# Table of Contents

## I. INTRODUCTION
- I.A. Background
- I.B. Definitions of the Social Safety Net
- I.C. Methodology

## II. SOCIO-ECONOMIC VULNERABILITIES AND RISKS
- II.A. Economic Vulnerability
- II.B. Social Vulnerability
- II.C. Poverty and Vulnerability
- II.D. Risk and Vulnerability through the Lifecycle
- II.E. Conclusions

## III. ACCESS TO CHILD AND GENDER SENSITIVE SOCIAL SAFETY NET PROGRAMMES
- III.A. The Social Protection Landscape
- III.B. Expenditures on the Safety Net
- III.C. Implementation Arrangements and Constraints
- III.D. Safety Net Legislation
- III.E. Conclusions

## IV. ANALYSIS
- IV.A. Overview
- IV.B. Matching Programmes to Vulnerabilities
IV.D. Conclusions ............................................................................................................................................. 41

V. RECOMMENDATIONS .................................................................................................................................. 41

ANNEXES ........................................................................................................................................................ 50

Annex 1: Detailed Expenditure Data .................................................................................................................. 51

Annex 2: The Puente Programme ..................................................................................................................... 52

Annex 3: Process Monitoring .......................................................................................................................... 53
List of Tables

Table 1: Crime Statistics, 2003 - 2007 ................................................................. 7
Table 2: Household Size, Children per Household and Earners per Household by Quintile ............... 11
Table 3: New Cases Filed of Domestic Violence Cases Files at the Family Court .............................. 15
Table 4: Pension in Payment by Type, 2006/07 ...................................................... 18
Table 5: Social Assistance Programmes in St. Lucia .................................................. 22
Table 6: Composition of Public Expenditures on Social Assistance .............................................. 28
Table 7: Public Assistance by Poverty Status ........................................................................ 30
Table 8: Distribution of Recipients of Free Meals by Quintile .................................................. 31
Table 9: Distribution of Recipients Using Book Loan Facility by Quintile ................................. 31
Table 10: Monthly Public Assistance Benefit by Household Size, 2004 to 2009 ............................. 32
Table 11: Risks, Programmes and Requirements to Address Gaps in Social Assistance ................. 39
List of Figures

Figure 1: GDP Growth, 2001 - 2010
Figure 2: Average Annual Inflation, 2000 - 2009
Figure 3: Unemployment over Time
Figure 4: Population Projections by Age Group
Figure 5: Poverty and Indigence over Time
Figure 6: Incidence of Poverty by Age
Figure 7: The Incidence of Poverty by Gender
Figure 8: Poverty and Indigence by District
Figure 9: Distribution of Poverty by District
Figure 10: Employment Status and Poverty
Figure 11: Highest Examination Passed by Quintile
Figure 12: Educational Qualifications of Youth
Figure 13: Unemployment among Working Age Adults
Figure 14: Social Assistance Expenditures as a % of GDP, 2006/07/ to 2008/09
Figure 15: Social Assistance Expenditures, Current and Constant, 2006/07/ to 2008/09
Figure 16: Distribution of Public Assistance Beneficiaries by District

List of Boxes

Box 1: Rationale for Social Protection
Box 2: The National Rural Employment Guarantee Act in India
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>FULL NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNTF</td>
<td>Basic Needs Trust Fund</td>
</tr>
<tr>
<td>CCT</td>
<td>Conditional Cash Transfer</td>
</tr>
<tr>
<td>CDF</td>
<td>Community Development Fund</td>
</tr>
<tr>
<td>CDB</td>
<td>Caribbean Development Bank</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of All Forms of Discrimination Against Women</td>
</tr>
<tr>
<td>CPA</td>
<td>Country Poverty Assessment</td>
</tr>
<tr>
<td>CRC</td>
<td>Convention on the Rights of the Child</td>
</tr>
<tr>
<td>CWIQ</td>
<td>Core Welfare Indicator Questionnaire</td>
</tr>
<tr>
<td>ECA</td>
<td>Europe and Central Asia</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>HOPE</td>
<td>Holistic Opportunities for Personal Empowerment</td>
</tr>
<tr>
<td>HUEMs</td>
<td>Household Unincorporated Enterprises with at least some Market Production</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>LAC</td>
<td>Latin America and Caribbean</td>
</tr>
<tr>
<td>MOEC</td>
<td>Ministry of Education and Culture</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health, Wellness, Family Affairs, National Mobilisation, Human Services and Gender Relations</td>
</tr>
<tr>
<td>MOSTYS</td>
<td>Ministry of Social Transformation, Youth and Sports</td>
</tr>
<tr>
<td>MOW</td>
<td>Ministry of Works</td>
</tr>
<tr>
<td>NCF</td>
<td>National Community Foundation</td>
</tr>
<tr>
<td>NELP</td>
<td>National Enrichment and Learning Programme</td>
</tr>
<tr>
<td>NSDC</td>
<td>National Skills Development Centre</td>
</tr>
<tr>
<td>NIS</td>
<td>National Insurance Scheme</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OECS</td>
<td>Organisation of Eastern Caribbean States</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>PRF</td>
<td>Poverty Reduction Fund</td>
</tr>
<tr>
<td>SSDF</td>
<td>St. Lucia Social Development Fund</td>
</tr>
<tr>
<td>UDHR</td>
<td>Universal Declaration of Human Rights</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Risk and Vulnerability in St. Lucia

St. Lucia has made significant investments in social development; however, households in St. Lucia face a variety of risks, including macro level (covariate) and micro-level (idiosyncratic) risks. Despite its middle income status, economic achievements are fragile and St. Lucia is vulnerable to external shocks, such as hurricanes, commodity price fluctuations, and global economic downturns. Price increases in food and fuel and the global economic crisis have contributed to a slowdown in growth, job losses, and declining remittances. In most cases, the poor are most vulnerable. St. Lucia faces significant challenges in ensuring an adequate safety net in the face of economic and environmental pressures and the changing social landscape.

