informal social relationships to better protect the welfare and wellbeing of the poor among population and to zero in on particular aspects of policy development and delivery. To achieve a strengthened policy environment, the respective units in the Ministry will meet quarterly to review policy and to assess efficacy of the social services delivery mechanisms vis-à-vis the various clients

This unit will also spearhead legislative and regulatory review and development across the Ministry, while being cognisant of regional and international priorities and obligations, and in defining or redefining national priorities.

Apart from the measures outline above, the following will be implemented as part of the NPRS:

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<sup>45</sup> Cesar Baldeon and Maria D. Arribas-Banos, 2008. Management Information Systems in Social Safety Net Programs: A Look at Accountability and Control Mechanisms. World Bank. Website source: <http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Safety-Nets-DP/0819.pdf>.



**A. Reform Social Safety Net systems to improve targeting and efficiency through the use of exit strategies and by better monitoring and evaluation of programmes**

The Social Safety Net System will be reorganised to reduce duplication and to improve coverage, to eliminate errors of inclusion (access to services by persons who should not be in a programme) and errors of exclusion (lack of access to persons who should be in a programme).

An electronic data base of beneficiaries available to the key agencies involved in social service delivery and shared among them on the basis of certain set protocols will allow for greater efficiency and would ensure where recipients are not victims of chronic poverty, benefits are time bound and are designed for their expeditious graduation to self-reliance

**B. Strengthen data collection and management for decision making regarding social safety nets through the implementation of an integrated MIS system and upgrading of the ICT**

Integrated data management is a sine qua non of an efficient system of delivery of social services and benefits. The Ministry of Community Development, Culture and Gender Affairs will be the primary repository of the data base but will share and coordinate information from such agencies as the Ministry of Education (school books, school feeding, and transport), the Ministry of Health and the Ministry of Youth Empowerment. The household will be the unit of analysis in the assessment of beneficiary support. Within the public system, real time information will be available to service providers on individuals and households, irrespective of source of service.

**C. Develop a comprehensive Social Protection Policy**

Given that poverty and vulnerability are multi-dimensional in their impact, and moreover, given that poverty might be chronic, transitory or structural, Social Protection has to be comprehensive in its approach and differentiating in its actual focus at the individual or household level. Chronic poverty, where victims have no possible recourse but to rely on others for support, involves transfers from the state and non-state actors. The relationship between transfers and the poverty line or indigence line will need to be elaborated. The Government might agree to provide a level of support, such that the most vulnerable and defenceless are provided with a minimum adequate to keep them out of poverty. The elderly who do not have access to social security, and the persons with severe disabilities are the likely beneficiaries, with transfers delimited by their demise.

**D. Build on/expand the pilot “The Bridge Programme” to improve connection of the vulnerable to the wide range of services available as well as to streamline entrance and exit criteria and strategies for the programmes**

There are benefits that might be made conditional on the recipient abiding by some rule or criterion: the Bridge Programme has been designed in this way. School attendance with regularity will determine assistance with transport and books. Mothers who are abandoned by fathers who cannot be located may receive assistance conditional on their preparing for the labour market through training.



#### **E. Develop or formalise strategies and develop protocols for safeguarding the most vulnerable during periods of crisis**

Crises of various types eventuate in society and more so in a SIDS. Sudden collapse of an economic activity or an environmental disaster can place large numbers on the breadline. Temporary emergency support will be put in place to deal with such challenges

#### **F. Promote and support the development of foundations and similar organisations to advocate for and provide key support services for vulnerable groups**

There are organisations, some of them part of international NGOs, which operate in Saint Kitts and Nevis –the Red Cross, and the Rotarians. However, there are other agencies spawned from within the society itself. A commitment of the state to partner with all of these and to provide a framework for their registration and regulation will allow for mobilising those who are prepared to contribute to voluntary work especially among the poor and vulnerable.

### **OUTCOME 2: An Enhanced Child Protection System (Better Protected and Well Adjusted Children)**

All children in the Federation have the right to a safe, secure and supportive environment which enhances their opportunities to reach their full potential. Children in poorer communities are at a greater risk of exposure to violence, of experiencing behavioural and emotional challenges, poor academic achievement, school dropout and neglect and abuse, which could adversely affect their life chances. Minimising these risks will require that the range of programmes and services available to children in poorer or more vulnerable communities be expanded and strengthened.

The Child Protection Unit will be strengthened to ensure that it is fully able to carry out its obligations of protecting the nation’s most vulnerable children from prevailing problems of abuse and neglect. To this end, staff capacity will be built by providing adequate training to raise the quality and level of response to the needs of its clients. The establishment of a Family Court and the upgrading of legislation for child maintenance will improve conditions for children. The OECS Child Protection project provides a unique opportunity to strengthen the legislative and judicial framework within which child protection issues are adjudicated and every effort will be exerted to advance this agenda.

However, families in Saint Kitts and Nevis will be supported and empowered to lift the cloak of silence surrounding abuse (especially sexual abuse) and to prevent occurrences of abuse. Extended support will be provided to victims and their families through the provision of counselling services. Existing child protection protocols will be reviewed and strengthened to ensure that all stakeholders act appropriately and provide the necessary care and services to children affected<sup>46</sup>. Advocacy and communications strategies will be employed to prevent and

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<sup>46</sup> Child abuse protocols refer to a set of policies, procedures and agreements to be adhered to when there is an allegation of child abuse and provides for Improved collaboration among stakeholders.



manage child abuse at all levels. Children and young people will be empowered to recognise and report instances of abuse. The following are the main specific measures:

**A. Review and implement relevant recommendations from the United Nations International Children's Emergency Fund report on Child Sexual Abuse in Saint Kitts and Nevis**

The Ministry of Community Development, Culture and Gender Affairs will need to put in place the relevant measures and acquire the necessary staff to implement the recommendations of the Report done for United Nations International Children's Emergency Fund (UNICEF) on child sexual abuse in the Eastern Caribbean, in which Saint Kitts and Nevis was one of the countries studied. The Ministry will have to work closely with a number of other agencies, given the cross-cutting nature of the problem.

**B. Reform legislative and institutional framework to protect the child**

The development of a national protocol for child protection will need to be supported by a re-examination of the legislation and practice in child protection measures. A Child Development Project has been initiated. The supporting institutional framework will involve teachers, police officers, and other officers of the court, all of whom will need exposure to Psychology and Child Development.

**C. Develop a child abuse protocol for Saint Kitts and Nevis**

The introduction of the Child Protection Protocol is an imperative, and is to be implemented in the course of this year, 2011. There will be accessible a 24 hour Child Protection Hotline. Public awareness on the nature and extent of child abuse will be raised through public education on the issue, at the same time as the legislation is being strengthened, to support appropriate interventions.

**D. Provide parenting skills training and developmental support to at-risk groups**

The Child Development Project of the Ministry of Community Development, Culture and Gender Affairs includes the training of parents and the upgrade of their parenting skills. The White Paper on Education Development and Policy also makes provisions for the improvement of parental skills especially as it relates to delinquent students. It proposes that parents with delinquent children be mandated to undergo such a programme. These will be maintained.

**E. Intensify health and family life education (linked to life skills)**

The Ministry of Community Development, Culture and Gender Affairs will provide opportunities for men and women in communities to develop and improve their relationship skills. The Ministry will focus specifically on fatherhood in a number of programmes directed at fathers. Also, as part of the upgrading of Teachers across the school system, and as part of teacher development generally, the Ministry of Education will give attention to Health and Family Life Education and to Personality Development.



**F. Undertake social marketing initiatives which focus on the rights of the child and on the fact that with rights, come responsibilities (of parents, family, community)**

The Ministry of Community Development, Culture and Gender Affairs will collaborate with the Ministries of Education and of Health in respect safety and health of children. The Ministry will mount a programme of public education to increase awareness of the problem of child abuse and to encourage reporting of suspected cases of child abuse.

**G. Strengthen counselling and support programmes for the abused and abusers**

The Ministry of Community Development, Culture and Gender Affairs will provide protection for abused children and ensure that they receive counselling services. The foster care programme will be expanded also, to provide for children in need of care and protection.

**H. Strengthen counselling and life skills support programmes to at risk children, pre-teens and teenagers**

There is a Counselling Arm in the Ministry which will need to expand given its responsibility for coordinating all mental health and human development activities that relate to family wellness.

**I. Establish a system of increased enforcement and mandatory prosecution of adult males who get teenage girls pregnant**

The Ministry of Community Development, Culture and Gender Affairs is pursuing legislative changes to correct deficiencies in legislation which have allowed perpetrators of sexual molestation and exploitation of children to escape prosecution. The Probation and Child Welfare Board Act will be updated accordingly.

**J. Strengthen support for teen mothers and fathers**

Project Viola allows teen mothers an enabling environment to continue their education, and this is to be strengthened to allow them to achieve their full potential, notwithstanding teenage pregnancy. The programme to improve fatherhood aimed at fathers in general will address the needs of teen fathers.

**K. Strengthening parent/child bond and intergenerational relationships**

The Ministry of Community Development, Culture and Gender Affairs will, through its Child Development Project, focus on the training of parents and in strengthening parent/child bonds.

**L. Increase effective collaboration among agencies with responsibilities for child safety and protection**

The protection of children involves inter-agency collaboration given its cross-cutting nature. The Ministry of Community Development, Culture and Gender Affairs will work with such key agencies as the Police, the Ministry of Education, and the Ministry of Health in the discharge of its responsibility for child safety and protection.



### **OUTCOME 3: Improved Quality of Life and Living Standards for Targeted Vulnerable Groups**

Agencies such as the UN agree and national evidence suggests that since the beginning of the global financial and economic crisis that people are confronted with lower incomes, reduced food security, fewer employment opportunities, reduced access to benefits, social services, remittances and credit.<sup>47</sup> Every avenue will be explored to reduce the level of vulnerability of persons and to help to enabled them to become more resilient in the face of risks.

To lay the right foundation, a National Social Protection Policy will be developed to identify priorities within the ambit of social protection and to develop a strategic approach to ameliorating the plight of the poor and disenfranchised. A national Social Protection Council will be established to facilitate planning and monitoring and evaluation of progress made and will be comprised of the units in the Ministry of Community Development, Culture and Gender Affairs along with other agencies engaged in the social services in government and in the NGO community.

In addition, with technical assistance will be taken to undertake an assessment of the feasibility of developing a Nations Social Protection Floor that is age and gender sensitive. This will allow the country to determine and establish minimum levels of provisioning for all members of society. To accommodate the range of changes which will be necessary to strengthen the social safety net and to enhance social development new organisational and institutional arrangements will be required.

#### **A. Improve quality of life and service provisioning to vulnerable women**

Poverty places a disproportionate burden of care on women and this may limit their ability to participate in the labour market or to cope adequately or care for their families. It will be necessary to develop and implement “Family Friendly” work and family policies and legislation which recognise the need of employees to meet their family health needs and care for dependents. This would help in sustaining a healthy balance between work and family obligations. The policies and regulations will encompass issues of flexible work options, paid and unpaid leave, employee assistance (counsellors, financial planning etc) and other resources such as childcare and care referral networks. The establishment of day care centres or support of existing centres in poorer communities will also be essential. A care programme for the elderly is in operation. However, there are some persons who are not covered under this programme. This programme will be augmented to ensure that poor households headed by single persons (especially women) who also have responsibility for the care of an older person are able to access this type of service and that older persons are able to remain in their communities.

There is a need to build the flexibility of women in the workforce and improve their access to employment opportunities at the regional and international level. As such aggressive measures will be employed to increase the uptake of educational and training opportunities by women either through employer supported training programmes or via programmes offered by the state or other educational institutions. This will help to remove women from the frontline of

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<sup>47</sup> ILO/WHO, 2009. Manual and Strategic Framework for Joint UN Country Operations. Website source: <http://www.ilo.org/gimi/gess/RessShowRessource.do?ressourceId=14484>.



crises as they move into higher quality positions in otherwise volatile industries such as tourism or enter new arenas such as construction.

Eliminating violence of all forms against women of all ages is a critical step towards strengthening families in the Federation and demands a coordinated response from all stakeholders. Some notable progress has been made in addressing gender based violence in the Federation through the enactment of the Domestic Violence Act (2002), the establishment of a batterers' programme, ratifying or being party to a number of Conventions on the Elimination of Violence Against Women<sup>48</sup>, continued advocacy and information dissemination and specialised training provided to police and nurses and others who treat with victims of violence and perpetrators of violence against women. However, violence against women persists along with low rates of reporting.

A gender policy and action plan will be developed and adopted. Moreover, the Government will adopt and implement the Multi-Sectoral National Action Plan on Sexual and Gender-based Violence which was developed in 2010 to enhance coordination. Programmes to raise the awareness of problem of violence against women in general and domestic violence in particular will be intensified and mechanisms to encourage reporting will be put in place. Emphasis will be placed on valuing the roles and contributions of both men and women in the home as a means of reducing the perception of gender inequity within the homes. In addition focus will be placed on cultivating healthy family relationships between men and women<sup>49</sup>.

In order to address chronic poverty among women and their families it will be important to reinforce the adoption of healthy mating patterns. Serial relationships which produce off spring from each relationship makes the women and the children more vulnerable to poverty as men often move on to other relationships with other women. Marriage between a man and a woman will be promoted as desirable and important to establishing stable unions within which a family can be properly nurtured and cared for.

The informal sector<sup>50</sup> is seen as a means through which unemployment and underemployment can be overcome. However, more often than not involvement in this sector means that women work long hours for little reward and to cover their basic needs, in difficult working circumstances and they have neither income nor social and community support. In order to relieve the plight of women in the informal sector, special attention will be placed on enhancing the ability of women in the informal sector to improve their income generating activity with a view to allowing them to meet their strategic needs. Women in the informal sector will be provided with opportunities for training, improved access to credit, enhanced access to

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48 Saint Kitts and Nevis is a State Party to the Inter-American Convention on the Prevention, Punishment and Eradication of Violence Against Women "Convention of Belem do Para", Inter-American Convention on the Granting of Civil Rights to Women and the Inter-American Convention on the Granting of Political Rights to Women. The Federation is also signatory to the United Nations Declaration for the Elimination of Violence Against Women (1993), The Beijing Platform for Action, (1995), the Millennium Declaration (2000), and the United Nations Security Council Regulation 1325 (2000), on Women Peace and Security, (2000).

49 Saint Kitts and Nevis Report to the 10<sup>th</sup> Session of Universal Periodic Review (UPR) Working Group of UNHR by Saint Kitts and Nevis' Permanent Representative to the United Nations, His Excellency Delano Bart at the United Nations in New York, January 24 – February, 4, 2011.

<sup>50</sup> Work in the informal sector includes the self-employed, some persons who are in waged employment, apprenticeships, some industrial workers and unpaid family workers.



technology and encouragement will be given to their partners adopting shared responsibility for the care of children and the home.

### **B. Improve quality of life and service provisioning to vulnerable elderly**

The Government of Saint Kitts and Nevis will take a pro-active approach to population ageing and the phenomenon of increased longevity so as to ensure that older persons are able to enjoy healthy, safe, secure and productive lives. In the first instance this will require that the Draft Policy on Ageing be submitted to Cabinet for its approval and that the corresponding action be completed and its recommendations implemented. Improving the situation of the aged as it relates to neglect, abuse, abandonment, hunger and loneliness will enhance their welfare. Appropriate mechanisms will be put in place to ensure that older persons are protected and avenues for reporting elder abuse will be enhanced. Improving an older person's level of income security will require that preparations for retirement and old age, commence from a young age by complementing their social security benefits by engaging in saving and investment during their most productive years.

Expanding the community based elderly care programme will ensure that more vulnerable older persons receive necessary care and support especially those living in extended families. The lives of older persons residing in communities will be brightened with the development of recreational activities within their communities.

The development of Golden Age Clubs or similar groups will be fostered in every community. The principles of Healthy Ageing will be promoted among the population and older persons will be encouraged to participate in health promotion activities and organisations. Nutritious food is costly and poorer older persons are sometimes unable to provide healthy meals for themselves. Mechanisms will be put in place to enhance access of older persons, to nutritionally rich or appropriate foods especially those suffering from chronic non-communicable disease. Information and instruction on cooking healthily will be provided.

### **C. Improve quality of life and service provisioning to children**

Recognising that poverty affects children in all the spheres of their lives, such as the home, school and community, special attention will be paid to providing support in these areas thereby reducing the impact of poverty on households with children. This will be done by increasing participation in and access to afterschool programmes, strengthening or reintroducing community clubs as has been done with the 4H Club, developing community based library programmes and book drives similar to that of the Rotary Club of Liamuigua, ensuring that schools are properly resourced, strengthening programming in community centres, increasing access to ICT as with the School laptops programme and ensuring that adequate access to information/programmes aimed at character building, future planning and good decision making and that linkages are made to appropriate social protection measures.

There is agreement that providing support for poor households that are under additional stress from increased economic hardship will reduce the likelihood of manifestation of depression, relationship or marital distress and inappropriate parenting behaviour which are associated with poor emotional and social outcome in children. Developing a Committee comprised of the otherwise stand-alone units such as the Probation and Child Protection Unit, the Counselling Unit, Senior Activities programme, Youth Department and the Department of Gender Affairs will



allow the Government to bring together key resources, while at the same time meeting the needs of clients in an effective and cohesive manner. Programmes in these areas will be strengthened and new initiatives developed to meet the needs of family members from the youngest to the oldest.

Fostering healthy weights in children and young people is important to their health and social wellbeing. Poverty and poor living standards can lead families to develop unhealthy eating habits. If obesity among children is to be reduced by 50 percent it will be important to discourage sedentary lifestyles and to encourage the development of healthy eating habits. Parents must be encouraged to provide their children with healthy meals and facilitate the adoption of healthy eating patterns.

Sunshine, fresh air and physical exercise must be seen as key ingredients for raising healthy children. Playgrounds in Government pre-schools and primary schools will be further developed and programmes for play and exercise fully incorporated in school activities. Safe play areas will be developed in communities along with other programmes for physical activities to encourage the participation of children and families. The development of school based wellness policies will be encouraged for children from pre-school to grade six. Nutrient rich food is important in rebuilding the bodies of children who are underweight for their age. The state's role in reducing the number of underweight children by 50 percent in the 0-5 age group will entail providing and distributing a suitable supplement to underweight children such as malt extract.

#### **D. Improve quality of life and service provisioning to the marginalised youth**

Promoting positive youth development will be central to reducing the impact of negative behaviour of youth on society. Enhancing the development of activities aimed at youth development at the community level will aid young people in resisting the lure of negative aspects of the youth culture (gangs, drug use and abuse, early sexual initiation, crime and violence) allowing them to flourish and develop to their full capacity.

Arming young people with critical information about abstinence coupled with other activities such as training, volunteering and mentoring allows youth to build a foundation that enables them to approach sexuality in a more responsible manner. Findings from a 2005/2006 CAREC behavioural surveillance survey conducted in Saint Kitts and five other OECS countries indicated that the majority of in school youth (age 10-14 years of age) who participated reported that they were still virgins. This suggests that there is significant scope for advocating delaying sexual debut.

Abstinence from sexual intercourse will be promoted among young people given that younger age of sexual initiation is linked to coercion, lower contraceptive use, increased risk of teenage pregnancy and developing HIV/AIDS and other sexually transmitted illnesses as periods of risky behaviour are repeated and prolonged and combined with other risky behaviours such as drug use and abuse, gang banging and alcohol use. Laying the foundation for a reduction in the rate of teen pregnancies through the promotion of abstinence will help to ease the additional burden placed on family members who provide support for the young parents and their children as well enhance the overall health and wellbeing of teenagers and young people generally in the Federation.



The programme to support teenage parents being implemented by the Department of Gender Affairs has significantly improved the welfare of many teenage parents especially teen mothers. This programme will be augmented and adequate resources will be allocated to it. Kittitian and Nevisian teen parents will be assisted to continue their education and will be facilitated in every way. This policy will be formalised.

Reducing economic vulnerability of households and muting the impact of a culture of materialism will be essential to addressing transactional sex among young girls (and women) and boys. It is argued that poverty co-exists with consumerism and it is within this context that using sex as a commodity to secure “material items, gifts, basic needs, security and money” is encouraged<sup>51</sup>. Male female relationships are often seen as economic bargains. Ultimately transactional sex places young women at a greater risk of physical and emotional abuse and less able to select partners who engage in less risky behaviour, or to negotiate condom use. Thus, they are more vulnerable to unwanted pregnancies, abortion and contracting HIV/AIDS and other STIs.

