1. Country Context

Saint Vincent and the Grenadines is a Lesser Antilles nation in the Eastern Caribbean. It is part of the Organization of Eastern Caribbean States. The country had an HDI of 0.72 in 2014, which corresponds to high human development. Its GDP was US$737.68 million in 2015.

Despite being classified as an upper middle-income economy, it is highly dependent on tourism, remittances and agriculture, especially banana crops, which makes the economy vulnerable to external shocks. Unemployment in Saint Vincent and the Grenadines is high, standing at 21.5% in 2012 according to the Housing and Population Census. Consequently, part of the labour force has left the formal economy.

As an island state, Saint Vincent and the Grenadines is highly vulnerable to climate change and natural disasters. It is a member of the Alliance of Small Island States within the UN Framework Convention on Climate Change. According to the OECD, official development finance was primarily invested in production and programme assistance.

Quick Facts

- **Surface area**: 390 km²
- **Population**: 109,991 (2012)
- **GDP Growth**: 0.6% (2015 est.)
- **GDP Per Capita**: US$6,691 (2015)
- **ODA per Capita**: US$84.31 (2014)
- **Official Development Assistance/Capital Formation**: 4.60% (2014)
- **National Poverty Index**: 30.2% of pop. (2008)
- **ODA per Capita**: US$84.31 (2014)
- **Human Development Index**: 188 (2014) [Best rank: Position 1]
- **Doing Business Rank**: 189 (2015) [Best rank: Position 1]
- **Anti-corruption Index**: 0.66 (2014) [Highest anti-corruption: +2.5]

Key Development Challenges

According to the World Bank, projections for development are optimistic, as the forecast for growth in 2016 is positive for the region of the Organization of Eastern Caribbean States, based on improvement in the tourism, construction and agriculture sectors as well as low fuel prices. However, some development challenges are the lack of economic diversification, the high poverty and unemployment rates and climate change vulnerability.
2. Efforts to Implement the Effectiveness Principles

A. Policies and Tools for Partners’ Alignment

Saint Vincent and the Grenadines has a long-term vision document (National Economic and Social Development Plan 2013-2025), a Medium-term Economic Strategy Paper, sector plans or strategies in education and health care, and a medium-term fiscal framework. However, Saint Vincent and the Grenadines does not have common results frameworks agreed between the government and development co-operation partners, sector plans or strategies in transport, or a joint government/multi-partner programme or agreement.

B. Governance and Management of Development Finance and Co-operation

In Saint Vincent and the Grenadines, the National Economic and Social Development Plan 2013-2025 sets the country’s development goals and results at the national level. Each ministry has the institutional responsibilities for setting priorities and monitoring results for its respective area. Budget allocations are guided by these priorities and results. Civil society and other non-government actors were involved in the definition of the country’s development priorities, goals and targets through community and other consultations. The goals included in the National Economic and Social Development Plan 2013-2025 are aligned with the Sustainable Development Goals. Each ministry is required to prepare its respective sector plans, which should be developed on the basis of the objectives, strategic interventions and outcomes outlined in the National Economic and Social Development Plan 2013-2015.

3. Country Ownership

Indicator 1: Partners’ Alignment and Use of Country-Led Results Frameworks

Based on results of this monitoring round, most partners align their project objectives with national development goals. However, partners’ projects do not align with the government’s results frameworks and the Caribbean Development Bank is the only partner that reportedly uses national monitoring and evaluation systems. Although more than 70% of projects plan a final evaluation, none of the projects involve government in conducting joint evaluations. Thus, more progress needs to be made to achieve strengthened alignment on monitoring and evaluation of results between partners and the government.
**Indicator 6. Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)**

In 2015, 87% of official development finance disbursements were recorded on budget and 36% of official development finance was beyond scheduled. Disbursements from the Caribbean Development Bank, the World Bank and the EU were mostly recorded on budget, while official development finance from Japan was in the form of a grant for humanitarian assistance.

**Indicators 9 and 10. Use of Country Systems**

Based on results collected in this monitoring round, almost all development co-operation uses national procedures for budget execution, financial reporting, auditing and procurement. These are mostly external systems based on partners’ guidelines, although there is some element of local systems. Only Japan does not use these procedures, as the finance is in the form of a non-project grant specifically targeting sector budget support for disaster prevention and preparedness. The Country Policy and Institutional Assessment (CPIA) has remained stable since 2014. Untying of official development finance declined from 94% in 2013 to 79% in 2014, reflecting a need for more flexibility in implementing ODA-supported development projects and improved country ownership of development co-operation.

**4. Inclusive Partnerships for Development**

**Indicators 2 and 3. Fostering Inclusive Partnerships for Development**

No information has been provided for this 2015-2016 monitoring round.

**Indicator 8. Gender Empowerment**

Saint Vincent and the Grenadines has taken important measures towards women’s empowerment and gender equality in accordance with the goals for effective development. There is an official government statement on a system for tracking allocations for gender equality and women’s empowerment. These allocations are systematically monitored. The central government unit in charge of public expenditure oversees this tracking system. Gender-specific indicators and sex-disaggregated data are taken into account for budget decisions at the local level. The Gender Development Department within the Ministry of National Mobilization & Social Development outlines its programme strategies and activities in the Annual Estimates of Revenue and Expenditure.
5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

All development partners indicated scheduled disbursements, and the government also recorded on its side all their actual disbursements. Usual uncertainties in implementation cause discrepancies between foreseen expenditure and actual ones, and explain why 100% remains an ideal percentage. The observed situation demonstrates close relationship among all partners, enabling better adequacy between expected funding and planned expenditure.

Indicator 7. Mutual Accountability

Saint Vincent and the Grenadines has had important breakthroughs in mutual accountability. Official development finance policies from partners help define development cooperation priorities. Examples of the main policies are:
2. EU-St. Vincent Cooperation Strategy 2014-2020; and

National Priorities Going Forward

St. Vincent and the Grenadines has identified its medium-term focus for development in accordance with the goals of the National Economic and Social Development Plan (2013-2025). The strategic direction is to develop a suite of high-priority investments to enhance capital formation; boost productivity; and promote competitiveness in key sectors and stimulate economic growth. The main focus is on:

1. Re-engineering growth:
   a. Increase agriculture and tourism competitiveness through the improvement of international air access and modernizing and diversifying agriculture
   b. Diversify the energy base through the development of geothermal energy
   c. Enhance critical public infrastructure
   d. Sustainable development through environmental protection and climate resilience
2. Building human capital and improving social resilience:
   a. Empower through the provision of critical skills
   b. Strengthen social safety nets systems
   c. Modernize the health sector
   d. Modernize the learning environment

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Footnote: Any discrepancies between information in this profile vs. information that has been reported are due to adjustments that were made after conclusion of the monitoring round.

Disclaimer This document was prepared based on data collected from voluntary reporting to the Second Monitoring Round of the Global Partnership for Effective Development Co-operation and, for Country Context, other open source information available online. The views presented cannot be used or cited as an official UNDP source of information.

For ease of reference, the term ‘country’ is used to refer to developing countries and territories that reported to the Monitoring Round. Participation in this process and mention of any participant in this document is without prejudice to the status or international recognition of a given country or territory.