Good social indicators (including low levels of maternal and infant mortality, universal primary education, low fertility, and increasing life expectancy) exist alongside high and increasing levels of poverty – 25.1% in 1995 and 28.8% in 2005/06. As in most countries around the world, children bear the brunt of poverty. Over 50% of the poor are under the age of 20 and the incidence of poverty is higher among children than among adults. The incidence of poverty is slightly higher among men than among women, 29% and 25% respectively. The incidence of poverty among female headed households (21.2%) is about the same as among male headed households (22%).

In assessing safety net programmes we need to ask how well programmes help households to manage their vulnerability to covariate and idiosyncratic risks, including vulnerability due to:

- Chronic poverty and the inter-generational transmission of poverty, transient poverty, and vulnerability to poverty
- Risks that threaten human capital development of children and adolescents, who are particularly vulnerable because they are unable to care for themselves
- Limited human capital, unemployment, and risky lifestyles among youth
- Limited or no income due to underemployment, unemployment, disease, or disability among working age women and men
- Loss of income due to retirement and disease/disability among the elderly
- Needs of special groups, including single headed households, the elderly taking care of children, persons with disabilities, migrants, and persons affected by HIV/AIDS and/or non-communicable diseases.

Access to Child and Gender Sensitive Social Safety Net Programmes

St. Lucia implements a number of targeted social assistance programmes. Programmes include the following:

- The Public Assistance Programme, which is targeted to the “needy” and reaches about 25% of poor households.
- Multiple student support schemes, including the Book Bursary and Book Rental programmes that provide free books to indigent students and rental books to poor students and which have the potential to reach about 14% of students who are poor; transportation to school for needy
secondary students; various education assistance programmes that provide books and uniforms; and fee waivers for school meals.

- Programmes targeted to poor and vulnerable infants and young children, including the Community Day Care Programme and the Roving Caregivers Programme.

- A number of active labour market programmes aimed at promoting employability and employment, including an employment and training programme, second chance education programmes, job search assistance and microenterprise development services.

- The St. Lucia Social Development Fund (SSDF), which implements community infrastructure and development projects as well as programmes targeted to individuals and households.

- Social care services, including services for troubled families and children; counseling and residential facilities for abused women; and homes for the elderly.

In addition to the social assistance programmes discussed above, Government grants subsidies on selected items and imposes prices controls on basic foodstuffs in an effort to further protect the population.

**Expenditures on the Safety Net**

Expenditures on social assistance are estimated at EC$34.1 million (US$12.6 million) in FY08/09. This represents less than 1.3% of GDP and 2.9% of central government expenditures. Between FY06/07 and FY08/09, social assistance spending decreased by 5% in nominal terms and 14% in real terms. The FY09/10 budget includes an estimated 43% real increase in social assistance, driven largely by the addition of programmes and projects implemented by the SSDF. Approximately 54% of social assistance expenditures are funded from the capital budget, mostly with donor funding. The SSDF accounts for the largest share of social assistance spending – 35.5% in FY08/09. In contrast, Public Assistance absorbs about 11% of social assistance expenditures. Student welfare assistance and school feeding take up 2.2% and 3.8%, respectively.

**Implementation Arrangements and Constraints**

- Although programmes support the same target groups, each programme requires completion of a separate application, investigation by staff, and documentation. This is despite the fact that information collected is generally the same for all programmes. These multiple targeting mechanisms are administratively costly.

- Errors of inclusion (persons in a programme who should not be there) and errors of exclusion (persons who are not in a programme but should be) are significant for Public Assistance. A large share of the target group for Public Assistance remains uncovered, with less than 2% of the poor in receipt of Public Assistance. At the same time, there appears to be considerable leakage to the non-poor, with an estimated 45% of Public Assistance beneficiaries classified as non-poor.

- Benefits for Public Assistance vary with household size and provide relatively more generous benefits to the elderly than to households with children.
• Significant capacity building is required for the Public Assistance Programme. Information and payment systems need to be modernised and monitoring and evaluation needs to be improved.

• Coverage and targeting outcomes for education subsidies need to be improved. Coverage of the free meal programme is good with 87.7% of students in the poorest quintile in receipt of a free school meal; however, there is considerable leakage to non-poor students. School book programmes are targeted to poor students; however, students in all wealth quintiles benefit and coverage is limited. As a result, almost half of poor students report that they do not own all required books because they could not afford them.

• Multiple agencies are responsible for provision of student assistance with agencies providing overlapping benefits. Each programme has a separate application procedure, although they all collect approximately the same information about the same target group.

• The Koudemain Ste Lucie pilot (implemented by the SSDF) has commenced; however, baseline indicators have not been established and the database has not been designed. Although modeled after the Chile Puente programme, Koudemain is not able to channel beneficiaries into all relevant programmes without need for additional applications, a fundamental design feature of the Puente programme. In addition, better training and supervision of Koudemain family caregivers is required.

• The Basic Needs Trust Fund and the Poverty Reduction Fund, both community based safety net programmes, were merged into what is now the SSDF. This eliminates duplicative administrative arrangements for community based programmes and the Government is to be congratulated on this effort. In addition to its existing portfolio of community and NGO projects, student assistance, and housing assistance, SSDF was assigned responsibility for two new programmes – the Holistic Opportunities for Personal Empowerment (HOPE) and Koudemain. It will be important to ensure that SSDF does not become overloaded by programmes for which it may not have a comparative advantage as this could weaken the effectiveness of the organisation.

• Sound monitoring mechanisms are absent; therefore, it is not possible to accurately assess whether the rights of children, women, and men regarding social protection are being fulfilled.