Inadequate education perpetuates the cycle of chronic poverty and limits individuals’ ability to elevate themselves and future generations out of poverty. In order to improve performance of poor or disenfranchised young people in school, especially among boys, alternative paths of education will be embraced and supported. Youth in unstable situations will be supported so that they can continue their education. After school programmes will be expanded and made available to young people based on their interest. Programmes for early identification of learning limitations and behavioural issues will be improved, collaboration between agencies serving youth will be enhanced. Youth involvement in faith based and community based activities will be fostered as a means of re-engaging youth in their communities and rekindling interest in education, and summer education programmes will be instituted to smooth transition to new classes.

Saint Kitts and Nevis has a rich cultural heritage and this will be used as a basis to engage young persons and to embrace their positive participation in various art forms at the community and national level. On a broader level, efforts will be expended through social marketing to increase the level of uptake of youth of educational and training opportunities and activities.

Goal 8 of the MDGs specifically looks at enhancing opportunities for youth employment. Youth deserve the opportunity to enjoy the benefits of employment and a better way of life. Young persons in one focus group reflected that “it’s easier to get a gun than a loan.” Reducing youth unemployment and underemployment and by extension, youth crime and violence will require that the employability of young people in the Federation is improved.

Opportunities for youth to establish enterprises through entrepreneurship will be provided and as well as seed money (grant funds) and other technical assistance. Equal opportunity will be accorded for young qualified persons to participate in the labour force as older persons and have access to decent work and contribute to the overall development of the country.

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<sup>51</sup> Caribbean Health Research Council (2008), “Social and cultural factors driving the HIV epidemic in the Caribbean: a literature review” <http://www.chrc-caribbean.org/files/Literature%20Review/Social%20and%20Cultural%20Factors%20Driving%20the%20HIV%20Epidemic%20in%20the%20Caribbean.pdf> .



## **E. Improve quality of life and service provisioning Persons with Disabilities**

The PWDs face various barriers to their full and effective participation in society on an equal basis as others. Measures to promote and secure the integration of the disabled into society in a more meaningful way in the Federation will be fully embraced. It is anticipated that upwards of 10 percent of the population may be affected by a disability. The aged are disproportionately affected by impairments which are exacerbated by the onset of chronic diseases. While there have not been any complaints of mistreatment of the disabled, Saint Kitts and Nevis lag behind in terms of legitimising the rights of the disabled in the Federation. The UN Convention on the Rights of PWDS was opened for signature by the UN in 2007 but Saint Kitts and Nevis has not yet signed. As a first step to enhancing the quality of life of the disabled and promoting respect for their plight, the Government of Saint Kitts and Nevis will adopt the Convention on the Rights of PWDs.

Many disabled persons who would have attended the SEU Unit are not readily absorbed into the labour market and are forced to rely on the Invalidity Assistance pension administered by the Social Security Board. PWDs have varying levels of disabilities which do not preclude their learning a skill or receiving basic levels of training which would enhance their employability or their ability to become self-employed or work cooperatively with others who have disabilities. To this end, the disabled will be empowered to participate in the labour market through the provision of increased opportunities for training which extends beyond the primary level.

Expanded opportunities and added support will be provided to such agencies such as ADEs Place in Saint Kitts and the Nevis Association of PWDs. The review of the Building Codes as it relates to the disabled will be undertaken as the disabled have limited access to large number of public places and places of business.

While organisations have instituted ramps to improve access for the disabled there is still much to be done to afford a satisfactory level of access for the disabled especially in Basseterre. The ability of the Saint Kitts and Nevis Association of PWDs, the Association of the Blind and the Mental Health association to advocate on behalf of the welfare of their membership must be enhanced and every effort exerted to support this. PWDs will also have improved access to modern assistive devices which will enable their participation in social life. Services for the disabled will be coordinated through the Ministry of Social Development through the Unit for the Aged and PWDs.



## Priority Area 5

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### Risk Reduction and Social Protection

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#### General Policy Statement

Social protection focuses initiatives that protect basic livelihood as well as promote safeguards against shocks that may occur. It therefore calls attention to social insurance provision; the development of the Federation’s human capital, through the delivery of quality education and health care services; the provision of affordable housing to the poor; and promotion of environmental sustainability, disaster risk reduction and climate change adaptation.

#### Baseline Analysis

The Regional Report on Social Protection and Poverty Reduction in the Caribbean<sup>52</sup> defines social protection as:

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*‘all interventions from public, private, voluntary organisation and social networks, to support communities, households, and individuals, in their efforts to prevent, manage, and overcome a defined set of risks and vulnerabilities’*

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The basis for social protection is the premise that vulnerability is a major cause of poverty and deprivation and that vulnerability represents the limited capacity of some communities and households to invest in or safeguard themselves against threats to their living standards. Current approaches to social protection focuses on building resilience in the face of external shocks that can hamper the development and therefore must be comprehensive and wide reaching in scope, aimed at preventing and reducing poverty and vulnerability, and protecting livelihoods, people’s incomes and social relations. A wide range of interventions, therefore, falls under the ambit of social protection – “from macroeconomic policy, social and market insurance, social assistance, labour standards, employment generation, micro-credit and micro-insurance, education and training, to informal networks.<sup>53</sup>” But given current global climate-related trends it should also cover disaster risk reduction, climate change adaptation interventions. Social protection, therefore, goes beyond the provision of a ‘safety net’ to cater for the needs of the poor and indigent in the society to a comprehensive and integrated

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<sup>52</sup> Armando Barrientos, 2004. Social Protection and Poverty Reduction in the Caribbean: Draft Regional Report - Synthesis of Main Findings of Studies for Belize, Grenada and Saint Lucia with Supplementary Information for Dominica and Jamaica. A study commissioned by the Social and Economic Research Unit and the Caribbean Development Bank in collaboration with the Department for International Development for the Caribbean and the European Commission Delegation for Barbados and the Eastern Caribbean. September 2004.

<sup>53</sup> Ibid.



platform for reducing and managing risk to all groups with special attention paid to the poor and needy because of their high level of vulnerability and resource limitations.

Saint Kitts and Nevis is subject to all the challenges faced by SIDS because of its small size, geographic exposure and socioeconomic circumstances. Its population faces multiple risks and vulnerabilities including a narrow economic base, high dependence on environmental and climate sensitive sectors, high dependence on imported energy resources, high food import bill and limited food security, dependence on remittances, which can have far-reaching short term and long term implications. As the country addresses poverty reduction, there is recognition that social protection in the context of Saint Kitts and Nevis should include safety net interventions as well as interventions that would strengthen the capacity of individuals, households and communities and transform their circumstances allowing them to better deal with risk and vulnerability, particularly those dealing with the risk and vulnerability associated with poverty and deprivation. The strategies addressed in the previous Priority Area, dealt with the national safety net. This Priority Area focuses on building resilience and social protection through provision of social insurance, human development (education and health and wellbeing), disaster risk reduction and climate change adaptation.

## **Key Opportunities and Challenges**

### **National Social Insurance System**

The National Social Security Scheme (SSS) established in 1978, is the main income replacement programme instituted in Saint Kitts and Nevis to buffer workers against certain interruptions in work life and to facilitate a return to the productive life. It also provides a shield for the poor and non-poor alike especially through the provision of contributory and non-contributory pensions to the aged. In 2006, the Social Security Fund was reported as the second largest in the OECS sub-region with a high reserve expenditure ratio<sup>54</sup>. While in a relatively strong position, the SSB has undertaken the task of reforming the Scheme and consideration is being given to increasing the age of eligibility from 62 years of age. Actuary's report for 2006 underscores the need for this measure if reserves are not to be depleted by 2053.

The total number of beneficiaries receiving long term benefits has increased steadily since 2005 moving from 3,124 in 2005 to 3,640 in 2009. Old age pensions are paid out based on the number of contributions, and an individual can receive up to 60 percent of his or her salary<sup>55</sup>. Assistance (non-contributory) pension figures<sup>56</sup> declined slightly from 2005 to 2009 falling from 630 beneficiaries to 505 in 2009 while the number of persons receiving invalidity benefits

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<sup>54</sup> Economic Commission for Latin America and the Caribbean, 2006. Report of the High-Level Ministerial Dialogue - Social Security and Sustainable Social Development in the Caribbean. Saint John's, Antigua and Barbuda, 14-15 June 2006. Reference No: LC/CAR/L.92. Website source: <http://www.eclac.org/publicaciones/PortOfSpain/2/LCCARL92/L.92.pdf>.

<sup>55</sup> Age pension calculated based on the best three of the 15 years of contributions. This is averaged and number of actually contributions tallied. Persons who have made just about 1799 contributions are entitled to 60 percent of their average salary. Persons making less than 1799 contributions will have a lower percentage of salary returned.

<sup>56</sup> Age Assistance pension and invalidity assistance pension figures posted in Social Security Bulletin were corrected: actual figures can be obtained from by Saint Kitts and Nevis Social Security Statistics Office.



increased marginally for the same period rising from 122 to 145 in 2009. On the whole, payments to beneficiaries have increased steadily as annual figures indicate that a total XCD16,917,890 was paid out in 2005 as compared to XCD28,586,658 disbursed in 2009. Assistance pensions (invalidity and age) still remain a small percentage of overall payout, accounting for 11 percent of total paid out in 2005 and falling to 6.8 percent in 2009 with the average assistance pensioner now earning approximately XCD3,450 per annum.

Proceeds from the assistance pension represent the only income for some older persons and disabled. Payments on short claims, such as sickness benefits and maternity benefits, remain consistent, with twice as many women than men benefitting from sickness benefits. As noted in the 2006, ECLAC report on social security, additional difficulties for the SSS includes 1) employing appropriate strategies to reduce inflation of contributions; 2) increasing the number of self-employed covered; 3) diversifying the investment portfolio to optimise returns; and 4) Reducing administration costs.

With the escalation in cost of health care, consideration is being given to the introduction of a National Health Insurance Scheme which requires members of the working population to make contributions. While there is a Severance Payments Fund to which employees and employers contribute mainly to cover redundancy, there is no unemployment fund in Saint Kitts and Nevis to cover out-of-work persons who are finding it difficult to find employment.

## Education

Education has been universalised at the primary and secondary levels in Saint Kitts and Nevis for over three decades. In addition, great strides have been made with respect to universalising and regulating the pre-school level education. However there remain gaps in provisioning especially in some poorer communities. Uneven quality in programming continues despite significant investment. Approximately 75 percent of children three to five years old were enrolled in centres. The table below shows net enrolment rates for primary and secondary schools and provides an indication of the share of primary school aged children who are enrolled in school and who are not. There is a three percent repetition rate for secondary school. MDGs goal for net enrolment is 100 percent.

The drafting of an Education Plan and Policy has provided significant focus to the education sector with clear targets identified and steady progress is being achieved in areas such as, education planning, curriculum development, monitoring and evaluation, identification of at-risk students, education statistics and information technology and teacher quality. However a number of problems and challenges remain: namely; the quality of education especially at the high school level, the system of automatic promotion from primary school to secondary school, low proportion of trained teachers in the system (about 35 percent in secondary schools and 55 percent in primary, 46 percent ECD), school maintenance and the low proportion of allocations for programmes in education, low academic performance especially of boys, diminished perception of school security and increasing anti-social behaviour of students.



**Table 2.8: Net Enrolment (ISCED 1, 2 and 3)<sup>57</sup>, 2007**

Net Enrolment	Primary	Secondary
Total	87	84
Male	86	89
Female	88	80

*Source: UNESCO 2009, Global Education Digest: Comparing Education Statistics around the World*

Performance in Mathematics and English has declined significantly since 1997 for both males and females in Saint Kitts and Nevis and the following table illustrates this. The performance of males suffered the sharpest declines in both subjects with pass rates for males in Mathematics and English falling by 17.52 percent and

33.26 percent respectively by 2009. The pass rates for females declined by 7.75 percent in Mathematics and 20.96 percent in English by 2009 and putting the females ahead of males in English whereas males had out performed females in both areas in 1997. The goal of the Ministry is to improve performance in these core areas to 50 percent by 2015 by strengthening student competencies and teaching methodologies in these subjects.

The Government has expanded opportunities in post-secondary and tertiary education however as noted in the Poverty Assessment Report, persons have been slow on the uptake as only about 3 percent of the respondents to the SLC were enrolled in adult education programmes. There is an agreement among CARICOM

**Table 2.9: CSEC<sup>58</sup> Percent Pass Rate by Sex - English and Mathematics, 1997 and 2009**

Subjects	1997		2009	
	Males	Females	Male	Female
Mathematics (%)	61.04	49.01	43.52	41.26
English (%)	84.82	81.73	51.56	60.77

*Source: CXC Examination Council Reports 1997 and 2009 quoted in CARICOM Eye on the Youth Report, 2010.*

Member States to get enrolment rates up to about 15 percent. A number of remedial programmes such as Project Strong and Advanced Vocational Educational Centre (AVEC), have been implemented and reach some of the youth at risk or otherwise marginalised youth but require some added support if they are to be more effective.

There are education based transfer schemes such as the school meals programme, free text books to students, payment of examination fees, and free uniforms programmes which enhance student access to education. The free text books initiative, uniforms programme and the payment of examination fees are not based on a system of conditional transfers and thus are not tied to student attendance or performance. As noted by the MoF these services are expensive to provide however they are not properly targeted and some degree of leakage occurs. In some of the transfers such as the school meals programme there is an absence of quality control and some disadvantaged students opt out especially at the secondary school level. Investment in education remains satisfactory though there was a minimal increase in allocation for 2011 to XCD 62,105,247, while allocations for most of the other Ministries were reduced.

<sup>57</sup> International Standard Classification of Education (ISCED) is an international code designed by UNESCO in the early 1970's to serve 'as an instrument suitable for assembling, compiling and presenting statistics of education both within individual countries and internationally'. Level 1 - Primary education or first stage of basic education; Level 2 - Lower secondary or second stage of basic education and Level 3 - (Upper) secondary education.

<sup>58</sup> CSEC – Caribbean Secondary Education Certificate



## Health Care and Wellbeing

Citizens of Saint Kitts and Nevis are guaranteed a range of health care services. Community health services are well developed with 11 health centres in Saint Kitts and five in Nevis offering a wide array of services to individuals across the lifespan. The secondary tier of health care which provides a satisfactory level of care received a boost with the complete renovation and upgrade of the a third Hospital, the Pogson Medical Centre in 2009 on Saint Kitts, thus improving access to acute care for more remote communities. To a large extent tertiary care is still sourced abroad - in the USA, Trinidad, Barbados and Antigua - as some medical technology proves to be too expensive an undertaking for the small state. Poorer segments of the society depend heavily on publicly provided health services as evidenced by the upwards of 42 percent of the poorest respondents to the SLC who reported utilising these services.

Health-based assistance programmes administered through the Ministry of Health allow for the most vulnerable to access health care through the public system. Segments of the population including school-aged children, persons 65 years of age and older and persons suffering from chronic diseases receive free health services at the health centres and medication at public pharmacies. A system of fee waivers and medical referrals allows for these categories of persons and the indigent to access other tiers of services in the health system either locally or internationally. Sustainable funding of health care remains a balancing act, some persons still have trouble with access in certain areas, cost of medication for chronic illnesses is increasingly becoming a challenge especially when medications are unavailable at the public pharmacies and quality of services remains uneven across the system.

Shifts in the epidemiological profile of the population over the years have placed the spotlight on the impact of non-communicable diseases. Lifestyle diseases such as hypertension and diabetes are increasing in prevalence and featuring prominently in the mortality profile of the country. Approximately 53.6 percent of the population suffer from at least one chronic disease<sup>59</sup>. Similarly according to the International Diabetes Association about 9 percent of the population 20 to 79 years of age suffer from diabetes accounting for 2,200 persons. HIV/AIDS remains a threatening spectre as the prevalence of the disease also increased, impacting the lives of the more productive segments of the population. The national prevalence rate of HIV/AIDs stood at one percent in 2003 when the last study was done. These developments have signalled the importance of health promotion and to ensure that resources are not only channelled towards treatment but also towards prevention, as well.

Expenditure on health care has remained relatively stable over the years and the Ministry of Health was one of the few Ministries whose allocations for the current year were not reduced compared to 2010. The Ministry of Health was allocated XCD34,916,553 for 2011 a slight increase over XCD34,879,609. Allocation of resources within the sector has shifted somewhat to reflect its priorities with approximately one third of the 40 percent earmarked for expenditure on programmes in the health sector going towards community health (PAHO/WHO, 2008). Emerging issues in health care are the impact of increasing violence on the health system and its

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<sup>59</sup> Pan American Health Organisation, 2008. "Health Systems Profile for Saint Kitts and Nevis". Website source: <http://www.lachealthsys.org/>



toll on health personnel, mental health, increase in obesity especially among women and children as well as under nutrition in children.

### **Housing and Land Reform**

An aggressive policy of housing provision has been employed by the GSKN over the years. Over 1,500 homes have been constructed and built under the affordable homes programme in Saint Kitts over the years. As Nevis scales up its housing development effort, 107 fully outfitted houses were completed and with many already distributed to homeowners. Private sector entities have also entered the market in the provision of housing for middle to upper income groups in the Federation. After the passage of Hurricane Georges in 1998 which damaged up to 85 percent of the housing stock, the Housing Sector Recovery Plan and the Strengthened Planning and Control regulations have meant that a larger proportion of persons, both poor and non-poor, live in upgraded housing significantly reducing their susceptibility to hurricane force winds.

There are a number of agencies which are involved in various aspects of housing or land distribution which all act according to their own mandate but whose functioning tend to overlap. Greater collaboration among these agencies will improve efficiency, coordination and transparency. Some ex-sugar workers recently benefited from housing improvement programme administered by the National Housing Corporation (NHC) and funded by the Venezuelan Government where 80 percent of the improvements were covered by the fund and the home owners are only required to repay 20 percent of the cost of the work done. Many starter homes (Half-a-hogs-head) have been transformed into full homes via a special programme administered by the National Housing Corporation (NHC). A Civil Servant Housing Programme offering special rates is managed through the Development Bank. The Affordable Housing Development Programme is being administered by NHC. In 2007, the Government initiated a Special Land Distribution Initiative (SLDI) through the Ministry of Sustainable Development in partnership with local financial institutions which is aimed at making land more readily available for housing, especially in areas of high demand. There is also the Housing Development Project implemented by the Nevis Housing and Land Development Corporation (NHLDC) catering to housing needs in Nevis and make housing more affordable to Nevisians.

While many families have been able to secure housing and enjoy first time home ownership due to these various efforts, there remains a percentage of the population among the poorest that are unable to qualify for these homes yet live in untenable and cramped circumstances. As noted in the 2007 CPA report, with the creation of village extensions and new housing estates there have been challenges of social integration, inter and intra community relations and weakening of family and community support networks. This is particularly marked in the urban area and has somewhat diffused the vibrancy of some communities such as Newtown and Irishtown. There is therefore need for regeneration of these communities and upgrading of living conditions. There is need to address affordable income housing for the poorer members of society. However, housing distribution in a situation of scarcity needs to be supported with rules that encourage public confidence in their fairness.

The GSKN sees its land distribution and Housing programmes as a means of empowering its people. Every Kittitian and Nevisian wishes to own “a piece of the rock” and many have been



able to access land while others still find it a challenge. While most lands are in private hands in Nevis, the majority of lands are held by the Government in Saint Kitts in trust for the people. Land is considered one of the country's most valued assets especially with the closure of the sugar industry and is in demand for various purposes. Whether requested or distributed for housing, investment purposes or agriculture, land use and distribution impose a great responsibility on the Government, which has to take account of the legacy for future generations of Kittitians and Nevisians while grappling at the same time with very urgent issues such as the reducing its debt burden.

Squatting is an extensive problem in Saint Kitts and Nevis with a total of about 536 acres of land reportedly illegally occupied in 2003 (408 acres of land in Saint Kitts and 128 acres in Nevis), with most of this land being used for residential purposes<sup>60</sup>. Since the closure of the sugar cane industry, the problem has increased and in 2007 the Department of Physical Planning led a task force in collaboration with the security forces in the Federation to stop squatting on sugarcane lands and prosecute acts of vandalism on sugar estates. The problem continues even today and was identified by stakeholders as one requiring national attention.