• Accountability and control are weak, as evidenced by the fact that policies and procedures are not fully documented, programmes lack formal appeals mechanisms, process and impact evaluations are virtually absent, and not all programmes are audited annually.

• The Ministry of Health has portfolio responsibility for the Division of Human Services and Family Affairs; however, it is not clear that this is an optimal implementing arrangement. Multiple stakeholders identified the need to bring all services targeted to the poor into one Ministry. These stakeholders noted that Human Service programmes (and officers) and Social Transformation programmes (and officers) work in the same communities and often with the same families. Being housed in separate ministries means that they often miss opportunities to realise synergies from their work, especially as it relates to poverty alleviation, domestic violence, and child abuse.

St. Lucia has signed international commitments that mandate provision of social safety nets, including the CRC, CEDAW and UDHR; however, St. Lucia is not living up to its commitments. Social insurance and
the two largest social assistance programmes (SSDF and Public Assistance) are governed by legislation; however, the presence of a legislative framework for key programmes has not been sufficient to ensure realisation of international commitments. The Public Assistance Act was an important step in moving away from the colonial Poor Relief Law; however, the legislation maintains archaic Poor Relief nomenclature and outmoded principles. St. Lucia needs to amend the Public Assistance Act to incorporate more modern social welfare principles.

St. Lucia has as a number of social assistance programmes that could address critical vulnerabilities; however, programmes suffer from a number of constraints. St. Lucia faces significant challenges in providing a sustainable safety net that protects the most vulnerable. Challenges are as follows:

- The Government of St. Lucia does not have a clearly articulated social protection strategy and the social safety net is comprised of a set of programmes without clear priorities or sufficient coherence and with unrealised possibilities for synergies between programmes.

- The social safety net does not adequately protect children, single parents (who are predominantly women) or the working age poor (with or without children) and could do a better job of promoting human capital development.

- A priority for strengthening the safety net is to improve targeting outcomes of all targeted programmes, including Public Assistance, fee waivers for school meals, textbooks, and medical care. This would promote the pro-poor focus of the safety net.

- Education based safety nets need to be rationalised. Because multiple programmes provide education supports and each programme has a separate application procedure, clients may need to make multiple applications at multiple locations in order to receive all of the assistance required to send their children to school. This increases time and out-of-pocket costs for poor families and places an onerous burden on the extremely poor. It also increases possibilities for system abuse by households that are not needy.

- HOPE is designed as a short-term employment programme; however, participants are required to participate in training. Unemployed workers and/or the working poor who do not want or need to participate in this training do not have access to income from a public works programme.

- Day care for young children of poor families cannot meet demand and a significant share of young children never attend pre-school and early childhood interventions are not well positioned to reduce vulnerability.

- The Koudemain programme is a pilot; however, it is not clear whether this represents a sustainable model for St. Lucia. The programme is being expanded despite the lack of monitoring indicators and a management information system. This makes effective monitoring and evaluation impossible. The pilot also commenced without sufficient attention to capacity building.

- Facilities for residential care and protection of children are inadequate. The mixing of boys in care and protection with boys in conflict with the law at the Boys Training Centre violates
principles of best practices for care and protection of children and this situation needs to be addressed urgently. Opening of a residential facility for girls at Upton Gardens and construction of a short-term residential facility for boys and girls and a Therapeutic Centre is underway and will partially fill the gap.

- The MOH has portfolio responsibility for Human Services; however, this does not seem to be the best institutional home for the Division. Moving Human Services to the MOSTYS, which implements other major programmes targeted to poor and vulnerable households and communities, would facilitate synergies and economies of scale in programming for vulnerable households and communities, targeting, and information management.

- Government needs to ensure that individual programmes and the system as a whole incorporate principles of effective risk management so that it can better respond to vulnerability.

- St. Lucia would benefit from a public information campaign to inform citizens about safety net programmes available to them.

Matching Programmes to Vulnerabilities

St. Lucia has a number of safety net programmes, which if reconfigured could address critical risks faced by the population. Although the elements of an appropriate safety net are present, there is a need to strengthen and rationalise programmes to ensure that they better address priority vulnerabilities. Coverage of target groups is low for Public Assistance, student support schemes, and programmes for vulnerable infants and young children and efforts to expand coverage will be necessary. Given limited fiscal space, meeting challenges will require a reallocation of budget toward areas with relatively high returns and away from areas with relatively low returns.

Recommendations

St. Lucia’s safety net strategy should focus on reducing vulnerability via the following:

Social Assistance Programming

- Strengthen the Public Assistance Programme
- Rationalise provision of education based safety nets
- Add a window in HOPE for workers who do not need nor wish to participate in training
- Expand supply and promote participation in early childhood programmes for infants and young children who are poor and vulnerable
- Promote participation of vulnerable adolescents and youth in second chance education and training

Cross Cutting Issues

- Develop a Social Assistance Strategy
- Establish a Central Beneficiary Identification System and Central Beneficiary Registry
- Institutionalise monitoring and evaluation capacity
- Enhance accountability and control for social assistance programmes
- Establish emergency response capacity
- Develop implementation capacity
I. Introduction

I.A. Background

St. Lucia, with an estimated population of 173,200, has good social indicators. The 2008 Human Development Report ranks St. Lucia as a high development country, with a ranking of 66 out of 179 countries.\(^1\) St. Lucia has a relatively young population – 26% are under 16 years old and 9% are 60+. Life expectancy at birth is 72 years for men and 78 years for women. Approximately 31% of the population lives in urban areas.