### **Community Life and Development**

The family and the community represent the building blocks of any society. The development of strong, mutually supportive relationships and networks, the presence of a strong cultural and spiritual base, and the ability to engage in successful problem solving and conflict resolution, all contribute to vibrant and integrated communities.

A number of communities within Saint Kitts and Nevis, in both the rural and urban areas of the country display problems of community breakdown and even anomie. Internal conflicts mar social life and weaken the capacity of individuals and households in taking advantage of collective resources and services that are available to all, including those in poorer communities. While this problem might be more prevalent in Saint Kitts than in Nevis, the latter is not immune. Inevitably such communities fail to take full advantage of opportunities that might exist for training at the community and for youth development, the absence of which exacerbates poverty.

### **Vulnerability to Natural Disasters and Climate Change**

The emerging trend is one of natural climate-related hazards which have become more intense and frequent within recent years and have been attributed to climate change and variability.<sup>61</sup>

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<sup>60</sup> Land Tenure Center, 2003. Country Experience in Land Issues: Saint Kitts and Nevis. Prepared by Dr. Allan N. Williams, ACT Consulting Associates. Project No: BASIS IQC LAG-I-00-98-0026-0. Website source: <http://www.landnetamericas.org/docs/St%20Kitts%20and%20Nevis.%20Workshop%20on%20land%20policy.pdf>.

<sup>61</sup> Hazard is defined as: "A potentially damaging physical event, phenomenon or human activity that may cause the loss of life or injury, property damage, social and economic disruption or environmental degradation. Hazards can include latent conditions that may represent future threats and can have different origins: natural (geological, hydrometeorological and biological) or induced by human processes (environmental degradation and technological hazards)" UN/ISDR. Geneva 2004.



For Saint Kitts and Nevis the impact of recent storms has been costly – the damage caused by Hurricane Luis in 1995 was XCD197 million; damages from Hurricane Georges in 1998 were estimated at XCD1.036 billion; while more recently the impact of Hurricane Omar in 2008 was assessed at XCD17.1 million. Perhaps the insidious impacts are those from localised events (such as flooding and storm surges), which occur repeatedly, causing ‘small’ but appreciable damage which over time can accumulate to sizeable sum and weaken the integrity of infrastructure and other build development.

The damage caused from natural disasters can reduce socioeconomic development gains, further entrench the poor in a cycle of poverty, and increase the vulnerability<sup>62</sup> of others. One stakeholder puts it in perspective, when he encapsulated the vulnerability of the entire population to natural disasters with the statement, *‘we are all one disaster away from poverty.’* An important component of achieving poverty reduction through environmental sustainability is building resilience to the risk that the population faces as a result of natural disasters. As part of this strategy however, special attention must be paid to the poor and those vulnerable to poverty, given their increased exposure and inability to quickly bounce back when disaster occurs.

Increasing risk to climate-related disasters is due primarily to a country’s development processes. Managing and reducing risk requires a comprehensive and integrated development planning approach as the Federation tackles the underlying factors that put the population at risk. Given the predicted changes anticipated in global climate change for the Caribbean – increased atmospheric temperatures, less annual rainfall and more intense and frequent tropical storm events - the time for action is now. However, the UN notes that increases in the intensity and frequency of extreme events should not necessarily mean increased climate-related risk. Increased risk is primarily due to development processes which expose more people and assets to climate-related hazards, faster than the country is able to reduce their vulnerabilities. Climate change adaptation should therefore focus on a reduction and management of climate-related disaster risks and can go hand in hand with initiatives geared at disaster risk reduction.

The underlying challenges to reducing climate-related risks can be summarised as the following: 1) inadequate legislation to address climate-related risk reduction (disaster risk reduction and climate change adaptation), deficiencies in the institutional and policy framework for climate-related risk reduction; 2) inadequate development control regulation and enforcement system; 3) substandard housing and inadequate infrastructure in poor communities; 4) insecure land tenure patterns and rental arrangements; and 5) inadequate programmes in place to address the issues of at risk/hotspot communities.

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<sup>62</sup> Vulnerability is defined as: “The conditions determined by physical, social, economic, and environmental factors or processes, which increase the susceptibility of a community to the impact of hazards”. UN/ISDR. Geneva 2004.



## Objectives and Targets

The main objective of this Priority Area is to provide effective and efficient services and support that can be a springboard for development and assist individuals, households, and communities better manage risk. Special attention is paid to services and support given to the poor and high risk or vulnerable groups.

Under this priority area, the following targets will be pursued:

1. Social protection policy in place by the end of 2012.
2. At least 80 percent pass rates in CXC Mathematics and English Language at the Secondary Level, for both male and female students by 2016.
3. Universal enrolment in pre-schools of children three to five years of age.
4. Ten percent of labour force enrolled in formal part-time education and training programmes at any point in time, by 2016.
5. Reduction by one half in the incidence of diabetes and hypertension in persons under 50 years of age by 2016.
6. At least five percent of capital expenditure of the Government allocated to climate change adaptation and retrofitting
7. Comprehensive sustainable environmental management institutional framework in place by 2016

## Key Results Areas/Outcomes, Activities and Outputs

The following are the key results and outcomes from implementations of measures under this Priority Area:

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1. **Social Protection Framework Defined in the Context of Saint Kitts and Nevis**
  2. **Social Insurance System Reformed Offering a Full Range of Coverage and Products**
  3. **An Education System that Is Dynamic and Responsive to the Changing Needs of the Federation, Producing Graduates who Are Confident in their Ability to Compete in a Global Economy, Innovative, and Can Successfully Meet the Challenges of Society**
  4. **Improved Health and Wellness**
  5. **Improved Community Life, Relations and Cohesion**
  6. **Affordable Housing and Land Reform**
  7. **Enhanced Environmental Sustainability Framework in Place to Support and Sustain Poverty Reduction**
  8. **Reduced Risks to Communities and Households Associated with Climate-Related and Other Forms of Natural Disasters**
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## OUTCOME 1: Social Protection Framework Defined in the Context of Saint Kitts and Nevis

The current global financial crisis and its impact, the occurrence of natural disasters and predicted impacts of global climate change on Saint Kitts and Nevis all speak to the critical importance of defining and establishing the Federation's social protection system based on the



fundamentals of sustainable development. Social protection goes beyond the traditional framework of labour market intervention, social insurance and social safety net to one which includes managing risk (in terms of prevention, mitigation and coping) to individuals, households, communities, the NGO sector, the private sector and the country as a whole, as a result of events in the local and global environment. This represent an opportune time for the Government and people of the Federation and, therefore, a National Social Protection Policy will be articulated bearing in mind the need to reform the national social safety net and to include new programmes that deals with social capital development, disaster risk reduction and climate change adaptation.

## **OUTCOME 2: Social Insurance System Reformed Offering a Full Range of Coverage and Products**

### **A. Reform Social Security Scheme**

At present the SSS is the main instrument of social insurance employed in the Federation, and thus represents an important pillar of the social protection framework of the country. Shoring up the Scheme is critical to safeguard the level of existing benefits and to ensure its future viability. The SSS, therefore, is currently undergoing a reform process. This reform process will be sensitive of the demographic transitions of the population, the share of persons in informal employment, the impact of the HIV/AIDS epidemic as well as chronic non-communicable illnesses and the high cost of administering the Fund. The current structure of the Scheme provides a natural bent for the reform process to be mainly focused on parametric indicators<sup>63</sup>.

It must be acknowledged, however, that savings need to be a key aspect of planning for retirement as well as smoothing out unstable incomes especially for the self-employed. Savings is not a key means of support for the elderly in Saint Kitts and Nevis and many depend solely on their pensions for survival making them more vulnerable. Given the evolution of schemes and financial systems over time, considerations should be given to structural reform as well. As a complement to the basic level of protection of the Scheme, consideration will be given to the introduction of a private pillar to encourage persons to actively contribute to savings for their future well-being while broadening their base for protection. The level of contributions of people from all walks of life into the non-banking financial sector as evidenced by the loss sustained by clients of British American and CLICO also suggests some scope for this type of instrument.

An agreed age for retirement will be determined in collaboration with all stakeholders so as to minimise the gap between retirement age and point of receiving social security benefits. The gap makes retirees more vulnerable especially now Government is enforcing the rule of retirement at age 55, whereas social security benefits become effective at age 62 and consideration is being given to increasing the age of entitlement for age pensions through the social security reform process. The growing instability in the labour market adds to the complexity of the situation as opportunities for employment dwindle.

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<sup>63</sup> Key parameters include, contribution rates, pensions and other benefits, retirement age, administrative costs and other variables. Parametric reform would look mainly at adjusting these parameters as a means of stabilising the fund.



Poorer older persons who may not have contributed to the SSS rely heavily on the aged assistance pension. The non-contributory assistance pension scheme will be reviewed (disability and age) to ensure maximum coverage of the most vulnerable and that people in this category are not falling through the National Safety Net.

### **B. Establish contributory National Health Insurance Scheme**

It is critical that the poor have sustained access to health care and health resources. The introduction of National Insurance scheme to cover medical expenses of the population is unavoidable if the Government's ability to ensure access to quality health care is to remain sustainable. The poor are highly dependent on publicly delivered health care. With the support of the Ministry of Health, the National Health Insurance Scheme will replace the current system of health delivery in the Ministry of Health while ensuring coverage of non working family members of contributors, as well as those considered most vulnerable such as children, elderly and indigent. In the beginning there will be need to have a separate fund until it has been built up enough and can be sustainable and then consideration will be given to merging with the SSS.

### **C. Establish a contributory Unemployment Scheme**

Prolonged unemployment leaves many workers without any income and Saint Kitts and Nevis does not currently provide unemployment benefits to citizens. Many of the poor work in volatile and price-sensitive industries such as tourism and manufacturing, while some workers are engaged in seasonal types of employment and thus could be listed among the transient poor. Consideration will be given to the establishment of an unemployment fund in the medium to long term whose to provide some coverage for persons who are seeking employment or who are engaged in seasonal types of employment. This will help persons and families to fare better during the transition to other forms of employment. This fund will however be linked to short-term training programmes to better equip unemployed workers with the necessary tools to enhance job performance or prepare them for entry into alternative occupations, sectors or for self-employment.

## **OUTCOME 3: An Education System that Is Dynamic and Responsive to the Changing Needs of the Federation, Producing Graduates who Are Confident in their Ability to Compete in a Global Economy, Innovative, and Can Successfully Meet the Challenges of Society**

A strong platform for fostering the advancement in education necessary for catapulting Saint Kitts and Nevis into the mainstream of modern development in the context of globalisation has been erected with the first planks dating back to 1966 with the discontinuation of 11 plus examinations. Overall in the education sector there have been many achievements (Box 2.1). However there remain some entrenched challenges that limit breakthroughs in terms of quality and outcome in education. Improving education quality and outcome will be critical if the various strategies of education are to be traversed successfully.



As the Ministry of Education works to improve the quality of education across the education system, it will be necessary to increase efficiency of budgetary resources allocated to the sector. However, the provision of materials and teaching resources in schools as well as improving the quality of inputs into the education sector may result in increased expenditure in the short term.

A number of initiatives ongoing and future will be covered under the NPRS:

#### **A. Increase the percentage of trained and certified teachers at all levels**

Paramount here will be increasing the number of trained teachers at both the primary and the secondary level and fine-tuning, testing and evaluation methodologies at various levels throughout the primary and secondary levels of education.

#### **B. Introduce a performance based school system**

Improving school performance at all levels of the education system becomes very important for revitalised Saint Kitts and Nevis. The Ministry of Education will require all schools to develop a School Plan for the development of schools. The Ministry will identify schools (both public and private) with poor performance records and work with these schools to establish causes of poor performance programmes. Special attention will be paid to performance in respect of mathematics and science subjects. Where required, training programmes will be mounted for teachers to improve teaching techniques and assist students in the mastery of subject areas.

#### **C. Improve Science and ICT competencies in schools**

Agriculture of innovation will be reflected in the education system. The I-Literacy One-to-One Lap Top Project will be a means of introducing the students in the Federation to various levels of ICT competencies as initially each student at the high school level will be provided with a laptop.

A recently launched project sponsored by UNESCO aimed at using non-traditional methods to enhance student learning of mathematics and a tool for secondary school teachers to build understanding of mathematical concepts. The Math Olympiad programme along with other programmes will go a long way to laying a stronger foundation for the improvement of performance in mathematics over time. Enhancing student competencies and interest in areas of Mathematics and Science is a key step in preparing the nation to successfully negotiate a globalised world.

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### **Box 2.1: Achievements of the Education Sector**

- ❖ Universalised education at the primary and secondary level, and significant inroads at the tertiary level
  - ❖ A well-defined and up-to-date policy and regulatory framework which includes The Education Act (2005) and Amendments in 2007, Education Regulations and Amendments, CFBC Bill 2007, Education Plan (2007-2011) and White Paper on Education Development and Policy (2009-2019)
  - ❖ Standardisation of testing and measurement
  - ❖ A common and evolving curriculum for primary schools and pre-primary levels
  - ❖ Support for teacher training
  - ❖ Improvement in the overall performance of the country at the CXC level, compared to other OECS States
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#### **D. Inculcate a culture of lifelong learning among Kittitians and Nevisians**

Education on a whole must be embraced by the population as a major avenue through which social progress can be achieved and is essential to the overall development of the country, especially as it seeks to become better positioned in the global economy.

#### **E. Increase support for At-Risk Students**

Personnel in education will be better equipped to manage the outcomes of education. Secondary school completion rates will be increased and academic performance improved especially among boys, by providing additional academic support for at risk students and afterschool assistance to students in poorer communities and eliminating barriers (social skills, family difficulties, poverty, limited academic support at home, poor study skills or lack of access to libraries and information) which students from poor households face that makes it difficult for them to excel. Moreover, programmes to identify learning, developmental and cognitive challenges and behavioural problems which could prevent a child from developing his or her full potential, will be implemented and administered to children at an early age.

#### **F. Address the gaps in the early childhood education system**

Early childhood development in Saint Kitts and Nevis is viewed as a possible model for other Caribbean Countries based on the “considered” way it has developed over the years since 1981 when assistance was being received from USAID<sup>64</sup>. Strides have been made in curriculum development, in regulating the sector, teacher training and certification, provision of materials and equipment and in policy development. However despite progress in these areas, the quality of instruction and programmes remains uneven across centres. As such a comprehensive quality assessment of the early childhood system will be conducted and necessary action will be taken to remedy this deficiency. While education has been universalised at the primary and secondary level, access to early childhood education still remains a challenge for some segments of the population. Consideration will be given to universalising early childhood education and so legislative review will be undertaken to make it mandatory that education begins for all children at the early childhood stage.

Gaps in the provision of early childhood education will be filled especially in poorer communities either through the construction of early childhood centres or by providing additional support to existing centres to expand places for more vulnerable clients and to enable them to better meet the needs of their clients.

Parents and society as a whole often place high value on traditional professionals and academic pursuits, and this can often hamper development of children who desire to follow a less traditional path. Parents need to be reoriented to the true nature of the education process, what qualifies as success and the importance of lifelong education. Parents tend to be most willing to involve themselves in the educational process at the entrée of their children to formal schooling. The Early Childhood Education Programme will be used as the means of gaining access to parents and involving them not only in their children’s education and early exposure to

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<sup>64</sup> Janet Brown, 2000. Early Childhood Investment in Saint Kitts and Nevis: A Model for the Caribbean? UWI Caribbean Child Development Centre, School of Continuing Studies, UWI, Mona. Website source: <http://www.cavehill.uwi.edu/bnccde/sk&n/conference/papers/JBrown.html>.



schooling, but also in their own development and recommitment to educational advancement and growth.

#### **G. Enhance posts-secondary and technical-vocational education and training services**

To raise the educational level of the labour force, the vast majority of the work-force has to embrace life-long education and training: many of those who have left school without any certificates are going to be labour force participants for thirty or more years. They constitute an important component of the potential skilled and knowledge labour that will determine the capacity to compete of Saint Kitts and Nevis in the global economy.

An improved framework for Technical, Vocational and alternative forms of post-secondary education is a key pillar in increasing access to decent and sustainable work and to expediting the reduction of poverty and marginalisation among vulnerable citizens. In collaboration with key stakeholders, the Government will develop and adopt a comprehensive National policy framework to chart the course for Technical and Vocational Education and Training (TVET) in the Federation.

Given that this is a process that has already been endorsed by the appointment of a Director of TVET Development and establishment of a TVET Council, it will provide an avenue through the operations of existing technical and vocational institutions such as the TVET Centre, AVEC, Project Strong, High Schools, National Skills Training Programmes could be streamlined, resourced and properly coordinated. A critical adjunct to this more focused and coordinated approach to TVET will be a sustained and innovative marketing strategy specifically geared towards increasing interest and participation of individuals, especially young men in this and other areas of education and training.

#### **H. Effectively address all forms of violence and other forms of dysfunctional behaviour within the school system**

With the upsurge of gang violence and the involvement of students in gangs, it has become necessary to enhance security and reduce violence on school premises. However, some emphasis will be placed on violence prevention and understanding the root cause of violence in schools and communities. A one-year pilot violence prevention programme was launched in February, 2011 in five schools in the Federation (Verchilds, Cayon and Basseterre High Schools, Charles E Mills School and Charlestown Secondary School) aimed at ensuring a peaceful atmosphere in schools and maintaining academic performance of schools. Through this initiative, the schools' climate, risk behaviours and needs will be assessed via the experiences of students and staff members. Based on the specific circumstances of each school, interventions will be implemented to address issues that come to the fore.

In addition, prevention of, unauthorised entrance to school property by non-school age individuals and classroom security during class time remains a challenge. Every effort will be made to ensure that teachers and students are ensconced in a safe and secure environment where learning can take place. To this end, the Government through the legislature and judiciary will impose wider penalty zones around schools as it relates to drugs, guns and gang violence and other criminal activities.



It will be necessary to develop security policies and protocols for schools in the Federation. Maintenance programmes for schools will be strengthened so as to provide enhanced and healthy learning environments for children.

#### **I. Maintain access to education-based transfers**

Ensuring that children continue to have access to education based transfers will form part of the government's approach to improve access to quality education. The Government will institute quality controls and maintain the nutritional value of meals delivered to children through the school meals programmes. Effort will be exerted to increase the uptake of the meals service in secondary schools. In particular the provision of this service will be expanded in Nevis. Programmes such as the school text books programme, the uniforms programme and the tuition programme will be reviewed, redesigned and targeted improved in keeping with the restructuring of the National Safety Net.

#### **J. Revise and adapt the school curricula to the needs of a changing Saint Kitts and Nevis**

Saint Kitts and Nevis requires competitive people who are innovative, resilient, versatile independent and are able to take charge of their circumstances, and adapt to and take advantage of the knowledge economy of the early 21st century. The curricula must also allow for the development of a holistic individual by strengthening the teaching of Civics and Values and of family and life skills. The curricula must include mandatory physical exercise programmes for all schools in the public sector. To this end, the school curricula will be revised so that students can have an educational base that allows for a well-rounded development of the individual.

Developing the capacity for critical thinking and innovation is considered an important aspect of school life and so programmes will be designed to introduce these disciplines as a part of the secondary school learning process. The project will help secondary students to acquire techniques of critical thinking and to enable them to apply these techniques to real life situations. The project will include programmes to encourage teachers to use such tools in their teaching.

Through the use of ICTs, teachers will be encouraged to become a virtual community of educators, committed to researching what they do, and employing their research results online to improve their teaching and the facilitation of learning.

Adopting good healthy lifelong practices starts from an early age and needs to be taught like any other subject matter. Closer collaboration between the Ministry of Education and Ministry of Health will be fostered.

#### **K. Conduct an assessment of the school based clubs and after-school activities**

A commitment to quality will require the Ministry to do an assessment of the school based clubs and after-school activities with a view to determining their relevance, impact, and learning opportunities. Such results of this assessment will be used to strengthen and commit resources where appropriate to viable programmes.



## OUTCOME 4: Improved Health and Wellness

### A. Implement the initiatives of the National Health Plan

Key Focus of National Health Plan (2008-2012)
<ul style="list-style-type: none"><li>• Health Systems Development</li><li>• Family Health</li><li>• Mental Health and Substance Abuse</li><li>• Chronic Non-Communicable Disease Management</li><li>• Nutrition and Physical Activity</li><li>• Environmental Health</li><li>• HIV/AIDS and Sexually Transmitted Infections</li><li>• Human Resource Development</li></ul>

Support will be given to complete the implementation of the National Health Plan (NHP) which spans the period 2008-2012. The necessary mechanisms will be put in place for the development of the new Health Plan to cover the new period once the period for the current plan ends in 2012 so as to ensure continuity and seamlessness in the planning and implementation process and to support and sustain progress in the health sector.

### B. Promote better nutritional choices among residents of the Federation

National Food-based Dietary Guidelines were launched in 2010 as a necessary tool to promote healthy eating and lifestyles among the people of

Saint Kitts and Nevis. It brings together policies based on “food, nutrition and health promotion.”<sup>65</sup> The implementation of the recommendations will be supported through the provision of timely and relevant information and by instituting a strong advocacy programme along with key stakeholders such as insurance companies, Ministry of Agriculture, private sector entities and the SSB, aimed at inspiring individuals to adopt life augmenting practices espoused in the Dietary Guidelines. This will become even more important as efforts toward reducing the impact of life-style diseases, non-communicable and communicable illnesses such as diabetes, heart disease, hypertension, HIV/AIDS and cancer are scaled up. A strengthened and sustained response will be employed to address high rates of obesity in women and children and underweight for children by assessing barriers to achieving and maintaining healthy weights and implementing necessary measures to reduce vulnerability in this regard. An important activity will be collaborating with the Ministry of Education in developing a School Nutrition Policy and establishing mechanisms to ensure implementation measures under this policy.

### C. Strengthen health systems so as to protect gains made and continuously improve service quality and access at all levels in the Health Sector

As Kittitians and Nevisians become more health savvy, as health care needs become more complex and dynamic and as health care provision becomes more rigorous, it will be necessary to strengthen health systems so to improve service quality and access at all levels in the Health sector. The Operations Manual for community based health care services will be finalised and fully implemented across all health centres so as to ensure uniformity in the quality of care provided to clients. Steps will be taken to ensure that resources are consistently provided to areas such as prevention and health promotion which have been identified as priorities in health

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<sup>65</sup> The National Food Based Dietary Guidelines was described by Dr. Pauline Samuda of FAO as a Key part of a Nutrition Policy and the mechanism which links policies on food, nutrition and health Promotion.



care. It will be necessary to pursue sustainable and innovative mechanisms to funding in the health sector. Given the norm that men are less likely to seek health care to address their chronic health issues, men's health is an area that is currently receiving the attention of the Ministry and so measures will be taken to encourage greater participation of men in the health system. Public private partnerships will be important as well as partnerships with regional and international agencies.

#### **D. Strengthen the health promotion function**

Health promotion in the context of a globalised world presents both challenges and opportunities. Promoting health, prevention and wellness by enhancing citizens' ability to make healthy choices and increasing their participation in achieving healthy outcomes will play a central role in primary health care and the overall public health strategy. Health promotion is both effective and cost effective in terms of reducing the burden of diseases and the social and economic impact of illnesses<sup>66</sup>. Adopting the recommendations of the "Bangkok Charter for Health Promotion in a Globalised World" will be an important element in achieving this thrust. This Charter emphasises reducing inequality in health by identifying the determinants of health and implementing necessary action through collaborative partnerships across Ministries and other stakeholders. In addition, it will be necessary to further decentralise the functioning of the Health Promotion Unit to the community level and across various stakeholders outside the Ministry of Health and to consolidate health promotion activities while maintaining focal points for Nutrition, HIV/AIDS, non-communicable chronic illnesses and men's health. The Ministry will, on its own and in collaboration with other partners lend support to initiatives which promote a culture of wellness and strengthen the capacity of individuals and communities to make healthier lifestyle choices and follow patterns of good health.

#### **E. Support health care in manner that does not place a greater burden for the cost of healthcare on the most vulnerable**

The Ministry of Health will streamline health based transfer programmes and ensure that benefits are consistently delivered either through state mechanisms or through Identified alternatives. Through the provision of adequate support, and counselling, health practitioners' ability to deal with the impact of increased societal violence and other sustained stressors in the health system will be reinforced.

#### **F. Improve management and delivery of HIV/AIDS prevention measures to vulnerable and at-risk groups, and care and support services for people living with HIV/AIDS**

Reducing the incidence and prevalence of HIV/AIDS in the Federation as well as the impact of HIV/AIDS on those infected and affected by the disease is an important consideration when addressing vulnerability and deprivation. HIV/AIDS makes persons more vulnerable to falling into poverty, to suffer from neglect, hunger and discrimination. There remains a dichotomy between knowledge and practice as it relates to HIV/AIDS. In addressing the epidemic of HIV/AIDS, advocacy will be enhanced, dissemination of information about prevention of

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<sup>66</sup> World Health Organisation, 2007. Health Promotion in a Globalised World: Report by the Secretariat. Website source: [http://apps.who.int/gb/ebwha/pdf\\_files/WHA60/A60\\_18-en.pdf](http://apps.who.int/gb/ebwha/pdf_files/WHA60/A60_18-en.pdf).



mother-to-child HIV transmission (PMTCT) services will be intensified and conditions under which said services are provided improved. Opportunities for voluntary counselling and testing (VCT) outside of the ante-natal care setting will be increased, access to free anti-retroviral medication enhanced for locals and structured support for persons living with HIV/AIDS will be promoted. Special attention will be paid to key target groups, such as female sexual workers (FSWs), and men who have sex with men (MSMs) and young persons 18-34 years of age. Action will also be taken to contain the spread of HIV/AIDS within the prison system by providing information to prisoners. Care and support will be offered to health care professionals who treat with the ravages of the disease on a consistent basis. Some focus will be paid to the prevention of early sexual initiation and reducing teenage pregnancy.

### **G. Promote effective and efficient mental health care services**

WHO<sup>67</sup> defines mental health as *'a state of well-being in which the individual realises his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community.'* WHO further notes that *'persistent socio-economic pressures are recognised risks to mental health for individuals and communities, with the clearest evidence associated with indicators of poverty, including low levels of education.'* The causes of poor mental health are many, from biological causes to social causes such as rapid social change, stressful work conditions, gender discrimination, social exclusion, unhealthy lifestyle, risks of violence and physical ill-health. It has implications for all aspect of life, affecting one's ability to learn, communicate, and form healthy relationships. On a more macro- level, it can have profound effects on productivity, social and economic outcomes. Mental health, therefore, is an important aspect of overall personal well-being which extends to families, communities and the nation as a whole.

The Ministry of Health has long recognised that mental health is an integral and essential component of health and so *Mental Health and Substance Abuse* is one of its key programme areas. However, recognising the need to improve service delivery in this critical area, the Ministry, therefore, will take steps to strengthen operations. Mental health promotion and prevention of substance abuse will be cornerstone of the services delivery system for Saint Kitts and Nevis.

A first step will be the drafting of a national mental health policy and action plan, through a participatory process, which will be informed by the NHP and provide detailed guidelines for the promotion of good mental health, addressing mental disorders, and provision of measures for mainstreaming mental health promotion into other policies and programmes of Government and the private sector, particularly health, labour, education, national security, criminal justice, social services sectors, disaster management and environmental management. As part of the formulation of the Plan, a sensitisation and awareness exercise will be conducted, in collaboration with community and NGO partners. Part of the effort will be addressing gaps service provision and strengthening existing services particularly as it relates to services for children and adolescents (0-18 years), adults, and the elderly – referral and reporting mechanisms, mechanisms to promote communications, and diagnosis and treatment, community reintegration. Special attention will be paid to the improvement of mental health in

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<sup>67</sup>World Health Organisation, 2010. Mental Health: Strengthening Our Response. Fact sheet N°220, September 2010. Website source: <http://www.who.int/mediacentre/factsheets/fs220/en/>



criminal justice system; enhancing alcohol and drug services; outreach and participatory involvement; strengthening capacity for research and development; inter-sectoral collaboration; legislation and human rights; mental health promotion and prevention; and provision of adequate care and support for healthcare professionals, care givers and other professionals (social workers, police and prison officers) who consistently deal with health crises, emergencies or other stressors.

**OUTCOME 5: Improved Community Life, Relations and Cohesion**

**A. Develop and establish a Sustainable Communities Policy and a Code of Best Practices for interacting and working with communities to guide the work of practitioners, politicians and leaders in communities.**

There is recognition by Government and the population that healthy communities must form the basis of the country’s sustainable development thrust. This goes beyond the delivery of infrastructure and effective services to the heart of what constitute Saint Kitts and Nevis. Sustainable development requires that Kittitians and Nevisians develop healthy relations and lifestyles, and are able to support and empower each other regardless of political, cultural and other social affiliations. Residents of Federation will be given a chance to articulate their requirements for a Sustainable Saint Kitts and Nevis and their expectations of agencies working and interacting with their communities. Therefore, Ministry of Social Development will lead a series of community and stakeholder consultations geared at the development and establishment of a Sustainable Communities Policy and a Code of Best Practices for interacting and working with communities which guide the work of practitioners, politicians and leaders in communities. This must be done in conjunction with all relevant stakeholders including political parties, church groups and CBOs, as well as representatives of the Ministry in the Nevis Island Administration.

	<p><b>Features of a Healthy Community</b></p> <ul style="list-style-type: none"> <li>❖ Clean and safe physical environment</li> <li>❖ Peace, equity and social justice</li> <li>❖ Adequate access to food, water, shelter, income, safety, work and recreation for all</li> <li>❖ Adequate access to health care services (including mental health and human services)</li> <li>❖ Opportunities for learning and skill development</li> <li>❖ Strong, mutually supportive relationships and networks</li> <li>❖ Workplaces that are supportive of individual and family well-being</li> <li>❖ Wide participation of residents in decision-making</li> <li>❖ Strong local cultural and spiritual heritage</li> <li>❖ Diverse and vital economy</li> <li>❖ Protection of the natural environment</li> <li>❖ Responsible use of resources to ensure long term sustainability</li> </ul>



## **B. Conduct in depth community assessments of poorer communities and develop community profiles, with priorities for action clearly identified**

The needs of each community will be assessed so that community specific priorities can be identified. A Sustainable Communities Action Plan will be developed for each community so that the proper steps can be taken to address the issues identified. Already some of this work has been undertaken in the Old Road Community, as part of the Red Cross initiative and so this model can be used to undertake assessments in other communities. This will require a collaborative effort and given that many different agencies and persons serve communities, Community Action Teams will be formed consisting of practitioners such as community development officers, personnel in youth services, police, community nursing, voluntary agencies, leaders in FBOs, CBOs and NGOs. Targets will be established to monitor and evaluate progress on these plans, support action on issues and to identify and address emerging needs within communities. These Teams will work closely with and report to the Director of Community Affairs. The Ministry of Community Development, Culture and Gender Affairs will establish a database on all communities as the underpinning for research, and for the identification of social development initiatives in communities. Its work in poorer communities in particular will be based on evidence that would have been collected.

## **C. Provide quality physical and social infrastructure and services at the community level**

Communities in the Federation need to be strong, vibrant, safe and well integrated allowing members enjoy a high quality of life filled with opportunities which they can grasp. Improving through the provision of consistently high quality services and improvement of access to such services such as education, health, housing, employment or entrepreneurship opportunities and other basic services the overall material well-being of communities will be enhanced. Community members will be supported in taking full advantage of opportunities, such as training, education, credit facilities that will allow them to reach their full potential.

Activities and facilities such as playgrounds and nature parks for persons to interact within the community will be promoted and developed. Safe recreational activities for families will be implemented in collaboration with key community partners. The Ministry of Community Development, Culture and Gender Affairs will collaborate with the Ministry of Health, and the Ministry of Youth Empowerment, Sports, Information Technology, Telecommunications and Posts in the promotion of healthy lifestyle, self discipline and self-confidence which can be built through sport and recreation.

A family services Unit will be created to provide integrated services to families in crisis and to help prevent other families from falling into difficulties. If families are healthy, members are well-educated, they are actively involved in social life, and their members well provided for, they are likely to be more resilient in the face of many of life's challenges.

## **D. Encourage the formation of community councils or community management teams to plan for development of the community, assist in accessing relevant resources and allow space for them to act**

The Ministry of Community Development, Culture and Gender Affairs will promote and facilitate self reliance and full participation of people in communities in the management of their affairs.



The building of democratic institutions within communities will be one of the objectives of the Ministry and it will undertake leadership training for community based organisations, service organisations, and youth groups, with a view to their being empowered to contribute to the development of communities.

Decentralization of responsibility associated with needs assessment, problem-solving and programme development should be facilitated by the Department of Community Development to the individual communities. This would engender a sense of ownership, pride and accomplishment for communities to develop and enhance their skills sets to become responsive to the ever changing needs of the community and its members while also managing the communal assets. It is critical to note that the Department of Social and Community Development will assist the individual communities to develop the skills sets necessary while also providing oversight and assistance for programme development and implementation.

#### **E. Operationalise the Non Governmental Organization (NGO) Act**

With the passage of the 2008 Non Government Organization Act, the Federation of St. Kitts and Nevis is now poised to streamline the operations of organizations within the communities that offer valuable service to nation building in an effort to improve functioning and capacity. The Department of Social and Community Development is the executing agency for the principal functions of the Act and shall facilitate the development of grass roots and Community Based Organizations (CBOs) in an effort to have them registered as NGO's thereby improving their scope and reach.

#### **F. Strengthen community-based organisations and support establishment and the incubation of new groups**

Active social relationships because they help to build social capital are critical sources of potential resources for individuals and communities. Involvement of community members in organisations within the community facilitates integration. Efforts will continue to strengthen the capacity of NGOs, CBOs and FBOs to function and deliver services within communities. Training such as those funded by the Basic Needs Trust Fund (BNTF) aimed at building capacity of leaders in the communities will be continued. Support will be provided for these organisations within communities so that they can have access to resources, funding and technical assistance. Community members of all ages and cultural backgrounds will be encouraged to participate, volunteer and support community organisations and activities and to be curators of valuable community assets.

#### **G. Develop a Community Centre Policy**

The established Community Centres are avenues to facilitate community cohesion and development which should be used by all community residents. A policy will be developed to guide usage, management and their sustainability.

#### **H. Strengthen the Community Development Department in the Ministry of Social Services, Community Development and Gender Affairs and other agencies**

The wide role and responsibility that devolves on the Community Development Department in empowering communities and, in particular poorer or at-risk communities will require upgrading and strengthening of its staff complement.



If communities are to be strengthened the organisations, which serve them must be well resourced. Enhancing the functioning of agencies such as the Department of Community Development, District Health Centres, schools and Police Stations will ensure that these agencies meet and surpass what is required within communities. To do this the proper infrastructure will be put in place to house these agencies and they will be better equipped with resources (human and financial) to pursue their mandate. Special focus will be paid to services in poorer communities.

#### **I. Construct community centres within targeted poorer communities**

Targeted communities will be provided with the multi-purpose community centres as part of the basic infrastructure, affording them the amenities for the conduct of programmes consistent with their needs and requirements as determined by themselves from time to time. In cases where centres have already been developed, all efforts will be made to have these centres fully functional and under management of community councils.

#### **J. Develop programmes for all community centres to empower community residents using the Old Road model and in conjunction with a wide cross section of community residents**

Community centres will become the locus for a range of training and other community based opportunities as identified by members of the community, and facilitated by the Ministry of Community Development, Culture and Gender Affairs, which may include such offerings as basic computer skills training, building maintenance and exposure to the Arts and Culture.

#### **K. Promote integration of immigrants into social life**

Increasing diversity is a social reality of Saint Kitts and Nevis as the country adapts to the deepening of the OECS, and CSME, and as more of nationals and their children and grandchildren return or arrive to settle permanently in Saint Kitts and Nevis. Conscious measures have to be set in place to promote integration and social cohesion.

#### **L. Promote social integration, cohesiveness and the development of social capital at the community level**

The internal resources of communities including poorer communities are key assets in poverty reduction. The promotion of social integration will open possibilities for self-help and self-reliance and the development of social capital that will build capacity for poverty reduction with internal resources. The Community Development Department will play a role in mobilising untapped social capital.

#### **M. Promote a culture of “responsible citizenship”**

The value system and the process of socialisation determine the nature of the citizenry. Responsible citizenship in Saint Kitts and Nevis has to embrace commitment to building a harmonious society, to creating a citizenry that is resilient and competitive in the face of a changing international order, and is committed to upholding the rule of law, and accords respect to fellow citizens with whom he/she is prepared to participate in creating viable communities.



## **OUTCOME 6: Affordable Housing and Land Reform**

### **A. Improve access to affordable housing by the poor as many are still unable to qualify for the low income housing schemes**

An assessment of the housing needs on both Saint Kitts and Nevis will be conducted and an affordable housing policy drafted and implemented. In particular, the government will develop and implement a system through which the very poor or low income families could have access to affordable housing. The preservation of community and family networks will be a consideration in the development of housing and land distribution programmes by the Government as new developments and community expansions can erode critical social capital which might have developed in communities and families over the years.

### **B. Upgrade housing and living conditions in poor communities such as McKnight and Newtown**

Conditions in many of the poorer communities have deteriorated including the quality of the housing stock in some areas. Some housing in which families reside, for example in the Newtown area, date back to provisions coming out of the Moyne Commission in the 1930's. Addressing the dilapidated state of housing in these areas will be integral to regenerating and revitalising these poor communities while bringing them into the mainstream of development action. Consideration will be given to following the framework for the UN-Habitat Slum Upgrading Programme.

### **C. Strengthen the framework for provision of housing and land distribution**

On a whole there are diverse agencies engaged in the process of land and housing distribution, which makes the process unwieldy and less transparent. The Government will take steps to streamline and coordinate the functionalities associated with land and housing distribution. A simplified system in the public sector with fewer players or greater coordination among players will enhance access to land and housing in Saint Kitts and Nevis. The Government will develop and implement a Land Policy to ensure sustainable use of lands, to address the growing demand for land of various types and for activities by both local and foreign interests and ensure a legacy of land remains for future generations.

### **D. Address squatting**

The NHC, the Department of Physical Planning as well as the security forces have responsibility for addressing the problem of squatting. Under the United Nations Convention to Combat Desertification (UNCCD) framework a number of initiatives have been approved for action. The NPRS, therefore, endorses these initiatives outlined in the National Action Plan for Combating Desertification and Land Degradation<sup>68</sup> to address this critical challenge, namely: 1) the

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<sup>68</sup> Ministry of Sustainable Development, 2007. National Action Programme for Combating Desertification and Land Degradation in the Context of the United Nations Convention to Combat Desertification. Department of Physical Planning and Environment. Website source: [http://www.unccd.int/actionprogrammes/lac/national/2007/saint\\_kitts\\_and\\_nevis-eng.pdf](http://www.unccd.int/actionprogrammes/lac/national/2007/saint_kitts_and_nevis-eng.pdf).



regulation and reduction of the illegal occupation of land including regularisation of squatter residential communities; 2) the establishment of a squatter relocation programme; 3) regularisation of squatter agricultural lands; 4) formulation of a policy on squatting, and 5) implementation of a public education campaign to increase awareness of the problem, its impacts and legal ramifications. Appropriate legislation and institutional mechanism will be required to implement squatter regularisation programme.

## **OUTCOME 7: Enhanced Environmental Sustainability Framework in Place to Support and Sustain Poverty Reduction**

Building resilience also includes reducing risks due to poor management of the environment and environmental degradation. Environmental sustainability is a vital component to poverty reduction and socioeconomic development in Saint Kitts and Nevis as progress is made towards improving living conditions and quality of life of all, particularly of the disadvantaged. Given the crucial importance of the natural resources to the country's economic development, it is even critical to ensure that islands' ecosystems are managed in a sustainable manner. Already signs of environmental degradation are visible with massive soil erosion, coastal erosion, and overfishing among the main environmental challenges voiced by stakeholders.

These will be addressed as Saint Kitts and Nevis moves towards putting in place an improved institutional framework to manage its natural resources and environment sustainably, and to regulate environmental impacts brought on by development activities. A key prerequisite, however, is that the Environment and Poverty Reduction objective and environmental sustainability will be placed high on the national development agenda. Also critical to risk reduction is improving sanitation. Therefore it will be important to improve wastewater management and to reduce further the use of pit latrines at the household level.