Good social indicators are evidence of the significant investments in social development in St. Lucia. St. Lucia provides free primary medical care; however, all other services, including pharmaceuticals, laboratory tests, x-rays, and hospital care are on a fee-for-service basis. Access to antenatal care stands at 99% and access to a skilled medical practitioner at birth is universal. As a result, infant mortality (13.7 per 100,000) and under-five mortality rates (18.1 per 100,000) are low.\(^2\) Education is free, although there are ancillary fees for maintenance and examinations and students must purchase their textbooks. In 2006, the net enrolment rate was 99% for males and 97% for females. Secondary enrolment, especially among boys, is much lower.\(^3\) Adult literacy stands at 95%.\(^4\)

Despite their overall impressive social development, St. Lucians face a number of risks and, in most cases, the poor are most vulnerable. In recent years, the country has faced a deterioration of its fiscal situation due to negative external commodity price shocks (particularly food and fuel which have moderated since reaching a peak in 2008) and a downturn in government revenue in the face of the global economic crisis. These factors make it difficult for St. Lucia to provide adequate social assistance for its populace during this time of increasing need for safety net programmes.

St. Lucia faces significant challenges in ensuring an adequate safety net in the face of economic pressures and the changing social landscape. This Social Safety Net Review examines St. Lucia’s social safety net from the perspective of risk and vulnerability and risk management. The objective of the review is to:

- Analyse the main risks faced by St. Lucians and identify the most vulnerable groups in society
- Examine social assistance programmes, including their design, administration, coverage, and targeting vis-à-vis the most vulnerable St. Lucians
- Recommend ways that Government can rationalise and strengthen social assistance programmes
- Provide guidance on how to effectively support Government’s efforts in strengthening social assistance

\(^1\) Ranking is based on a composite measure that covers three dimensions of human welfare: income, education and health and that serves as an indicator of well-being.

\(^2\) UNICEF, Child Info, on-line database.

\(^3\) ibid.

The report begins with an overview of socio-economic vulnerabilities and risks facing girls, boys and women. Chapter II includes an assessment of access to child and gender sensitive social safety net programmes. Chapter III analyses the coverage of existing safety net programmes and identifies gaps and overlaps and potential complementarities of programmes. Chapter IV provides recommendations for strengthening the social safety net.

I.B. Definitions of the Social Safety Net

Safety assistance or “safety nets” are noncontributory transfer programmes targeted to the poor or vulnerable. Safety nets are part of a broader social protection system that typically includes some combination of social insurance, social assistance programmes, labour market programmes and legislation. Social insurance (for example, retirement, disability, and health insurances) helps to mitigate the impact of the shock once it has occurred. Safety net programmes reduce the welfare loss after such a shock has occurred. A country’s safety net typically includes some combination of cash and in-kind transfers, subsidies, workfare, social care services, and community based interventions. Safety nets help to alleviate extreme or chronic poverty (ensuring a minimum standard of living), and enable chronically poor households to eventually overcome their situation. Social safety net programmes are designed to help poor and vulnerable individuals and households cope with temporary or chronic poverty by providing income support and access to basic services. More recently, emphasis has been placed on social protection as a tool for promoting human development and economic growth.

Social protection, which by definition includes safety nets, is justified on the basis of economic growth and rights-based arguments and is critical in periods of economic crisis and natural disasters (Box 1). The current global financial crisis and its predicted impact on St. Lucia speak to the importance of reinforcing the fundamentals of St. Lucia’s social assistance system. As this report discusses, this will require systemic change.

<table>
<thead>
<tr>
<th>Box 1: Rationale for Social Protection</th>
</tr>
</thead>
</table>
| Rights based arguments for social protection are grounded in the articles of various international covenants that countries in ESA have signed, including the Convention on the Rights of the Child (CRC), the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and the Universal Declaration of Human Rights (UDHR) and International Labour Organisation (ILO) minimum standards for social security. These international agreements establish social protection as an entitlement and not charity. These agreements call for a global compact on social protection and a global socio-economic ‘floor’, or minimum standard of living. The rights based approach places clear obligations on States to guarantee social protection and to enable citizens to claim their social protection rights, and thus argues for accountability mechanisms and institutional capacity to guarantee the appropriate design and delivery of social protection.  

Economic arguments for social protection are rooted in the notion that market failures such as incomplete insurance or credit markets, and asymmetric information, lead to sub-optimal responses by individuals. These sub-optimal responses reduce economic productivity and thus inhibit a country from achieving its full growth potential. Safety net programmes can play four roles in development. Safety nets redistribute income to the poorest and most vulnerable, with an immediate impact on poverty and inequality. Access to social protection means that households do not have to fall back on coping strategies that can have irreversible impoverishing impacts on

---

5 Some organisations also include targeted housing benefits in their definitions of social protection, while other organisations, particularly the World Bank, do not include housing programmes. This report does not include housing programmes.
families and children, such as asset depletion, removing children from school or reducing their daily caloric and nutrient intake. Safety nets can enable households to make better investments in their future, including investments in the human capital of their children and in the livelihoods of the earners. An adequate and permanent social assistance system can help to fulfill redistributive goals freeing other sectors to concentrate on efficient provision of services. For example, energy sectors can price for efficiency and trade policy can focus on growth rather than job protection. Short-term safety net programmes can also compensate households that are negatively affected by needed reforms.

This report focuses on publicly financed safety nets. This includes programmes funded by government or by official international aid. Most of these are delivered by the state, although non-governmental organisations are also involved.

Safety net interventions form an important and complementary role with regard to national economic and social policies for poverty reduction and human development. In St. Lucia, these instruments include free access to primary health care and education, increasing access to housing, water and sanitation, youth development programmes and policies, rural development, livelihoods and employment strategies and others. These policies are articulated in a number of social policy frameworks, including the Interim Poverty Reduction Strategy and Action Plan and the Medium Term Development Strategy. A National Poverty Reduction Strategy will be prepared in 2009. Other policy statements include, inter alia, the Policy on Aging, the National Youth Policy, the National Education Policy, and the Policy on Disability. This report complements these policy documents by providing specific guidance on strengthening the social safety net.

I.C. Methodology

This report relies on data from a variety of sources, including preliminary data from the 2005/06 Country Poverty Assessment (CPA), the 2004 Core Welfare Indicators Questionnaire (CWIQ) other reports, reviews, and secondary data sources. Government Estimates of Expenditure and programme level information were reviewed. Individual and group meetings with policy makers, programme managers, social workers, community development officers, and programme staff were also conducted. Meetings were held with beneficiaries of selected social assistance programmes.

II. Socio-Economic Vulnerabilities and Risks

Households in St. Lucia face a variety of risks, including macro level (covariate) and micro-level (idiosyncratic) risks and some St. Lucians are more vulnerable as a result of these risks. These vulnerabilities determine the requirements for the social safety net. In order to better understand vulnerability in St. Lucia, this chapter discusses macro-level risks, poverty as a key risk factor, and the risks that St. Lucians face at different stages of the lifecycle.
II.A. Economic Vulnerability

St. Luca has a GNI per capita (in PPP) of US$9,190\textsuperscript{6} and is classified as an upper-middle income country; however the economy is very vulnerable to external shocks. The economy is heavily dependent on services which account for over 75\% of GDP. After a sharp contraction in 2001, and little growth in 2002, the economy experienced a period of growth until 2006. However, growth slowed in 2007 and 2008 and is projected to contract in 2009 with no growth projected for 2010 (Figure 1).

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1_gdp_growth.png}
\caption{GDP Growth, 2001 - 2010}
\end{figure}

Source: World Development Indicators database, April 2009

Despite its upper-middle income status, economic successes are fragile and St. Lucia is vulnerable to external shocks, such as hurricanes, commodity price fluctuations, and global economic turndowns. St. Lucia is ranked as a highly vulnerable state as measured with respect to volatility of real per capita GDP and output, with a ranking as the 19\textsuperscript{th} most vulnerable country out of 111 developing countries.\textsuperscript{7} St. Lucia, like other small island states, is also environmentally vulnerable. This is due to limited assimilative capacity, fragile ecosystems, natural disasters, the impact of economic development on the environment, and the potential impacts of climate change.

Global price increases in food and fuel impacted negatively on St. Lucia although there has been some reduction in commodity price increases in 2009. Annual inflation was estimated at 7.2\% in 2008 (Figure 2). Inflation is projected to decline in 2009 as a result of the slowdown of the global economy and decline in commodity prices in world markets.\textsuperscript{8}

\textsuperscript{6} World Development Indicators database, April 2009.
\textsuperscript{8} IMF (2009) World Economic Outlook, Washington, DC.
St. Lucia is facing a slowdown in growth as well as job losses and declining remittances. Despite the overall increase in tourist arrivals, heavy hotel discounts combined with shorter stays has weakened revenue. The global slowdown has also weakened remittance flows.9

After significant declines in unemployment between 2004 and 2007, unemployment climbed from a low of 13.6% in 2007 to 17.4% in the first quarter of 2009 (Figure 3). The unemployment rate among women stood at 19.5% in contrast to 15.6% among men. Three out of four unemployed workers have been out of work for six months or longer. Youth unemployment is a significant concern, with 37.0% of women and 35.6% of men between the ages of 15 and 24 years unemployed.10 Moreover, these unemployment figures do not include discouraged workers who have withdrawn from the labour market because they couldn’t find work. Unemployment increases demand on the social safety net and the design of the safety net needs to be sensitive to temporary increases in unemployment and to structural unemployment.
St. Lucia is characterised by a significant share of informal sector employment and informality has implications for the demand for safety assistance. Thirty-eight per cent of total employment is in informal home-based enterprises that produce some products for the market (HUEMs); for example, craft producers, tailors, seamstresses, and small bakers, with 27% of total employment in informal HUEMs and 11% in more formal HUEMs. Fifty-six per cent of total employment is in incorporated enterprises (public and private). At the same time, social insurance coverage is lower in informal HUEMs (24%), than in more formal HUEMs (55%) and incorporated enterprises (77%).

I.B. Social Vulnerability

The population is undergoing a demographic transition. The Total Fertility Rate was 2.2 in 2008 and is projected to fall to 1.9 by 2021. The combined effects of declining fertility and increasing life expectancy have resulted in a gradual aging of the population and this trend will continue. The total population is projected to increase to 202,000 by 2033 with the proportion of persons 65 years and older increasing to 14% (Figure 4).

![Figure 4: Population Projections by Age Group]


St. Lucia, like other countries in the region, is characterised by its high proportion of female-headed households (42.5%). About 35% of female household heads are not in a union, in contrast to 21% of male-headed households. Forty-one per cent of male heads of household are married as compared to 14% of female heads of households. Half of the female household heads are unemployed compared to slightly more than one quarter of the male household heads. Sixty-one per cent of children live in non-nuclear households. Of these, 42% live with only their mother. The urban poor have a very high incidence of children in non-nuclear households, estimated at 68%, with 71% of children in Castries living in non-nuclear households.

11 Department of Statistics, Survey of Enterprises (date unknown)
A central feature of the social landscape in St. Lucia is international migration, including migration within the sub-region and migration to countries outside the Caribbean. Migration may be formal or informal and may involve temporary, circular, or permanent mobility. Net outward migration averages about 400 persons per year, but this is projected to slow to about 300 persons per year over the next decade. This has implications for persons left behind—negatively through separation of families but positively through remittances (estimated 3.2% of GDP in 2007). Remittances are an essential part of the informal safety net but are predicted to decline in 2009. This could result in increasing demand on the public safety net.