A number of measures will be implemented that would allow Saint Kitts and Nevis in general and the poor more specifically to build resilience. They will:

### **A. Promote Green Growth as a Means of Economic Development and Poverty Reduction**

The socioeconomic gains of this generation cannot be achieved through compromising the natural resource base. Instead, it is critical that this generation's legacy be the maintenance and even the improvement the country's natural resources and environment for the benefit of generations to come. The overwhelming evidence globally points to the fact that environmental degradation can quickly erode economic gains and seriously hinder a people's development, particularly those whose livelihoods depend solely on natural resources.<sup>69</sup> It is therefore prudent

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<sup>69</sup> Ghosh Pallab, 2011. Climate Change Migration Warning Issued through Report. In BBC News Science and Environment. Website source: <http://www.bbc.co.uk/news/science-environment-15341651>

Black, Richard, 2011. Companies Call for Tougher Climate Action. In BBC News Science and Environment. Website source: <http://www.bbc.co.uk/news/science-environment-15352764>



at this time for Saint Kitts and Nevis to go green and to develop a national green growth strategy.

Restructuring the country's economy not only requires changing the demand for and the way natural resources are used, but it also means that there is need to take a closer look at the way business is conducted. It has been forecast that tourism will remain the key economic driver at least in the short to medium term. However, it is also predicted that agriculture and fisheries will play a more significant role in the country's development thrust. Manufacturing, though small, is also to be pursued.

Growth of these sectors has the potential to put increasing pressure on its land, coastal and marine resources and lead to further degradation, thus disrupting their proper functioning and the ecological services they provide. As plans are made for the expansion of these and other sectors, the Government will partner with all relevant partners and stakeholders to encourage and facilitate the use of green business practices and to help communities and households to adopt practices that would make Saint Kitts and Nevis the first OECS country to fully embrace the green growth concept.

A commitment and actual investments in the creation of green jobs, the use of low carbon energy sources and technologies, soil conservation, reduced water use and recycling, waste reduction and recycling, and improved sanitation can yield increased dividends for the country, improve its international standing, and assist in poverty reduction. The Government will evolve and establish a package of incentives to encourage business to go green and to facilitate the emergence of a strong green business sector. The incentive package will focus on the creation of green jobs, increasing efficiency in energy use, reducing carbon dioxide emissions, greater use of low carbon technology and alternative non-fuel energy sources.

In an effort to support green innovation, the Government will target the business community and schools (from primary to tertiary education establishments) through the development of a programme which recognises and rewards innovations that are environmentally friendly. Special attention will be paid to green innovative approaches from the small business sub-sector and traditional sectors such as agriculture and fisheries. This programme will be supported by a strong legislative and regulatory framework for the protection of intellectual property rights. Given this thrust, all economic sectoral plans will have initiatives to align the industry on a Green Growth path.

## **B. Strengthen the Environmental Institutional Framework for Sustainable Poverty Reduction**

Greening Saint Kitts and Nevis will require the strengthening institutional framework for environmental management. Antigua and Barbuda provide an example where the Sustainable Island Resources Management Mechanism is being implemented in a SIDS. This SIRMM is meant to stabilise and maintain ecosystem functions, thus providing a basis for sustainable socioeconomic development. The objectives of the Saint Kitts and Nevis NPRS can be furthered through the implementation of the following activities under a SIRMM Programme:

1. Review of all policies, legislation, and regulations related to environmental sustainability including putting in place appropriate policies, legislation, and regulations to effect integrated management of natural resources that support and sustain livelihoods – of



- particular attention are: water resources, wetlands, fisheries, beach sand, protected areas, public health, waste (liquid and solid);
2. Development and enactment of Environmental Protection and Management legislation;
  3. Revision of the National Physical Development Plan (NPDP);
  4. A review and updating of incentives to promote positive behaviours by corporate and individual citizens, and a revision of fines for acts that negatively impact the environment (as part of the Green Growth Strategy);
  5. Strengthening the legislative and institutional framework and processes in place for conducting environmental assessments (strategic environmental assessments, environmental impact assessments and social impact assessments). This is to ensure that the negative impacts of proposed development projects can be anticipated and interventions implemented in place to reduce their impacts;
  6. Development of a centralised Environmental Information Management Advisory System (EIMAS) that will improve the integration and accessibility of environmental data to all.
  7. Baseline assessments and mapping of the islands' ecosystem resources, function and usage by conducting surveys and assessments to determine the extent and status of the land and marine physical and biological resources and the identification of patterns of resource use;
  8. Establishment of a long term monitoring programme for island ecosystem status and function with some emphasis placed on community-led and NGO driven monitoring initiatives, particularly in areas where the livelihoods of community residents and specific economic groups (such as fishers, farmers, tour guides, dive shop owners, etc.) are affected by the ecosystem function and services and quality of the resources.
  9. Targeted public awareness and sensitisation through the development of a strategic awareness and sensitisation programme in partnership with NGOs and supported and resourced by the private sector in an effort to ensure widespread understanding and participation in the SIRM.
  10. Development of the Sustainable Island Resource Management Zoning Plan (SIRMZP) which will be informed by the NPDP.
  11. Development of a soil conservation policy and drafting of appropriate soil conservation legislation to address the serious problem of soil loss through extensive soil erosion affecting both islands.
  12. Simplification of the land registration and land information systems.
  13. Development of an advisory brief for commercial resource and livelihood sustainability through a review and analysis of current livelihood options to develop strategies that would promote sustainable economic growth, improve livelihoods and incomes and lead to the adoption of sustainable practices (alternatives as well as improved technologies) and the identification of high earning niches with regard to natural resource based economic activities such as agricultural production, fisheries, sand mining, etc.



14. Mainstreaming Environment-Poverty into the national and sectoral agenda which calls for promoting of the linkages between poverty and the environment in Saint Kitts and Nevis through the conduct of training of top decision and policy makers on the linkages between poverty and the environment; including poverty and the environment; strengthening the capacity of key agencies

**Box 2.2: Poverty- Environment Linkages in Saint Kitts and Nevis**

• Livelihoods	Agriculture, fisheries, tourism
• Resilience to environmental risks	Sewage treatment and disposal, sanitation, vector control, solid waste management, particularly in poor urban communities
• Health	HIV AIDS, Chronic non-communicable diseases, Infant mortality, under-5 mortality
• Disaster Management and Climate Change	Housing and infrastructure; tropical cyclones; flooding; drought; coastal erosion

- Divisions of Tourism, Agriculture, Fisheries, Public Works, Social Transformation, Community Division, and Environmental Health and other relevant sector ministries to include environmental sustainability into their strategies; and strengthening the capacity within MoF on both islands, to integrate environmental sustainability into budget decision-making, sector strategies and implementation programmes.<sup>70</sup>

15. Establishment of demonstration projects to correct environmental challenges, protect the environmental assets and promote behavioural change among the population and stakeholder communities – business, schools, neighbourhoods, etc.

**C. Promote Community-based Sustainable Livelihoods Initiatives**

Evidence has shown that community-based and community-led sustainable livelihood projects can be beneficial – leading to the sustainable management of natural resources, the generation of revenue streams for community residents and their families, the development and empowerment of local leadership, and the build-up of local capacity, thus promoting local environmental sustainability while increasing community wellbeing. The Strategy will focus on promoting sustainable livelihoods in communities where residents secure their livelihoods through the exploitation of neighbouring natural resources or focus on addressing environmental challenges that can affect livelihood and community life. As much as possible the Government will support the development and establishment of community-based initiatives in the following categories that would lead to sustainable livelihoods, poverty reduction and improved living conditions - agriculture, eco-agriculture, fisheries, ecotourism, environmental conservation, management of common areas (for example, grazing areas), co-management of protected areas, watershed management, public health care, and habitat and housing.

<sup>70</sup> Poverty-environment mainstreaming is defined as the iterative process of integrating poverty-environment linkages into policymaking, budgeting and implementation processes at national, sector and subnational levels. It is a multi-year, multi-stakeholder effort grounded in the contribution of the environment to human well-being, pro-poor economic growth and achievement of the MDGs. Source: UNDP-UNEP Poverty-Environment Facility, 2009. Website source: <http://www.unpei.org/PDF/PEI-full-handbook.pdf>.



Understanding social and economic driving factors in community decision making in relation to resource use and conservation, and empowering local communities will be critical elements of the projects developed under this Strategy.

#### **D. Improve Access to Safe Drinking Water and Improved Sanitation**

Saint Kitts and Nevis has made great strides in the provisioning of water to residents with over 95 percent of homes having an improved water source. Renewed attention should be paid to improved household water management - in water use and conservation and recycling and rainwater harvesting; and securing of water supplies during emergency and upset conditions – drought, aftermath of tropical storms and hurricanes, with particular attention paid to vulnerable communities.

From a governance perspective, the country’s water needs to be managed sustainably through 1) a strengthening of the integrated water resources framework; 2) establishment of a programme for the continuous management of the country’s critical watersheds; 2) strengthen water authorities to positively change attitudes and behaviours by reducing water demand and promote water conservation; and 3) develop agricultural water policy and plan of action to ensure the availability of water for the expansion of the sector.

Fewer households depend on pit latrines than before. However, attention will be focussed on the provision of improved household sanitation and drainage in poor households and on positively influencing people’s attitudes and behaviours with respect to littering and solid waste management.

The phasing out of pit latrines therefore will be a priority and a programme implemented to further reduce their numbers and to develop improved household and public sanitation by 2015. The system for the regulation of household sewerage systems will be strengthened with some emphasis on improving systems to poor households.

#### **OUTCOME 8: Reduced Risks to Communities and Households Associated with Climate-Related and Other Natural Disasters**

The Federation of Saint Kitts and Nevis is committed to the implementation of Comprehensive Disaster Management (CDM) Strategy and Programme Framework (2007-2012) at the local level. The framework recognises that attention must be paid to all phases of the disaster management cycle – prevention, mitigation, preparedness and response, recovery and rehabilitation and place emphasis on the reduction of risks. Implementation of the framework will ensure that the Federation will be able take advantage of regional and international opportunities to strengthen its disaster management system. At the same time, the Government will also build on the synergies and opportunities that present

**“Disaster Risk Reduction (DRR)** describes the development and application of policies, strategies and practices that minimise vulnerabilities, hazards and unfolding disaster impacts throughout a society in the broad context of sustainable development.” ...*UNDP, 2004. Reducing Disaster Risk: A Challenge for Development.*

**“Climate Change Adaptation** is about the changes in human behaviour that reduce the harm of, or take opportunities from, climate change.” ...*Oxfam, 2008. Climate Change Adaptation and Disaster Risk Reduction: Frequently Asked Questions.*



themselves because of climate change adaptation to strengthen its framework to address climate-related and other disasters.

Given that climate change threatens to heighten the impacts of natural hazards, both climate change adaptation and disaster risk reduction must be seen as central to development planning and investment for poverty reduction. Linking the two issues will be critical when addressing efforts at the national and community levels. A number of activities will be undertaken as part of this strategy. The authorities will 1) undertake a revision of the Disaster Management Act and Physical Planning Act to address climate-related risk reduction; 2) revise the National Disaster Management Plan; 3) increase collaboration among emergency agencies to harmonise activities and responses; 4) revise building codes to cater for increased risk; 5) sensitise, inform and increase awareness of disaster risk reduction and climate change adaptation among top policy and decision-makers, including identification of a national advocate/champion for the issues; 6) incorporate disaster risk reduction and climate change adaptation into the national development planning and investment; and 7) undertake community based public education and action centred around the improvement of waste management and sanitation; develop and strengthen the early warning systems for localised events – flooding and at the national level – droughts and volcanic activities; 8) development of contingency plans for high-risk communities; 9) identify and target extremely vulnerable communities for relocation and resettlement; 10) develop evacuation and emergency response plans for at risk communities; 11) Promote the use of energy saving devices among the Federation population, with special emphasis on poorer communities.

Consideration will be given to the creation of a fund to which all households contribute mandatorily like national insurance, having regard to the high level of risk that characterises living and operating in the national space. Feasibility of the establishment of such a fund will be conducted towards the end of the planning period.



# 3 Implementation Strategy and Action Plan

## Introduction

The GSKN has sponsored a number of research exercises over the last 15 years. The CPA exercise at the end of the decade of the 1990s, addressed not only poverty issues but as well the fundamentals of development policy for the country at that point in time. In the first half of the first decade of the 21<sup>st</sup> century, another one of the more important exercises was the Adaptation Strategy on the sugar industry, which sought to put the country in a trade adjustment mode, but also to treat with transformation and diversification of the economy given that the closure of the Sugar Industry which had been in operation since the 17<sup>th</sup> century was going to be a momentous step in the plantation economy. Although the sugar industry had declined in importance over the years and was in single digits in terms of its contribution to GDP, its foot-print had remained huge because of the land space it occupied in Saint Kitts.

The Adaptation Strategy paid attention as well to the needs of Nevis and recognised the integration of economic activity between the two islands: Kittitian workers respond to employment opportunities in Nevis as readily as they do in Saint Kitts, and the obverse holds, ensuring a trek of workers in response to any differentials in wages and availability of work. Moreover, Nevis was able to promote its own mode of growth with dependence on high end tourism and financial services which proved relatively successful and was distinct from the economy of Saint Kitts. It was not a poor sister in the Federation. There was also ongoing research and policy analysis done by the NIA in developing the social services in Nevis. Evidence based policy making and implementation, therefore, have been at the heart of Government action in the country.

The NPRS seeks to follow previous whole system research in being all embracing and complete. Its point of departure recognises that poverty reduction is not only about social protection of the poor and vulnerable but also about economic transformation and diversification. Like the rest of the region, Saint Kitts and Nevis faces a sea change in the economic environment in which as a SIDS, it has to engage. Global environmental change has been evident to its citizens



for at least ten years with the advent of more frequent and ferocious storms and hurricanes that have had land fall on the two islands, wreaking severe damage to their infrastructure.

Coastal erosion has intensified in recent years, and climate change predictions make it imperative that the country embark on massive infrastructure work on sea defences to protect the resident population. There are whole-system risks and vulnerabilities that expose not only the poor but the entire population of the country. While its circumstances may not fully approximate those of the Maldives, Saint Kitts and Nevis cannot discount the possibility of large sections of its citizenry needing to relocate residence to other parts of either island or becoming climate refugees, even temporarily, in the years ahead.

In the economic sphere, the country faces a comparable sea change confronting it. The foundations laid in the 1970s and 1980s for its transformation from a plantation economy in one island and a peasant economy in the other to a services based economy with a complementary export-oriented manufacturing sector served it in good stead in the latter years of the 20<sup>th</sup> century. The requirements for successful participation in the evolving global economy of the 21<sup>st</sup> century involve a radical change in the present economic and even its social infrastructure. This is a sine qua non for the successful reinsertion of this trade dependent or export propelled country in the new dispensation of the 21<sup>st</sup> century.

The Implementation Strategy and Action Plan of the NPRS seek to elaborate the measures that need to be adopted to treat conditions for sustainable development for the people of Saint Kitts and Nevis in general, in the midst of which the special needs of the poor and more vulnerable can be addressed. In effect, the Strategy and Plan seek to define the path on which the country might embark such that the poor and the not-so-poor can experience a good quality of life in the national space, in part through the engagement with the international economy and, on the other hand, through the internal processes and structures that the society and polity put in place by way of its distributive system of the rewards of growth.

## **Pre-conditions for Implementation of the National Poverty Reduction Strategy**

There are a number of preconditions that apply for successful implementation of the NPRS. The lessons of experience in the follow-up exercises subsequent to the NAS and the CPA can be instructive. Moreover, if it is agreed that Saint Kitts and Nevis has to embark on a major policy shift in terms of its industrial policy and strategy to survive in a rapidly changing international economy, there are some initiatives that need to be undertaken immediately even though their effect and impact are going to become evident only after substantial elapsed time, and possibly outside the present planning horizon.

The preconditions also reflect an understanding of the causes of poverty and vulnerability, in terms of some being ultimate and others being proximate. There are preconditions that relate to the economy, the management of society, the institutional and regulatory structure and the management and protection of the environment.

The country is small, but its population is distributed between two Islands. The preconditions include the need for an ethos of geographical equity in respect of the life chances and quality of life available to the citizenry on both islands. The following are the key preconditions to be met:



- Change of mindset of the various populations to facilitate the transformation required to move the country along a more sustainable path. A common understanding among all institutions about their critical importance in the poverty reduction framework;
- Institutionalisation of a public sector performance management and budgeting system to address the requirements for MfDR.
- Stabilisation of the economy and clear indications of debt reduction: effective fiscal management creates confidence in the private sector and might stimulate investment on the part of both the domestic and foreign private sector;
- The foundations need to be laid for new export oriented activities and for diversification within existing sectors and into new sectors: this will be the source of new and sustainable employment, and of foreign exchange earnings;
- The Government has to modulate its tax and expenditure process, such that it can provide transfers in kind, cash and in services to those who are not capable of providing for themselves, and can assist those who may be temporarily in that situation, and can be prepared to become self-reliant: in other words, some transfers may be conditional with the requirement that the beneficiary prepares, or is prepared to move out of poverty, and more particularly, only those who have no possibility of being self-reliant are allowed to treat these transfers as entitlements;
- Crime is brought under control and the population has an improved sense of personal security;
- There is coordination among the various institutions involved in interventions for poverty reduction: those involved in transfers in the public sector ensure coordinated case management, so that there is avoidance of duplication, and there is effective targeting, and those involved in other types of interventions engage in coordinated monitoring to ensure effectiveness and efficiency of their initiatives;
- Data collected by the Statistics Department and regular administrative reports from key agencies, like the units of the Ministries of Social and Community Development, Education and Health will document in quantitative and qualitative terms, the situation in respect of poverty and social conditions;
- Measures to protect the environment and to reduce risk from climate change are constantly monitored to ensure that there is an ongoing thrust to upgrade and prepare the society for climate and other environmental threats to which it is susceptible; and
- There is a focal point in the planning process with Government in the lead, through which the target of economic and social development is being monitored, given that poverty reduction is about growing the economy and facilitating the poor to acquire capabilities to escape poverty by their own exertions: a high level commission chaired by the Prime Minister will be needed for the Federation, and a comparable entity will be required in Nevis, and will need to review data and information at least on a periodic basis – at least annually - on the performance of the NPRS.



## **From Strategies to Programmes**

The strategies lead to programmes and to action variables. Programmes and measures targeted at the poor and vulnerable might be differentiated in terms of their being developmental, preventative, remedial and supportive. Developmental programmes focus on creating capacity, growing the economy, and expanding the economic and social output. With preventative interventions or programmes, the objective is to protect those at risk from succumbing to or falling into poverty.

Remedial and supportive programmes assist the poor and vulnerable usually by way of transfers to reduce their level of poverty. In some situations, these transfers might be made conditional on the beneficiaries performing some task or accessing some other service that, in itself, is supposed to conduce to the betterment of society. The NPRS Action Plan is provided at the end of the section. It outlines the following: 1) Key Results Areas and Outcomes; 2) Outcome Indicators; 3) Activities (measures to be undertaken to realise the stated outcome); 4) Priority Rating; 5) Key Implementing Agency; 6) Timeframe; 7) Budget (cost estimates); 8) Outputs; and 9) Notes.

## **Implementation Process**

### **Coordinating the Implementation and Monitoring of the NPRS**

#### **Representation on the Committee**

The conduct of the CPA involved the establishment of a National Assessment Team (NAT) to collaborate with the Team of Consultants that assisted with the exercise. Two NATs were established, one in Saint Kitts and another in Nevis, with both cooperating with each other as circumstances required. Since the completion of the assessment, it does not seem that much attention was paid to continuing the work of the NAT, even though one of the recommendations was that the NAT should be maintained with the remit of keeping a continuing focus on poverty and monitoring the performance of the country in poverty reduction.

For the implementation of the Adaptation Strategy for the Sugar Industry, two committees were recommended, namely:

- The Cabinet Committee on Finance and the Economy; and
- The Inter-Ministerial Technical Committee on National Transformation.

The Ministry of Sustainable Development was to retain overall responsibility to support the work of the committees, through a Coordination and Programming Unit. The Unit was also to be the forum through which Central Government, other Public Sector Agencies, the Private Sector and Civil Society Organisations, receive direction from the two overarching committees. The structure seems however, to be oriented to top-down planning.