The burden of disease is a growing concern in St. Lucia. This includes non-communicable diseases, particularly diabetes, heart disease and obesity, as well as communicable diseases, especially HIV/AIDS. Non-communicable diseases place an increasing strain on health sector and household resources. High blood pressure is the most prevalent lifestyle disease affecting residents and diabetes ranks second (high blood pressure, 67%; diabetes, 35%; heart condition, 12%; cancer, 2%). The burden of disease falls more heavily on women and on the poor. Women are more likely to suffer from a lifestyle disease than men, with 66% of women and 33% of men reporting that they suffer from at least one lifestyle disease. The incidence of disease is evenly distributed across quintiles; however, the poor are less likely to have health insurance—less than 6% of the poorest quintile compared to 41% of the wealthiest had health insurance. By the end of the 3rd Quarter 2007, six hundred and forty eight (648) HIV cases were diagnosed, 341 AIDS cases had developed and 288 AIDS patients had died. During 2007, 36 new male cases of HIV infection and 26 new female cases were registered. At the end of 2007 the adult HIV/AIDS prevalence rate was estimated to be 0.23%.

The incidence of crime and violence is also a concern across the Caribbean and St. Lucia has not escaped. As seen in Table 1, there is reason to be concerned about security issues. Crime and violence impose significant direct costs in terms of the value of resources used to prevent violence and treat its victims and perpetrators, and non-monetary costs in terms of pain and psychological trauma that can have long-term effects on victims. Crime and violence have economic multiplier effects with resulting impacts on human capital, labour force participation, lower wages and incomes, savings, and macroeconomic growth. Finally, crime and violence erode social capital and lower quality of life.

<table>
<thead>
<tr>
<th>Table 1: CRIME STATISTICS, 2003 - 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Murder</td>
</tr>
<tr>
<td>2003: 33</td>
</tr>
<tr>
<td>2004: 31</td>
</tr>
<tr>
<td>2005: 34</td>
</tr>
<tr>
<td>2006: 43</td>
</tr>
<tr>
<td>2007: 25</td>
</tr>
<tr>
<td>Theft/Stealing</td>
</tr>
<tr>
<td>2003: 2,481</td>
</tr>
<tr>
<td>2004: 2,659</td>
</tr>
<tr>
<td>2005: 1,813</td>
</tr>
<tr>
<td>2006: 1732</td>
</tr>
<tr>
<td>2007: 1,823</td>
</tr>
<tr>
<td>Robbery</td>
</tr>
<tr>
<td>2003: 327</td>
</tr>
<tr>
<td>2004: 388</td>
</tr>
<tr>
<td>2005: 422</td>
</tr>
<tr>
<td>2006: 377</td>
</tr>
<tr>
<td>2007: 401</td>
</tr>
<tr>
<td>Burglary</td>
</tr>
<tr>
<td>2003: 1,901</td>
</tr>
<tr>
<td>2004: 1,905</td>
</tr>
<tr>
<td>2005: 2,062</td>
</tr>
<tr>
<td>2006: 2,117</td>
</tr>
<tr>
<td>2007: 1,802</td>
</tr>
</tbody>
</table>

Source: Royal Saint Lucia Police Force

---

17 Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.
II.C Poverty and Vulnerability

Good social indicators exist alongside high and increasing levels of poverty – 25.1% in 1995 and 28.8% in 2005/06. In 2005/06, 21.4% of households were poor. Poverty increased between 1995 and 2005/06; however, given the lack of regular poverty monitoring data, it is impossible to tell whether the increase was gradual or if the increase is a recent by-product of the global economic crises. Although poverty increased, there has been a significant decline in the severity of poverty. Between 1995 and 2005/06, indigence rates declined - from almost 7.1% in 1995 to 1.6% in 2005/06 (Figure 5). This means that while more persons are living in absolute poverty, they are better able to provide for basic needs than in past years.

As reported above, over 28% of St. Lucians are poor and, as in most countries around the world, children bear the brunt of poverty. Over 50% of the poor are under the age of 20 and the incidence of poverty is higher among children than among adults (Figure 6).

---

20 The estimate for the indigence line was EC$ 1,570 (US$588) annually and the poverty line was EC$5,086 (US$ 1,904) per annum.
Gender and poverty are not clearly linked. Of the 28.8% of the population living below the poverty line in 2005/06, 51.3% were male and 48.7% were female. The incidence of poverty is slightly higher among men than among women, 29% and 25% respectively (Figure 7). The incidence of poverty among female headed households (21.2%) is about the same as among male headed households (22%).

![Figure 7: The Incidence of Poverty by Gender](image)

Sources: Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.

Around 7% of households report that they often or always had a problem satisfying food needs and sometimes 19% had difficulty. Larger households had more difficulty satisfying food needs. The poorest households have a higher level of difficulty in meeting food needs, with about 16% reporting that they often or always had a problem. Information on differences between male- and female-headed households was not available.

Despite its small size, geographic variations in poverty are considerable and this means that women and children in these parishes are more at risk. Although the incidence of poverty is lowest in Castries and suburban Castries, these districts are home to the largest share of the poor. Indigence is more prevalent in Castries City, Anse-La-Raye/Canaries, Vieux-Fort, and Micoud (Figures 8 and 9).

---

21 Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.
Poor households are typically larger than their wealthier households and have more children. Households in the poorest quintile typically have more earners, which points to the vulnerability of the poor in the labour market (Table 2). Households with single parents and with three generations are particularly at risk of being poor.\footnote{Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.} These findings have implications for the design of social assistance programmes.
Table 2: Household Size, Children per Household and Earners per Household by Quintile

<table>
<thead>
<tr>
<th></th>
<th>Poorest</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Wealthiest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Size</td>
<td>4.7</td>
<td>4.3</td>
<td>3.9</td>
<td>3.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Children Per Household</td>
<td>1.9</td>
<td>1.5</td>
<td>1.2</td>
<td>0.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Earners Per Household</td>
<td>1.6</td>
<td>1.5</td>
<td>1.3</td>
<td>1.1</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Source: Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.

The poor are more likely to be unemployed than the non poor; however, the majority of the poor are employed. About 80% of the poor are employed and 20% of persons who are employed are poor (Figure 10). This highlights the concern about underemployment. It also means that making persons who are employed or self-employed ineligible for assistance, as is currently done under the Public Assistance Programme, excludes a significant share of poor households.

![Figure 10: Employment Status and Poverty](source)

Poverty is linked to lower levels of education. The incidence of poverty is higher among persons with lower levels of education. Individuals from the wealthiest quintile are likely to complete at least one CXC examination at the end of secondary school and to also have completed some post secondary or tertiary education. On the other hand, persons in the poorest quintile are significantly more likely to have not passed any examinations (Figure 11). Wealth status improves with higher levels of education.
II.D. Risk and Vulnerability through the Lifecycle

Infants and Children

Very young children are particularly vulnerable to nutrition-related risks that retard optimal development, including low birth weight, malnutrition and micronutrient deficiencies, and lack of access to quality day care and pre-school. Low birth weight signifies poor nutrition during pregnancy and raises concerns for the healthy development of the infant. This is of particular concern because the early years (including the period of gestation) are critical to health, cognitive development and behaviour throughout the life cycle.\(^{23}\) Approximately 11% of newborns are low weight and teenage-mothers are more likely to give birth to low-birth weight infants than older women.\(^{24}\)

Children who lack access to quality day care and pre-school are at risk of cognitive deficits. Most children in St. Lucia (81%) do not attend day care and about 22% do not attend pre-school, with no significant differences between boys and girls.\(^{25}\) Information on whether enrolment is linked to income is not available. UNICEF has been working with the Government to develop and implement quality standards for day care and pre-school.

Children between the ages of 5 and 16 are most vulnerable to education-related risks. Particularly vulnerable are children who do not acquire the competencies required for the workplace. Children are also vulnerable to health related risks, particularly related to childhood obesity and micronutrient deficiencies.

---

\(^{23}\) See the Lancet Series on Early Childhood Development, Volume 369, Jan.6, 2007.


St. Lucia has achieved universal primary education; however, it has not realised its goals of universal secondary education and quality concerns dominate at all levels. In 2006, the percentage of students who passed in the English Language and Mathematics Grade 6 Certificate Examinations was 43% and 3%, respectively. Ninety-eight per cent of students who sit the Common Entrance Examination in Grade 6, move on to secondary level. At secondary level, the percentage of students who passed the 2008 Regional Caribbean Secondary Examination Council Mathematics and English examinations was 34% and 52%, respectively. This means that a significant number of students are unprepared for secondary education and that the majority leave secondary school without the basic competencies required for effective participation in the labour market.  

Child abuse is a risk factor for children of all ages. There are no reliable statistics on child abuse; however, child abuse, including but not limited to sexual abuse, is reported to be a growing concern. From September through December 2008, the Division of Family Affairs intervened in 39 cases of abuse and neglect (19 physical abuses, 8 sexual abuses, and 11 cases of neglect).  

Adolescents and Youth  

The primary risks to adolescents and youth relate to low human capital development and associated unemployment and underemployment and to the outcomes of risky lifestyles. Risk indicators among this age cohort include having no academic or skills certification or training; unemployment; pregnancy rates; HIV/AIDS; substance abuse, and criminal activity.  

Youth are at risk of unemployment driven in large part by low levels of human capital development. Fully, one in ten youth aged 15 – 24 years have no qualifications and another 7% have passed only the Common Entrance Examination, which measures performance at Grade 6 (Figure 12). These young people will have difficulty in participating effectively in the labour market. This finding speaks to the need for second chance education and training.

---

27 Information provided by Division of Family Affairs.  
28 For statistical purposes, the United Nations defines youth as young people between the ages of 15 and 24 years of age; however, policy makers, researchers and project designers typically adopt a wider age range. UNICEF defines adolescents as persons between the ages of 11 and 19 years of age.
Most at risk are unattached youth – youth who are out-of-school and out-of-work. Labour force data indicates that 21% of women and 16% of men who have withdrawn from the labour market are youth aged 18 – 24 years. While some of these may be in school or training and some women may also have withdrawn for child care purposes, a significant number of youth in the labour market have given up looking for a job. International evidence indicates that youth who have withdrawn from the labour market because they have given up trying to find work are typically the least qualified and the most likely to engage in risky behaviours, including crime, unprotected sex and drug consumption.

Youth also face health related risks. Adolescents are at risk of teenage childbearing. In 2004, 19% of live births were to teenage mothers (444 teens). Fifteen per cent of these girls were giving birth to their second child. Fifty-seven per cent of live births were to women age 20-24. Of great concern is the fact that 28 of the girls who were 19 in 2004 were giving birth to their second child and 3 were giving birth to their third child. Among women aged 20 – 24 years, 182 were giving birth to their second child; 87 to their third child, 25 to their fourth child, 9 to their fifth child, and 1 to her sixth child. Early and multiple births increases health related risks to the mother and child, interferes with the education of the mother and decreases her future earning potential, and increases the risk of the intergenerational transmission of poverty. Moreover, approximately half of all new HIV infections occur in youth 15-24 years. Young men are most at risk of violence and drug abuse; however, statistics are not available.

Working Age Adults

Unemployment is the prime risk facing the working-age population. Over 20% of men and women aged 25 to 34 years old are unemployed and this figure increases to over 30% among both men and women aged 35-49. Adults between 50 and 59 years old are less vulnerable to unemployment, with women in this age group having slightly better labour market outcomes than men (Figure 13).