A National Competitiveness Council was established in 2009, and recommendations from its report are to be incorporated into the Medium Term Strategy Paper of the Government. Whatever the challenges in the operations of these structures, it is clear that some level of



institutional infrastructure is in place to implement not only what remains of the Adaptation Strategy, but also of the NPRS given that it also treats with the problem of transformation and diversification of the country.

In the circumstances, it is proposed that the structure developed for the Adaptation Strategy be modified for the NPRS, more particularly to create a two-way flow of communication, information and influence between the Cabinet and the implementation and advisory Agencies. The objective is to reduce hierarchy.

The implementation and advisory agencies should be grouped around the following task areas:

- Economic management, debt management and economic regulation;
- Economic transformation and diversification, including entrepreneurship development and export promotion;
- Social protection, social services delivery, human resource development, health and youth and community development; and
- Infrastructure development and environmental protection.

## Modus Operandi

### Key Institutions

The process envisaged for the implementation of the NPRS involves a participatory mode for the various actors and agents with arrangements for knowledge management that recognises that information sharing in a largely non-hierarchical mode, can facilitate better decision making. The people of Nevis already enjoy the privilege of running of the affairs of that island and in addressing problems that confront that island, as their counterparts in Saint Kitts. Within the Nevis Island Administration, there already exists considerable coordination among departments and in respect of social services, there is a close working relationship between the Units within the Government and the NGO and CBO community on the island of Nevis.

Another modification in the structure proposed for the Adaptation Strategy is the role to be played by the Ministry of Community Development, Culture and Gender Affairs. In effect, it will share space from an institutional perspective with the Ministry of Sustainable Development and would perform a coordinating role in all those areas relating to Social Protection, Social Services Delivery, Human Resource Development, Health, Youth and Community Development. In the conduct of their work and in the hosting of meetings of the various agencies and units, representation of the NIA will be included: this may be supported statutorily, with legislation.

In addition to statistical data, and administrative reports, quarterly briefs and other documentation layered on a Geographic Information System (GIS) framework would permit for reporting on all aspects of the NPRS. This would facilitate Management for Development Results (MfDR).

The more recently formed National Competitiveness Council will remain an advisory organisation, but must allow for advocacy and for open debate between the Government and the private sector, as well as the NGO Community (including the Trade Union Movement). In effect, it must be the focal point for discussion and review of implementation by the



Government and other related agencies on the most vital area of economic performance – the export capability of the country.

The identification of niches in external markets in both traditional markets as well as in new markets like the BRIC countries, the shift in cultural orientation to a competitive and vibrant society, the development of new entrepreneurship, the adaptation of the technology, the promotion of the use of ICTs, the nature of education and training, the promotion of life-long education and training are all matters to be under the micro-scope of the Competitiveness Council which as a public-private sector entity, can ensure openness and transparency, on essential issues and keep the State fully accountable in real time for its role in facilitating the thrust to the country becoming more entrepreneurial and better able to adapt to heightened participation in the global economy.

The large scale research exercises done in the latter half of the last decade, including the Poverty Assessment Report, as well as the administrative and other reports, provide information that should be the base of the NPRS, and will be used by the two Ministries in drilling down to the local level, information that outlines what exists at the community level. Another important data source is the census of population now being completed by the Department of Statistics. With the use of **social indicators**, it is possible to establish the living conditions (including relative poverty) and other pertinent data on the population in the various communities of the Federation, even though the Census is not designed as a formal study of poverty. However, the data can provide a comparison with the CPA, thus permitting some insight into what has happened in more recent past, as the economy confronted the global economic crisis.

### Essentials of Poverty Monitoring

Programmes developed or being developed and targeted at the poor can be assessed from a number of perspectives. Firstly, there is the cohort distribution approach. The underlying assumption is that society must have in place a range of institutions involved in the provision of services for members of society as they transition through the age cycle. Where these services are deficient, individuals may be exposed to certain risks and can descend into poverty, if they succumb.

The interrogating of information in respect of a community or an area can yield information on gaps that may exist, in so far as the necessary institutions may be absent, or if they exist, they fail to provide the required services. For example, the absence of pre-schools in a particular community may mean that children in the age group zero to five years lack an important developmental service.

The elderly, those in the age group 65 plus, are likely to require home help if they are living alone, or access to a home for the elderly if they have lost the capacity to take care of themselves. The supportive services may not be available, or if available, may be supplied by the private sector and are outside the reach of some of the poorer elderly persons. Table 1 provides the basis for the interrogation of the institutional infrastructure from the perspective of age cohorts. In respect of Community A, it will be necessary to establish which agencies – State, NGOs, CBOs or FBOs – are present and provide the relevant services to those in the respective cohorts.

Category of Social Services	Community A
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	I 0-5	II 6-15	III 16-25	IV 26-64	V 65+
Preventive					
Remedial					
Supportive					
Developmental					

Another basis for reviewing institutional interventions derives from the problems and difficulties that are expected in society, which, when they occur, can push individuals into poverty or keep them trapped. At-risk groups need certain kinds of interventions. Persons who have not completed basic education are likely to face poverty in an economy where there is a high premium set on knowledge. In the absence of institutions allowing them a second chance or given situations where they cannot access such services, they can remain trapped in poverty or at least highly vulnerable. In addition to developmental support, they may need assistance and support to access programmes.

Clearly, there is need for certain kinds of focused interventions in communities that have been wracked by crime and gang violence: youths are at risk and in the absence of institutions to combat crime and deviance, conditions worsen. Table 2 suggests the kind of risk-groups whose needs are to be addressed and communities can be assessed on the basis of the institutional presence in respect of the particular needs.

Category of Social Services for Risks and Vulnerabilities	Community A					
	Persons with incomplete education	Victims of Incest	Teenage Delinquents	Drug Addicts	Teenage Mothers	Deportees
Preventive						
Remedial						
Supportive						
Developmental						

Yet another approach is the focus on economic or socio-economic type problems that arise in communities or exist in districts. Young people will be encouraged to desist from participation in the underground economy and to join the pursuit of livelihood in legal activities.

An assessment of what exists might show that there is nothing in place to reach such youth. Not only is there an economic problem with underground activity becoming more acceptable, and eroding the formal economy, but there is also the close association of drug running with the formation of gangs and criminal syndicates, which, in the final analysis, impose a cost on society. The nature of the intervention for disaffected youth in Irish Town will need to be different to what is required in Molyneux in Saint Kitts and Bath in Nevis. Table 3 identifies a list of groups and directs attention to the search for institutional interventions.

Category of Services in face of	Community A
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Economic Fluctuations	Shocks and	Un-employed	Under-employed	Informal Economy Participant	Under-ground Economy Participant	Entrant into Start Up Business
Preventive						
Remedial						
Supportive						
Developmental						

The role of the two Ministries will revolve around data collection, analysis and research, collation of documents of relevance to poverty situation, the provision of advice, preparation of regular reports and, most importantly, poverty monitoring, one focusing mainly on the social data and the management of the society, and the other on the economic data and the interventions to stimulate the economy.

The Statistical Department will need to be expanded to support a wide range of data collection – for example, annual labour force survey – as well as other data required by the private sector and NGOs. Given that it has the official responsibility to collate statistical data generated by Government agencies, the Department will be a critical agency in the process of monitoring, evaluation of poverty reduction, and in MfDR. The Department in Nevis will perform a complementary role in respect of the data and information on Nevis, with the Office in Saint Kitts serving as the repository for both islands and for aggregation of data for reporting at the level of the Federation.

### Importance of Data Collection and Management to the Monitoring Process

The Statistical Offices, both in Saint Kitts and in Nevis are expected to play a pivotal role in poverty monitoring. Data for the many indicators proposed within the Action Plan must be collected directly by the Department or through their State partner agencies. First there must be consensus on the indicators recommended within the plan, frequency of collection and the method of collection. There needs to be a comprehensive assessment of the current poverty monitoring mechanism and how the data collected are used by policy and decision makers and others.

Two CPAs were conducted with an interval of seven years. This last was the second national assessment. There are other data sets that are collected which can also be used to provide some indication of living conditions within the Federation. These include:

- The Labour Force Survey;
- Health, Morbidity and Mortality Data;
- Housing Starts; and
- Education Statistics.

There are legislative conflicts to be resolved in the area of data collection and dissemination: there are a number of agencies that fail to cooperate in the provision of data to the Statistics Offices, and/or fail to collect routinely on their operations. The introduction of the public sector



performance and budgeting system will address some of these issues. However, what is required, is the full cooperation from line ministries.

The development and implementation of the NPRS would require more systematic and regular monitoring of indicators of poverty. A number of initiatives will be undertaken to ensure that the Statistics Offices are able to fulfil this mandate. There will be need to:

1. Upgrade the Statistical Office into a National Statistical Office;
2. Rationalise and harmonise the different Acts guiding the operation of the line ministries and their relationship with the Statistical Office;
3. Increase collaboration among the National Statistical Office and Sectoral Ministries and other State agencies;
4. Strengthen data collection units within the relevant agencies; and
5. Conduct an institutional awareness and training programme to enlist the cooperation of agencies by ensuring they appreciate that poverty is everybody's business, the need to collect regular, timely quality data, to share these data with the National Statistical Office, and ways of improving the collection and management of data.

### **Forecasting Real GDP Growth: 2012-2016**

An attempt was made to forecast GDP growth for the period of the plan. In the absence of a fully elaborated Econometric Model of the economy, recourse was made to linear projection with certain assumptions. The results can be seen as first order projections, therefore.

The growth target to be achieved by 2016 should be set at 4 percent per annum, with moderate recovery in growth between two to three percent starting from 2012. Macroeconomic projections displayed in Figure 6.1 suggest an annual growth rate of GDP per capita about three percent. These projections are based on a set of assumptions that envisage:

1. An increase in public and private investment, supported by additional development assistance from donor agencies;
2. Improved targeting and creation of an entrepreneurship enabling and friendly environment;
3. A strengthening of institutional arrangements that will lead to improved quality investments;
4. Strengthening of the contributions to growth from agriculture and manufacturing, supported by increasing value added, modernisation of technology utilised in both sectors and investments in Research and Development.

Real GDP growth at an annual average of four percent assumes a relatively high level of investments programmed into the PRS and is based on the assumption of effective mobilisation and full absorption of expected resources. Given estimates of the elasticity of poverty to growth between 2000 and 2008, a growth rate of four percent is the minimum requirement for reaching the target of cutting current poverty levels by half by 2016. Three scenarios were developed, on the assumption that major domestic and external constraints are relaxed:

- The Trend Scenario which assumes that additional capital resources will not be mobilised and absorbed at a faster rate than the current three year moving average. As



a result, growth will remain negative and could plateau at around - one percent per annum up to 2016.

- The Average Scenario: which assumes that resources will be absorbed and mobilised at a moderately faster rate, but there will be impediments due to challenges posed by external shocks and continuing systemic difficulties as the economy adjusts. By 2016, growth should reach two percent or more per annum.
- An Optimistic Scenario assumes that all additional resources expected from the implementation of the poverty reduction strategy will be fully mobilised and absorbed. Optimal growth needed in key sectors such as agriculture and manufacturing will be achieved during the period, allowing real GDP to grow at almost five percent per annum by 2016.

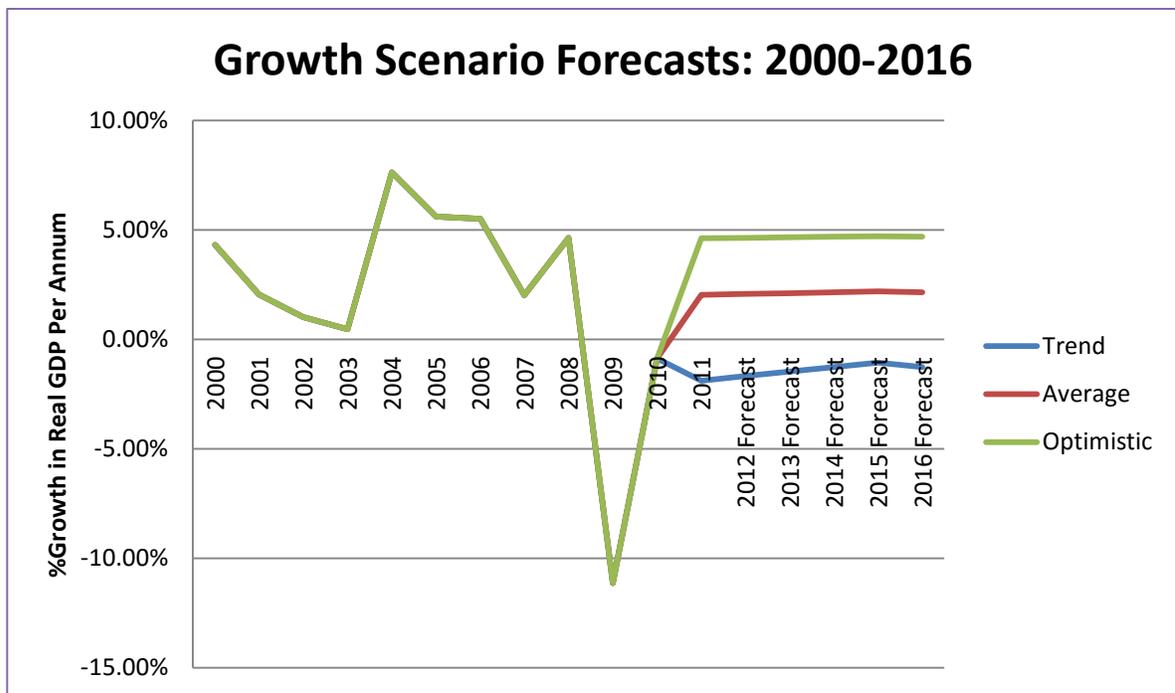


Figure 3.1: Growth Scenarios, 2000-2016



**Table 3.1: Growth Scenario, 2000-2016; Trend, Average and Optimistic**

Trend (%)	4.32	2.05	1.02	0.47	7.63	5.61	5.51	2.03	4.63	-11.13	-0.88	-1.89	-1.68	-1.47	-1.27	-1.07	-1.27%
Average (%)	4.32	2.05	1.02	0.47	7.63	5.61	5.51	2.03	4.63	-11.13	-0.88	2.04	2.08	2.11	2.15	2.20	2.15%
Optimistic (%)	4.32	2.05	1.02	0.47	7.63	5.61	5.51	2.03	4.63	-11.13	-0.88	4.62	4.64	4.67	4.69	4.72	4.69%



The growth needed in key sectors of the economy to realise the optimistic scenario by the target year are as follows:

- 1) Growth in the primary sector by 9.8 percent on average, which will be led largely by growth in agriculture of around seven percent, with an expansion of crop production by 8 percent, fishing by seven percent, and other production by 8 percent. These rates of growth will result from improvements in allocations to farming programs and the development of a research and development base for improved and sustainable production. Partnering with countries on the cutting edge of biotechnological applications in agriculture will boost local innovative capacity. This will also feed directly into growth in the Manufacturing sectors (agro-processing), as research should produce new commercially viable innovations that can be monetised on a large scale beyond the target year. There will also be a rise in landings in the fishing sub-sector due to improved maritime resource management and targeted development of aquaculture. Partnering with other countries for knowledge transfer and best practice adaptation will also improve productive capacity and build the repository of local knowledge.
- 2) Growth of the secondary sector by three percent, led by the Manufacturing sector. Developing the value chain of the primary subsectors will encourage the growth of small and medium enterprises as a catchment for domestic raw materials to be transformed into end user products for export and local consumption. Improved competitiveness will be achieved by reducing costs of production by optimising human capital and modernising the stock of technology. The energy sector will grow by an average of 5 percent, with caution due to rising world energy prices and the possibility of a price spike in 2012.
- 3) Growth of the tertiary sector by 5.12 percent, lead by the Tourism sector- growing at a rate of three percent, and Banks and Insurance- growing at a rate of 6.5 percent. Growth in the Tourism sector will come mainly from increased flows of FDI and foreign investment as the global economy tends towards full recovery and credit flows in the advanced economies become more relaxed. Domestic credit flows will also improve, leading to a broader range of financing options for large domestic entrepreneurial ventures in auxiliary sectors.



## National Poverty Reduction Action Plan

Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
<b>PRIORITY AREA 1: MACROECONOMIC POLICY IN SUPPORT OF POVERTY REDUCTION</b>								
Outcome 1: Macro-economic stabilisation	- Debt to GDP Ratio - Current Account Balance - GDP	a. Reform the national fiscal management programme with a sensitivity to private investment	***	Ministry of Finance (MoF)	Short-long term	400,000	- Public sector performance based budgeting and management system - Greater accountability and transparency - Phased reduction of debt - Improved institutional framework for debt management, fiscal management	
		b. Update and implement national financial programme	***	MOF	Short-long term	---		Borrowing limit: XCD500 million
		c. Update and implement public sector investment programme	***	MOF	Short-long term	---		
		d. Develop and implement improved performance based public sector results programme which gives consideration to improved transparency and accountability and performance	***	MOF	Short term	3,000,000		24 month consultancy for the development and comprehensive adoption of a public sector budgeting and management system for MfDR.
		e. Develop and implement a national debt management strategy and action plan which provide measures for managing the external and domestic debts to achieve the debt target of 60 percent of GDP by 2020	***	MOF	Short-long term	---		Debt Management Advisory Service Unit already in place
		f. Improve institutional structure and regulatory arrangement for debt management, financial management and fiscal reform	***	MOF	Short-long term			
		g. Negotiate debt forgiveness and renegotiate terms and conditions of loan contracts with creditors	***	MOF	Short term	--		



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
<b>PRIORITY AREA 2: ACCELERATED ECONOMIC GROWTH AND WEALTH CREATION</b>								
Outcome 1: Economic and industrial restructuring and transformation, thus creating the foundations for competitive participation	<ul style="list-style-type: none"> <li>- GDP Growth Rate</li> <li>- Industrial Production</li> <li>- Exports</li> <li>- New industries by category</li> </ul>	a. Develop strategy and action plan for economic and industrial transformation of Saint Kitts and Nevis in collaboration with all industry stakeholders and include industrial scoping of current and future markets	***	Ministry of Industry and Commerce (MIC)	Short term	318,000	<ul style="list-style-type: none"> <li>- Saint Kitts and Nevis Industrial Transformation Strategy and Action Plan</li> <li>- New industries created and sustained</li> </ul>	Development of the system forms part of initial activity; operation of system will be part of the responsibilities of MIC
		b. Establish a system of continuous monitoring of economic and industrial competitiveness and productivity improvement	***	MIC	Short term		<ul style="list-style-type: none"> <li>- Sourcing of potential export markets</li> <li>- Improved efficiency in production of goods and services</li> <li>- Improved industrial governance systems</li> </ul>	
		c. Establish a forum for continuous dialogue among industry partners – government, private sector, labour movement and NGO sector	***	MIC	Short – long term	100,000	<ul style="list-style-type: none"> <li>- Monitoring system in place</li> <li>- Industrial sectors forum established</li> </ul>	
Outcome 2: Promoting and developing an Information, Communication and Telecommunications Platform	<ul style="list-style-type: none"> <li>- Universal access to Internet bandwidth capacity</li> <li>- Number of ICT service providers</li> <li>- Number of community centres with internet in poor rural and urban communities</li> <li>- Number of ICT oriented businesses</li> <li>- Learners-to-computer ratio</li> <li>- Primary and secondary school with ICT content in school curricula</li> <li>- Mobile cellular</li> </ul>	a. Develop a Community Action Investment and Outreach programme to integrate community members and encourage collaborative participation and responsible community-based action. It includes social marketing component to address a number of issues – such as the use of ICTs by all age groups and the use of community ICT facilities	***	Ministry of Community Development, Culture & Gender Affairs (MCDCGA)  Ministry of Information and Technology (MIT)	Medium –long term	1,500,000	<ul style="list-style-type: none"> <li>- Social marketing programme implemented in support of ICT use by all population groups</li> <li>- All education and health facilities, public libraries, information, cultural centres, and community facilities connected with ICTs</li> </ul>	Budget allocated under the NAS; total represents cost all activities under the NAS
		b. Continue the implementation of the ICT initiatives outlined under the National Adaptation Strategy (2006-2013)	***	MIT	Short – long term	26,264,000	<ul style="list-style-type: none"> <li>- museums, post offices and archives connected with ICTs</li> </ul>	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
	telephone subscriptions per 100 inhabitants - Individuals who used a mobile cellular telephone in the last 12 months - Households with access to broadband Internet - Number of ICT Innovations	c. Invest in human resources to support growth of the ICT industry (recruitment of qualified personnel, further education and training of personnel)	***	MIT	Short – long term	---	with websites - Professional associations and cooperatives and NGOs with high speed internet access and websites	School curricula revision; merit-based ICT scholarship programme for post secondary and tertiary education/training based
		d. Provide ICT training to teachers to enhance the delivery of education through the effective utilisation of computers	***	MoE	Short-medium term			
		e. Provide ICT support to all community centres, starting in centres where community councils are active	***	MIT	Short – long term	---		Provision of hardware and software; security concerns must be addressed; training of community personnel to manage community based ICT facilities
		f. Encourage and facilitate telecommunications operators to expand/provide various services to low-resource communities by allowing them to subsidise services to the most needy communities	***	MIT	Short – long term	---		
Outcome 3: Institutional capacity strengthened in support of the new economic and industrial paradigm and ethos	- Report on need assessment - Quarterly and annual departmental reports	a. Seek technical support to aid in the establishment of performance based system	***	Prime Minister's Office (PMO)	Short term	---	- Human resource capacity strengthened - Departmental reports	Linked to PA1 Activity (d)
		b. Strengthen institutional capacity to support paradigm shift, including re-acculturation of working environment to facilitate changes in public sector business practices and performance based budgeting	***	PMO	Short – medium term			
Outcome 4: Wages kept in line with inflation	- Wage and cost of living indices	a. Revise the minimum wage and set minimum terms and conditions in the work place, to	**	Ministry of Labour (MAL)	Short term	---	- Age and price stability -	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
and protection of the working poor		provide some minimum level of work place protection to workers						
Outcome 5: Saint Kitts Nevis Tourism product redefined and strengthened in an effort to reposition the industry and to capitalise on all the natural and historical assets of the islands	<ul style="list-style-type: none"> <li>- Agriculture output</li> <li>- Tourism sector contribution to GDP</li> <li>- Tourist arrivals by nationality/resident country</li> <li>- Hotel rooms</li> <li>- Occupancy rate</li> <li>- Trained personnel in tourism industry</li> <li>- Net spend per tourist which remains in destination</li> <li>- Number of new tourism enterprises</li> </ul>	a. Target and explore new markets to reduce heavy reliance on traditional markets	**	Ministry of Tourism (MOT) Tourism Authorities	Short – long term		- Increased channels of foreign exchange earnings	
		b. Identify, develop and promote new tourism niches – education tourism, agro-tourism, heritage tourism, events tourism	***	MOT Tourism Authorities	Short – long term		- Opportunities for linkages between tradable sectors (agriculture) and non-tradable sectors (tourism, service industry)	
		c. Diversify tourism product in Nevis and Saint Kitts to increase participation of locals	***	MOT Tourism Authorities	Short – long term		- New tourism niches	
		d. Implement activities under the NAS of relevance to poverty reduction – community tourism and human resource development	***	MOT Tourism Authorities	Short – long term		- Trained workers in tourism industry	
		e. Partner with OECS and other CARICOM partners in defining Caribbean hospitality and offering training to improve tourism services	***	Tourism Authorities Hotel Associations	Short – long term		- Improved standards products and services in the tourism industry	
		f. Improve depth of tourism product by specialising the training of human resource (e.g. study pilgrimages to source market countries to learn about their culture/ language, so that services are oriented around this knowledge)	*	Tourism Authorities Hotel Associations	Medium – long term	3,000,000.00	- Increased locally owned quality small and medium size accommodation establishments	
		g. Strengthen and support the small accommodations and service sector to increase opportunities for local investment and increase the number of local tourism business owners	***	Tourism Authorities Hotel Associations	Short – long term		- More local fresh produce used in tourism industry	
		h. Develop a standards bureau for accommodations and service	***	MOT Tourism Authorities	Short –medium term	3,000,000.00		
		i. Deepen the agro-tourism	***	MOT, Ministry of	Short – long			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority	Key Implementing Agency	Timeframe	Budget (XCD)	Outputs	Notes
			* low ** medium *** high		Short: 1-2 years Medium: 2-3 years Long: 3-5 years			
		linkages and commitment by hoteliers to use local agricultural produce and to promote local foods		Agriculture and Marine Resources (MAMR) Tourism Authorities	term			
Outcome 6: Increased food security and self sufficiency in Agriculture and Fisheries Production	<ul style="list-style-type: none"> <li>- Crop, Fisheries and Livestock Growth in Value Added (Contribution to GDP)</li> <li>- Ratio of Food imports to Local Substitution</li> <li>- Number of licensed fishers</li> <li>- Number of persons prosecuted for praedial larceny</li> <li>- Number of young farmers</li> <li>- Annual soil loss</li> <li>- Number of agricultural loans (by sex by age)</li> </ul>	a. Develop a national food security policy and action plan targeting the growth of strategic crops and livestock, and fisheries	***	MAMR	Short term	300,000	- Increased local output to provide for import substitution programmes	
		b. Promote agriculture and fishing as viable economic options to attract increased involvement of business-oriented and young farmers	***	MAMR	Short – medium term	300,000	- Establishment and enforcement of standards on quality in production	
		c. Promote the link between healthy lifestyles to home-grown agricultural products and local foods	***	MAMR	Short – long term	300,000	- Improved opportunities for brand visibility of agricultural products produced in Saint Kitts and Nevis	
		d. Strengthen the agri-business sector for increased local food production	**	MAMR Development bank	Short – long term	3,000,000	- Agricultural and local food clusters	
		e. Promote backyard gardens and school gardens	***	MAMR Ministry of Education (MoE)	Short – long term	300,000	- Monkey and stray animal populations under control	
		f. Implement of NAS in collaboration with relevant stakeholder agencies	***	MAMR	Short – long term		- New laws praedial larceny	
		g. Strengthen the Bureau of Standards and expanding awareness of its remit	***	MAMR	Medium – long term		- Soil management system in place	
		h. Evaluate and revise the Special Agriculture Fund at the Development Bank with a view to support youth involvement in the sector and increased agricultural production	**	Development Bank MAMR	Short term		- Productive soils	
		i. Implement initiatives to sustainably manage the monkey population and control stray animals	***	MAMR	Short – long term		- Restructured Bureau of Standards	
		j. Address praedial larceny - traceability system, revision of		Police Service MAMR, Ministry of			Short – long term	500,000



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		legislation, public awareness and community outreach among all stakeholders		Justice and Legal Affairs (MJLA)			professionally operated farmers associations and fishing cooperatives	
		k. Implement effective agricultural resource management practices		MAMR MFSD	Short – long term		- Strengthened institutional capacity of the National Fisherfolk Organisation	
		l. Develop and promote a Caribbean Brand, marketed to compete with internationally grown produce or collaborate with WINFRESH		MAMR WINFRESH CARDI	Medium – long term		- Increased agri-businesses	
		m. Develop and strengthen the institutional capacity of farmers' associations/ fisherfolk cooperatives and clustering		MAMR	Short – long term		- Restructured school agriculture programmes	
		n. Promote and facilitate cooperatives to rent and work large parcels of land that can make an impact on supplies and hence the food import bill		MAMR MFSD	Medium – long term		- Increased number of young farmers and fishers	
		o. Strengthen the school agriculture programmes	**	MAMR	Short – medium term		- Trained fishers and farmers - Safety of fishers at sea secured - Tertiary level Marine Studies Programmes	
<u>Fisheries</u>	- Fisheries Growth in Value Added (Contribution to GDP) - Ratio of Fish Product imports to Local Substitution - Number of licensed fishers - Number of loans to fishers and fisheries related businesses (by sex by age)	a. Increase quality assurance within the fishing industry	***	MAMR	Short – long term		Listed under agricultural outputs	
		b. Incorporate ISO 22000- HACCP for Seafood Industry in the operations of the Basseterre Fisheries Complex	**	MAMR	Short – medium term	3,000,000		
		c. Establish National Fishers Training Programmes	***	MAMR	Short – long term	200,000		
		d. Strengthen the fish processing subsector	***	MAMR	medium – long term			
		e. Strengthen sustainable management and monitoring systems of fisheries resources	***	MAMR	Short – long term			
		f. Develop tracking technology for locally registered marine vessels (as part of search and rescue system)	***	MAMR	Medium – long term	4,000,000		
		g. Conduct a feasibility study on	***	MAMR	Medium term	600,000		



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority	Key Implementing Agency	Timeframe	Budget (XCD)	Outputs	Notes
			* low ** medium *** high		Short: 1-2 years Medium: 2-3 years Long: 3-5 years			
		the Development of Marine Studies Programme						
		h. Collaborate with neighbouring governments on the management of fish resources	***	MAMR	Short – long term			
Outcome 7: Local entrepreneurial development in support of poverty reduction and sustainable development	<ul style="list-style-type: none"> <li>- Number of registered businesses</li> <li>- Math and Science Education attainment</li> <li>- Entrepreneurial activity index</li> <li>- Entrepreneurial attitudes index</li> <li>- Number of SMEs by category</li> <li>- Increase in participation in entrepreneurship programmes</li> <li>- Number of entrepreneurs with potential for value added products</li> <li>- Number of entrepreneurs receiving technical assistance</li> <li>- Number of entrepreneurs using incubator facilities</li> <li>- Improved financial literacy</li> <li>- Increase in employment</li> <li>- Number of new markets entered</li> <li>- Number of new businesses started by family members</li> <li>- Annual number of registered innovations</li> </ul>	a. Support the development of an entrepreneurial culture starting at primary school level (teaching children the value of money, networking, and knowledge)	***	MIC St. Kitts Credit Union Nevis Credit Union	Short – long term		<ul style="list-style-type: none"> <li>- Improvement of country performance on the Global Competitiveness index</li> <li>- Improved performance in ICT penetration indices</li> <li>- A more facilitative environment for start-up businesses and new ventures</li> </ul>	
		b. Undertake social marketing programmes promote entrepreneurial development, the “entrepreneurial spirit” and to reduce risk aversion among Kittitians and Nevisians	***	MIC	Short – long term		<ul style="list-style-type: none"> <li>- Increased number of SMEs</li> <li>- Entrepreneurial culture</li> <li>- Increased ICT use among businesses in micro and SMEs</li> <li>- Innovative products and services</li> <li>- Revised school curriculum</li> <li>- Representation at international events</li> <li>- SME clusters</li> <li>- SME innovations</li> </ul>	
		c. Implement policies to encourage the development of SMEs	***	MIC	Short term			
		d. Improve access to credit, advice and monitoring for micro and SMEs	***	MIC	Short – long term			
		e. Rationalise and restructure of incentive programmes for local micro and SMEs	***	MIC	Short term			
		f. Negotiate with best-in-class countries to gain knowledge transfers (e.g. Israel for biotechnology and agriculture, Singapore for SMEs and the knowledge economy)	**	MIC, MAMR	Medium – long term			
		g. Address youth unemployment and underemployment (entrepreneurship promotion, funding, skills training and life skills, and emphasising importance of education and lifelong learning through		MIC MYESIT	Short – long term			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		education marketing)						
		h. Support initiatives using ICTs in entrepreneurial development with special attention its use in micro and SMEs	***	MIC, Ministry of Information Technology	Short – long term			
		i. Promote research and development in business development through incentives and other initiatives	***	MIC	Short – long term			
		j. Promote and support innovation in schools and business development	***	MIC MOE	Short – long term			
		k. Establish a system for registration of innovative ideas/patents and for protection of intellectual property rights	**	Attorney General MIC	Medium long term			
		l. Reform school curricula (from primary to secondary level) to emphasise importance of modern studies (i.e. business and entrepreneurship, international events, science and technology)	***	MOE	Short term			
		m. Strengthen institutional capacity to support the entrepreneurial development	***	MIC	Short – long term			
Outcome 8: Sustained Pro-poor employment creation	- Employment and unemployment rates - GDP growth rate	a. Negotiate with donor agencies/ countries to assist in building basis of large scale entrepreneurship	***	MIC	Short – medium term		- More targeted scholarships - Trade and industry agreements and partnerships	
		b. Negotiate with donor agencies/ countries to set up centres of research and innovation (e.g. take advantage of natural environment by building expertise clusters in marine biology, forestry, botany,	**	MIC	Medium – long term		- Increased import substitutes - New niches in support of EPA initiatives - Increased skilled	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		ecology and environmental sciences)					human resource capacity - After-work and continuous programmes in place	
		c. Target and support SMEs/ agribusiness to produce substitutes to imports	***	MIC MAMR	Short – long term			
		d. Partner with best-in-class countries to develop SMEs (Taiwan, Singapore)	***	MIC	Short – long term			
		e. Identify and develop important niches/ opportunities for exports to EU under the EPA	***	MIC/MAMR	Short – long term			
		f. Identify targeted areas of expertise to build exportable human resource base (e.g. developing a highly skilled human resource base in the ICTs, biotechnology and marine biology)	***	MFSD	Short – long term			
		g. Negotiate with regional institutions and friendly donor countries to secure better funding/ scholarship opportunities for local scholars— build local human resource base	**	MOE	Short – long term			
		h. Strengthen continuous education and after work programmes to improve the labour force	***	MOE	Short – long term			
<b>PRIORITY AREA 3: COMMUNITY EMPOWERMENT, CRIME REDUCTION AND SECURITY MANAGEMENT</b>								
Outcome 1: Reformed and Modernised National Security System	- Major and minor crime (by type by parish) - Conviction by crime - Expenditure on crime prevention and detection - Recidivism rate - Male school drop-out	a. Upgrade technology for crime detection and prevention	***	Ministry of National Security (MNS)	Short – long term	15,000,000*	- Enhanced institutional capacity - Modern equipment and infrastructure - Improved and effective operations of Police Service - Updated criminal	
		b. Strengthen human resource capacity through increased recruitment and training	***	MNS	Short – long term	---		
		c. Revise and reform legislative and institutional framework to improve data collection,	***	MNS	Short –medium term	---		



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
	rate	planning, crime detection and to reduce gang violence and other forms of organised crimes					laws - Revised Penal Codes - Restructured Justice System	
		d. Develop and upgrade policing and security infrastructure	***	MNS	Short – long term	13,000,000**		
		e. Upgrade the prison facilities	***	MNS	Short – long term	---		
		f. Establish rehabilitation and follow-up programmes for prisoners and ex-prisoners to reduce the rate of recidivism and return to a life of crime	***	MNS	Medium – long term	---		
		g. Conduct detailed studies which assess and profile crime and characteristic of criminality in Saint Kitts and Nevis	***	MNS	Short term	1,000,000		
		h. Review of Penal Codes and justice system	***	MNS, MJLA	Short – medium term	2,000,000		
Outcome 2: Empowerment of at-risk communities	- Trained community residents, youths - Crime rate by community	a. Establish community policing systems in high risk communities	***	MNS	Short – medium term		- Beautified neighbourhoods - Trained individuals	
		b. Support the conduct of community-based clean-ups and beautification projects in poor under-resourced communities	**	MAMR MNS MSD MoH MCDCGA	Short – long term		- Systems for early detection of children with learning disabilities and corrective action - Youth (young men) at risk programmes	
		c. Introduce life skills training and support initiatives	**	MCDCGA	Short – long term		- Children after-school community programmes - Police clubs	
		d. Assess children for learning disabilities at a young age (pre-school) to reduce behavioural problems	**	MOE	Short – long term		- Understanding on gender-related challenges and problems faced by at-risk males - Better targeting of at-risk males	
		e. Develop youth empowerment initiatives that provide support and positive opportunities for at-risk youths particularly young men	***	Ministry of Youth Empowerment, Sports, Information Technology (MYESIT)	Short – long term			
		f. Develop and strengthen programmes in areas that	***	MCDCGA MYESIT	Short – long term			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		engage and sustain the interest of children (5 -13 years) - ICTs, sports, gaming, the arts, with special emphasis in low resource and at-risk communities						
		g. Establish police clubs in strategic communities	***	MNS	Short – long term			
		h. Establish an effective drug rehabilitation programme to provide specialized counseling services to drug addicts	***	MYESIT MNS	Short – long term			
		i.						
		j. Intensify innovative drug use prevention programmes in schools and communities (educating mainly from a health perspective as drug abuse is a health issue and not merely a law enforcement issue)	***	MYESIT MNS	Short – long term			
		k.						
		l. Strengthen division drug use and abuse prevention and increase visibility	***	MYESIT MNS	Short – long term			
		m. Conduct studies of men at risk in the school system and in their community life	***	MNS MCD CGA	Short – medium term			
<b>PRIORITY AREA 4: STRENGTHENED SOCIAL SAFETY NET SYSTEMS</b>								
Outcome 1: Restructured and Modernised Social Safety Net System	<ul style="list-style-type: none"> <li>- Total expenditure by social safety net programme</li> <li>- Number of beneficiaries by category by social safety net</li> <li>- Number of clients exiting programmes by social safety net</li> <li>- Protocols</li> <li>- Policies</li> </ul>	a. Reform Social Safety Net systems to improve targeting and efficiency through the use of exit strategies and for better monitoring and evaluation of programmes	***	MCD CGA	Short term		<ul style="list-style-type: none"> <li>- Better targeted social safety net programmes</li> <li>- Social Protection Policy</li> <li>- Social Security Beneficiaries MIS</li> <li>- Protocols for safeguarding the most vulnerable during periods of</li> </ul>	
		b. Strengthen data collection and management for decision making regarding social safety nets through the implementation of an integrated MIS system and	***	MSS/MCD CGA	Short term			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority	Key Implementing Agency	Timeframe	Budget (XCD)	Outputs	Notes
			* low ** medium *** high		Short: 1-2 years Medium: 2-3 years Long: 3-5 years			
		upgrading the ICT					<ul style="list-style-type: none"> <li>- crisis</li> <li>- National Ageing Policy</li> <li>- National Gender Policy</li> <li>- Improved institutional capacity for effective social services delivery</li> </ul>	
		c. Build on/expand the pilot "The Bridge Programme" to improve connection of the vulnerable to the wide range of services available as well as to strengthen entrance and exit criteria and strategies for the programmes	***	MCDCGA	Short – medium term			
		d. Develop or formalise strategies and develop protocols for safeguarding the most vulnerable during periods of crisis	***	MCDCGA	Short term			
		e. Promote and support the development of foundations and similar organisations to advocate for and provide key support services for vulnerable groups	***	MCDCGA	Short – long term			
Outcome 2: An Enhanced Child Protection System (Better Protected and Well Adjusted Children)	<ul style="list-style-type: none"> <li>- Child abuse substantiation rate</li> <li>- Out-of-home placement</li> <li>- Improved education, health and wellbeing of the child</li> </ul>	a. Review and implement relevant recommendations from the United Nations International Children's Emergency Fund report on Child Sexual Abuse in Saint Kitts and Nevis	***	MSS MCDCGA	Short – medium term		<ul style="list-style-type: none"> <li>- Child protection laws enacted and promulgated</li> <li>- Trained parents</li> <li>- Informed population</li> <li>- Improved counselling and support systems</li> <li>- Reduced numbers of teenage mothers</li> <li>- Improved support system for teenage mothers and fathers</li> <li>- Formalised system of collaboration and cooperation among all partners involved in child protection</li> <li>- Saint Kitts and Nevis Child Abuse Protocol</li> </ul>	
		b. Reform legislative and institutional framework to protect the child	***	MCDCGA	Short – medium term			
		c. Develop a child abuse protocol for Saint Kitts and Nevis		MCDCGA	Short term			
		d. Provide parenting skills training and developmental support to at-risk groups	**	MCDCGA	Short – long term			
		e. Intensify health and family life education (linked to life skills training)	**	MCDCGA	Short – long term			
		f. Undertake social marketing initiatives which focus on the rights of the child and on the fact that with rights, come	**	MCDCGA	Short – medium term			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		responsibilities (of parents, family, community)						
		g. Strengthen counselling and support programmes for the abused and abusers	***	MCDCGA	Short – long term			
		h. Strengthen counselling and life skills support programmes to at risk children, pre-teens and teenagers	***	MCDCGA MOE	Short – long term			
		i. Establish a system of increased enforcement and mandatory prosecution of adult males who get teenage girls pregnant	***	Office of the Attorney General MCDCGA	Short – long term			
		j. Strengthen support for teen mothers and fathers	***	MCDCGA	Short – long term			
		k. Strengthen parent/child bond and intergenerational relationships	**	MCDCGA	Short – long term			
		l. Increase effective collaboration among agencies with responsibilities for child safety and protection	***	MCDCGA Office of the Attorney General	Short – long term			
Outcome 3: Improved Quality of Life and Living Standards for Targeted	- Proportion of female to male entrepreneurs (by type of industry) - Share of women in wage employment in the tourism sector by	a. Increase social protection of vulnerable groups: social protection policy, assessment of the feasibility of developing a Nations Social Protection Floor that is age and gender sensitive	***		Short – medium term		- Assessment conducted of the feasibility of developing a Nations Social Protection Floor that is age and	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
Vulnerable Groups	<ul style="list-style-type: none"> <li>- age group</li> <li>- Employment of women by industry age group</li> <li>- Proportion of women in professional, managerial or decision-making positions</li> <li>- Ratio of girls to boys in primary, secondary, and tertiary education</li> <li>- Incidence of domestic violence (by sex)</li> <li>- Share of men and women under the poverty and vulnerable lines age group</li> <li>- No of reported cases of violence against women and prosecutions</li> <li>- HIV/AIDs Prevalence and incidence rates by sex</li> </ul>	b. Improve quality of life and service provisioning to vulnerable women - National Social Protection Council; Family Friendly" work and family policies and legislation; new day care centres and existing centres in poorer communities facilitated and supported; care programme for the elderly strengthened; gender policy; advocacy and information dissemination and specialised training for those who deal with domestic violence cases; adoption and implementation of the Multi-Sectoral National Action Plan on Sexual and Gender-based Violence; training of women in the informal sector	***	MCDCGA	Short – long term		<ul style="list-style-type: none"> <li>- gender sensitive</li> <li>- National Social Protection Council established</li> <li>- Family Friendly" work and family policies and legislation</li> <li>- New day care centres and existing centres in poorer communities supported</li> <li>- Care programme for the elderly augmented</li> <li>- Gender policy</li> <li>- Continued information dissemination</li> </ul>	
		c. Improve quality of life and service provisioning to vulnerable elderly - Policy on Ageing finalised and adopted; strengthening of programmes to deal with the neglect, abuse, abandonment, hunger and loneliness of the aged; personal financial management programme targeted at the young; strengthening of Golden Age Clubs or similar groups	***	MCDCGA	Short – long term		<ul style="list-style-type: none"> <li>- Specialised training for practitioners who deal with domestic violence cases</li> <li>- Multi-Sectoral National Action Plan on Sexual and Gender-based Violence adopted and implemented</li> <li>- Training of women</li> <li>- Policy on Ageing</li> <li>- Personal financial management programme established</li> </ul>	
		d. Improve quality of life and service provisioning to children – strengthening afterschool programmes and community clubs for children; community based library programmes and book drives; establishment of a committee to deal with the issues of children	***	MCDCGA	Short – long term		<ul style="list-style-type: none"> <li>- Golden Age Clubs or similar groups strengthened</li> <li>- Afterschool programmes and</li> </ul>	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority	Key Implementing Agency	Timeframe	Budget (XCD)	Outputs	Notes
			* low ** medium *** high		Short: 1-2 years Medium: 2-3 years Long: 3-5 years			
		e. Improve quality of life and service provisioning to the marginalised youth - training, volunteering and mentoring programme; strengthening programmes that deal with risky behavior of youths; establishment of youth entrepreneurial window and incubator programme	***	MCDCGA	Short – long term		community clubs for children - Committee to deal with the issues of children established - Playgrounds in Government pre-schools and primary schools - Youth at risk programmes augmented	
		f. Improve quality of life and service provisioning to Persons with Disabilities – adoption of the Convention on the Rights of PWDs; establishment of programmes to facilitate the entry of PWDs into the labour market; review and enforcement of building codes to ensure access by PWDs; support for associated supporting PWDs	***	MCDCGA MFSD	Short – long term		- Youth entrepreneurial window and incubator programme established - UN Convention on the Rights of PWDs adopted - Building codes enforced - Organisations supporting PWDs strengthened - Programmes to facilitate the entry of PWDs into the labour market established	
<b>PRIORITY AREA 5: RISK REDUCTION AND SOCIAL PROTECTION</b>								
Outcome 1: Social Protection Framework Defined in the Context of Saint Kitts and Nevis	- Social Protection Policy -	a. Prepare a National Social Protection Policy	***	MFSD MCDCGA	Short term	- Policies formulated  Policy formulated	- Social protection in Saint Kitts and Nevis defined - Social Protection policy in place	
Outcome 2: Social Insurance	- Actuarial projections (including scenario of	a. Reform Social Security Scheme	***	MFSD MCDCGA	Short term		- Full protection, well funded schemes	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
System Reformed Offering a Full Range of Protection and Products	healthy performance) - Number of beneficiaries by scheme (by age by sex)	b. Establish contributory National Health Insurance Scheme	***	MFSD MCDCGA	Medium term			
		c. Establish a contributory Unemployment Scheme	**	MFSD MCDCGA	Long term			
Outcome 3: An Education System that Is Dynamic and Responsive to the Changing Needs of the Federation, Producing Graduates who Are Confident in their Ability to Compete in a Global Economy, Innovative, and Can Successfully Meet the Challenges of Society	- Expenditure on education (by subsector) - New school entrants in early childhood facilities - School attendance rate by level - Learning achievement by grade level - Educational attainment - Trained teachers by level - Labour market by educational attainment - Functional literacy rate by age group	a. Increase the percentage of trained and certified teachers at all levels	***	MOE	Short – long term		- Formalised system of collaboration between Ministries of Health and Education - Revised curricula - Secure school environment - Improved early childhood education system - Improved systems for early detection of problems in children - Individual school plans for improved performance implemented - Performance based evaluation system for schools (accountability model for schools)	
		b. Introduce a performance based school system	***	MOE	Short term			
		c. Improve Science and ICT competencies in schools	***	MOE	Short term – medium term			
		d. Inculcate a culture in lifelong learning among Kittitians and Nevisians	***	MOE	Short – long term			
		e. Increase support for At-Risk Students	***	MOE	Short – long term			
		f. Address the gaps in the early childhood education system	***	MOE	Short –medium term			
		g. Enhance posts-secondary and technical-vocational education and training services	***	MOE	Short – long term			
		h. Effectively address all forms of violence and other forms of dysfunctional behaviour within the school system	***	MOE MNS	Short term			
		i. Maintain access to education-based transfers	***	MOE	Short – long term			
		j. Revise and adapt the school curricula to the needs of a changing Saint Kitts and Nevis	***	MOE	Short – long term			
		k. Conduct an assessment of the school based clubs and after-school activities	**	MOE	Short term			
Outcome 4: Improved Health and Wellness	- Relative distribution of Primary and Secondary Care	a. Implement the initiatives of the National Health Plan	***	MOE	Short – long term		- Reduced incidence of HIV/AIDS - All victims having access to anti-retroviral drugs - Mother to child	
		b. Promote better nutritional choices among residents of the Federation	**	MOE	Short – long term			
		c. Strengthen health systems so as	***	Ministry of Health	Short – long term			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		to protect gains made and continuously improve service quality and access at all levels in the Health Sector		(MOH)	term		transmission of HIV reduced to zero - Better patient care leading to more persons achieving stability	
		d. Strengthen of the health promotion function	**	MOH	Short –medium term		- More men attending clinics	
		e. Support health care in manner that does not place a greater burden for the cost of healthcare on the most vulnerable	***	MOH	Short – long term		- Reduced number of men suffering chronic diseases	
		f. Improve management and delivery of HIV/AIDS prevention measures to vulnerable and at-risk groups, and care and support services for people living with HIV/AIDS	***	MOH	Short – long term		- Increase in number of persons in wellness programmes - Reduction in percentage of older cohorts succumbing to chronic diseases	
		g. Promote effective and efficient mental health care services	***	MOH	Short – long term			
Outcome 5: Enhanced community life and cohesion	- Community centres - Community programmes per district - Number of participants in community programmes - Level of participation in social, cultural and political life - Number of CBOs and NGOs by category by community - Community strengths and challenges - Conflict resolution mechanisms	a. Develop and establish a Sustainable Communities Policy and a Code of Best Practices for interacting and working with communities to guide the work of practitioners, politicians and leaders in communities.	***	MCDCGA	Short term		- Community centres constructed - Active and vibrant community centres - Community programmes and action	Part of Community Action Investment and Outreach programme (see PA2 Outcome 1/a)
		b. Conduct in-depth community assessments of poorer communities and developing community profiles, with priorities for action clearly identified	**	MCDCGA	Short term		- Strengthened CBOs, NGOs and FBOs - Social integration of immigrant populations - Database of community attributes, assets and challenges	Part of Community Action Investment and Outreach programme (see PA2 Outcome 1/a)
		c. Provide quality physical and social infrastructure and services at the community level	***	MCDCGA	Short – long term			
		d. Encourage the formation of community councils to plan for development of the community, assist in accessing relevant resources and allow space for them to act	***	MCDCGA	Short – long term		- Responsible citizenship culture inculcated - Bipartisan cooperation in the development of communities across	Part of Community Action Investment and Outreach programme (see PA2 Outcome 1/a)
		e. Strengthen of community-based	***	MCDCGA	Short – long			Part of Community



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		organisations and support establishment and the incubation of new groups			term		Saint Kitts and Nevis - Community councils - Increased community sporting and recreational activities for all	Action and Investment Outreach programme (see PA2 Outcome 1/a)
		f. Strengthen the Community Development Department in the Ministry of Social Services, Community Development and Gender Affairs and other agencies	***	MCDCGA	Short – medium term			
		g. Construct community centres within targeted poorer communities	***	MCDCGA	Short – long term			
		h. Develop programmes for all community centre to empower community residents using the Old Road model and in conjunction with a wide cross section of community residents	**	MCDCGA	Short – long term			
		i. Promote integration of immigrants into social life	***	MCDCGA	Short – long term			
		j. Promote social integration, cohesiveness and the development of social capital at the community level	***	BNTF, MCDCGA	Short – long term			
		k. Promote a culture of "responsible citizenship"	***	MCDCGA	Short – long term			
Outcome 6: Affordable Housing and Land Reform	- Distribution of housing starts to low income families - Acreages occupied by squatters (for housing) - Number of housing upgraded	a. Improve access to affordable housing by the poor as many are still unable to qualify for the low income housing schemes	***	Ministry of Public Works and Housing (MPWH)	Short – long term			
		b. Upgrade housing and living conditions in poor communities such as McKnight and Newtown	***	MPWH MFSD	Short to long term			
		c. Strengthen the framework for provision of housing and land distribution	***	MSD	Short term			
		d. Address squatting – squatter regularisation, legislation, awareness raising	***	MSD MPWH	Medium term			
Outcome 7:	- Eco-innovations	Promote Green Growth as a Means	***	MSD	Short – long	2,000,000		



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
Enhanced Environmental Sustainability Framework in Place to Support and Sustain Poverty Reduction	- Eco-businesses - Number of CBOs involved in eco-businesses and projects - Sustainable development in face	of Economic Development and Poverty Reduction			term			
		Strengthen the Environmental Institutional Framework for Sustainable Poverty Reduction	***	MSD	Short – long term	15,250,000		Cost of entire programme
		Promote Community-based Sustainable Livelihoods Initiatives	***	MSD	Short – long term	5,000,000		
		Improve Access to Safe Drinking Water and Improved Sanitation	**		Short – long term			
Outcome 8: Reduced Risks to Communities and Households Associated with Climate-Related and Other Natural Disasters	- Economic cost of natural resources - Economic impact of climate change - Loss of human life and injury due to climate-related and other natural disasters - Cost estimates of damage due to climate-related and other natural disasters	a. Undertake a revision of the Disaster Management Act and Physical Planning Act to address climate-related risk reduction	***	MPWH	Short – long term	30,000,000	- Sea defence infrastructural works - Vulnerable communities identified and profiled	
		b. Revise the National Disaster Management Plan	***	MSD NEMA Nevis Disaster Management Department	Short – long term		- Emergency and evacuation plans for hotspot communities in place	
		c. Increase collaboration among emergency agencies to harmonise activities and responses	***	NEMA Nevis Disaster Management Department	Short – long term		- Improved institutional capacity in place to effectively enforce building codes - National physical development and land zoning plan	
		d. Revise building codes to cater for increased risk	***	MSD	Short – long term		- Community waste recycling and reuse programme in place - Sustainable energy - Public education in place	
		e. Sensitise, inform and increase awareness of disaster risk reduction and climate change adaptation among top policy and decision-makers, including identification of an national advocate/champion for the issues	***	MPWH MSD	Short – long term			
		f. Incorporate disaster risk reduction and climate change adaptation into the national development planning and investment	***	MPWH	Short – long term			
		g. Undertake community based public education and action	***	MSD MoH	Short – long term			



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
		centred around the improvement of waste management and sanitation; develop and strengthen the early warning systems for localised events – flooding and at the national level – droughts and volcanic activities		Solid Waste Management Corporation NEMA Nevis Disaster Management Department				
		h. Development of contingency plans for high-risk communities	***	MSD NEMA Nevis Disaster Management Department	Short – long term			
		i. Identify and target extremely vulnerable communities for relocation and resettlement	**	MSD	Short – long term			
		j. Develop evacuation and emergency response plans for at risk communities	***	MSD NEMA Nevis Disaster Management Department	Short term			
		k. Promote the use of energy saving devices among the Federation population, with special emphasis on poorer communities	***	MSD Ministry of Energy	Short – long term			
		l. Conduct feasibility assessment for the establishment of a fund to which all households contribute mandatorily like national insurance, having regard to the high level of risk that characterises living and operating in the national space	**	MoF	Long term			
NPRS implemented in a well coordinated and sustainable manner	- Sustainability of the institutional framework - Records of the intersectoral and Technical Committee meetings - Quarterly and annual	a. Strengthen the Inter-Ministerial Technical Committee to support the implementation of the NPRS	***	OPM	Immediate – long term		- NAT institutionalised and functional - NPR Secretariat functional	
		b. Institutionalise regular inter-sectoral meetings co-chaired by MSD and MCDCGA	***	OPM	Short – long term		- Quarterly and annual reporting	



Key Results Areas and Outcomes	Outcome Indicators	Activities	Priority * low ** medium *** high	Key Implementing Agency	Timeframe Short: 1-2 years Medium: 2-3 years Long: 3-5 years	Budget (XCD)	Outputs	Notes
	reports	c. Strengthen the institutional capacity of MSD and MCDCGA to support the work of the Technical Committee	***	MSD MCDCGA	Short – long term		system in place	
		d. Establish a NPRS quarterly and annual reporting system which keeps stakeholders and the public informed about progress	***	MSD MCDCGA	Short – long term			

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## Appendices

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### Appendix I: Agencies Consulted in the Preparation of the National Poverty Reduction Strategy

#### Saint Kitts

- Anglican Young People's Association
- Business and Professional Women's Organization
- Caribbean Agricultural Research and Development Institute
- Central Marketing Corporation
- Chamber of Industry and Commerce
- Clarence Fitzroy Bryant College - CFB College (Representative and students)
- Development Bank of St. Kitts and Nevis
- Eastern Caribbean Central Bank
- Foundation for National Development
- Her Majesty's Police Service
- Men's Group (Ray John)
- Ministry of Agriculture
- Ministry of Community Development, Culture and Gender Affairs
- Ministry of Education
- Ministry of Health
- Ministry of Information and Technology
- Ministry of Immigration
- Ministry of Industry Commerce and Consumer Affairs
- Ministry of National Security
- Ministry of Public Works and Housing
- Ministry of Tourism
- Ministry of Youth Empowerment and Sports
- Molineux Youth in Action Club
- National Parent-Teachers Association
- National Skill Training Programme
- Niabinghi Order
- Pathfinders
- Project Strong
- Ram's Group of Companies
- Red Cross
- Rotary Club of St. Kitts and Liamuiga
- S.L. Horsford Co. Ltd
- Saddlers Collaborative Interest Group

- Saint Kitts Co-operative Credit Union
- Saint Kitts Investment Promotion Agency
- Saint Kitts Labour Union
- Salvation Army
- SKNYPA - St. Kitts Youth Parliament
- Small Enterprise and Development Unit
- St. Kitts Teacher's Union
- Uprising Women Of Old Road
- Youth Impact Ministries

#### Nevis

- Nevis Financial Services Department
- Nevis Tourism Authority
- Social Development
- Association de Dominicanos
- Dyslexia Association
- Flamboyant Nursing Home For Elderly
- Hope
- Department of Community Development, Sports and Culture
- Social Security
- Change Centre
- Nevis Christian Council
- Department of Youth
- Four Seasons Hotel
- Ministry of Education and Library Services
- Nevis Teachers' Union
- Ministry of Finance
- Ministry of Agriculture and Fisheries
- Department of Cooperatives
- Development Bank
- Red Cross
- Nevis Disaster Management Department
- Nevis Co-operative Credit Union
- Foundation for National Development
- Bank of Nevis
- Community Health Nursing

## Appendix II: ECCU Eight Point Programme

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Point	Description
<b>1. Suitably adapted Financial Programmes for each country</b>	<p>The objective is to identify the financing gaps of the central government and to address the imbalances by alignment, in a consistent manner, the four basic macroeconomic accounts namely:</p> <ol style="list-style-type: none"><li>Balance of Payments (External Sector)</li><li>National Accounts (Real Sector)</li><li>Fiscal Accounts (Public Sector)</li><li>Monetary Accounts (Financial Sector)</li></ol>
<b>2. Fiscal Reform Programmes</b>	<p>The programmes seek to develop efficient revenue and expenditure systems in the Currency Union, by adoption of the recommendation of the Commission on Tax and Tax Administration Reform. In addition to expenditure issues, including expenditure on social programmes and on the Public Sector Investment Programme, the programmes focus as well on the management of governments' cash flows, debt servicing and the wage bill.</p>
<b>3. Debt Management Programmes</b>	<p>Programmes involve the development of a debt strategy to achieve the debt target of 60 percent of GDP by 2020 which was established by the Monetary Council. The ECCB has been the recipient of a grant from CIDA to treat with the debt issue and has actively engaged the IMF and the World Bank in establishing benchmarks and strengthening capacity in member countries. The debt management programme facilitates a structured approach to achieve the optimal profiles in debt management to transform these highly indebted countries to a level of debt sustainability.</p>
<b>4. Public Sector Investment Programmes</b>	<p>Develop their Public Sector Investment Programmes (PSIPs), which would address:</p> <ol style="list-style-type: none"><li>Quick disbursing projects which will put people to work and stimulate economic activity to restore growth; and</li><li>The provision of critical infrastructure for medium to long term development.</li></ol> <p>The Public Sector Investment Programme (PSIP) is meant to be the vehicle through which any short to medium term fiscal stimulus will be provided within the ECCU.</p>
<b>5. Social Safety Net Programmes</b>	<p>Given the fallout from the crisis, the social protection systems are under pressure. The review of the Social Safety Net Programmes seeks to protect the poor and vulnerable as the international crisis deepens, and to create a path for advancement towards self sufficiency for those persons in poverty.</p>
<b>6. Financial Safety Net Programmes</b>	<p>The current state of the financial system requires immediate liquidity support. Under this programme, the intention is to approach friendly countries to raise funds for the restructuring and recapitalisation of the banking and insurance sectors and strengthening the regulatory and supervisory regimes.</p>
<b>7. Amalgamation of the Indigenous Commercial Banks</b>	<p>The amalgamation of indigenous commercial banks will create a strong financial entity which would be a crucial player in the financial and economic development of the countries of the Currency Union, as well as allow the indigenous banking sector to take advantage of economies of scale and scope, and of efficiencies in operations and facilitate the adoption of diverse state-of-the-art banking services.</p>
<b>8. Rationalisation, Development and Regulation of the Insurance Sector</b>	<p>The current financial crisis has revealed the fragility of the insurance sector which now poses a threat to the financial system. The objective is to reduce the number of insurance companies operating in the region and to strengthen the regulatory framework.</p>

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