![Figure 13: Unemployment Among Working Age Adults](image)

Source: Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.

---

31 CAREC, online database.
Poverty and low levels of human capital development are closely linked in St. Lucia. As discussed above, persons in the poorest quintile are more likely to have passed no qualifying examinations.

Disability or disease among the working age population makes them vulnerable, as they will lose labour income. Working age adults, especially those who are over the age of 30, are at risk of lifestyle diseases; particularly diabetes, high blood pressure, heart disease and cancer. Socioeconomic status is not related to the prevalence of lifestyle diseases; however, the poor are more at risk because they are the least likely to have insurance coverage (5.7 per cent of the poorest compared with 40.9 per cent of the wealthiest).32

Despite the overall decline in fertility rates, there are pockets of poor women in the population with high levels of fertility. These women are often the victims of chronic or intergenerational poverty. They are usually educated to primary school level only, lack employable skills and face bleak economic prospects. Poverty often drives these women into transient relationships and transactional sex in an effort to sustain themselves and their children.33

Unmarried mothers (and, by extension, their out-of-wedlock children) are more at risk of poverty than married mothers (and their children). There is legal redress for all women wishing to apply for child maintenance. They can do this through the Family Court, which handles all cases of child maintenance and custody and which also handles cases involving domestic violence. Women who do not want to take their ‘child father’ to court will seek assistance from the Department of Human Services and Family Affairs; however, only the Family Court has the power of arrest when child support is not paid as stipulated. A married women is entitled to support that will maintain her and her children at the economic level at which they lived while the couple were together. An unmarried woman is entitled to maintenance of not more than EC$200/month/child. Lack of adequate child care facilities (that match irregular hours of women in the tourist sector) makes it harder for single mothers to enter the labour force or else children may be left alone when their mothers are at work.

Women are also at particular risk of domestic violence. The number of domestic violence cases lodged within the Family Court increased from 281 in 1998 to 431 in 2004 (Table 3). However, statistics on abuse are particularly unreliable and represent only a fraction of actual abuse. Financial dependence leads to women staying in relationships that are not healthy. The Women’s Support Centre provides emergency shelter for abused women and their children and can also provide longer-term housing for a few cases each year. The facility can accommodate about 25 persons at any one time and space is inadequate to meet demand.

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>281</td>
<td>385</td>
<td>482</td>
<td>452</td>
<td>414</td>
<td>386</td>
<td>431</td>
<td>428</td>
<td>591</td>
<td>441</td>
</tr>
</tbody>
</table>

Table 3: New Cases Filed of Domestic Violence Cases Files at the Family Court

Source: Department of Gender Affairs based on data from the Family Court

---

32 Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.
33 Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.
The Elderly

The elderly are most vulnerable to shocks due to loss of income, disease, and disability. One risk indicator is the lack of pension coverage and this is a particular concern for elderly women. In 2006, 27% of persons 60 years and older were in receipt of a pension.\(^{34}\) This means that a significant share of the elderly is vulnerable to poverty during retirement.

Chronic diseases are another risk factor for the elderly. Heart disease and cancer are leading causes of death among the elderly. Isolation, loneliness, neglect, rejection and inactivity are the major social issues affecting older persons.\(^{35}\)

The elderly are particularly vulnerable during natural disasters. A key problem for older people is their invisibility and exclusion during disasters. Older persons may be excluded from income generating activities, public works programmes and micro-credit and livelihood recovery programmes due to arbitrary age restrictions or heavy labour requirements unsuitable for older people.\(^{36}\) It will be important to ensure that older persons whose income is disrupted by a natural disaster have access to income through public works or cash assistance.

Risks Not Related to Age

There are two non-income risks that are not captured in the lifecycle analysis of risks: disability and inadequate housing.

Disability: The 2001 Census reported 6.6% had some level of disability (47.3% are male and 52.7% are female). Fourteen per cent of persons with disabilities are under the age of sixteen; the elderly account for 32% of the disabled population.\(^{37}\) With the aging of the population, the number of persons with disability can be expected to increase. The cause of disability ranges from hereditary/biological to accidents. Vehicular accidents, ‘harm to the person’ crimes, occupational hazards and physical abuse are becoming the major contributors to several forms of disability chief among which is physical disability. This means that a considerable amount of disability is preventable. The situation of persons with disabilities in St. Lucia needs to be better understood; however, internationally we know that persons with disability are less likely to complete their education or to find employment and are more likely to be poor. Programmes for the disabled are limited and include special education programmes and schools, vocational training programmes, and social care services provided by NGOs. Access to primary education is widespread; however, few children with disabilities have access to secondary education. Persons with disabilities are eligible for Public Assistance but the degree to which they are served is unknown.

Housing: Most St. Lucians live in single-family dwellings; however, quality of housing, particularly among the poor, is a concern. Almost one-third of poor households live in wooden structures in contrast to about 10% of the non-poor. About 19% of households in the poorest quintile use coal or

\(^{35}\) St. Lucia National Policy for Older Persons, undated.
wood for cooking. About 75% of poor households have piped water (either inside their house or in their yard) while 58% of poor households use pit latrines and 7.5% have no toilet facilities. Over 80% of poor households have access to electricity. Poor quality housing raises concerns about health and safety for household members of all ages and increases vulnerability to destruction of property and personal injury during hurricanes.

II.E. Conclusions

In assessing safety net programmes we need to ask how well programmes help households to manage their vulnerability to covariate and idiosyncratic risks, including vulnerability due to:

- Chronic poverty and the inter-generational transmission of poverty, transient poverty, and vulnerability to poverty
- Risks that threaten human capital development of children and adolescents, who are particularly vulnerable because they are unable to care for themselves
- Limited human capital, unemployment, and risky lifestyles among youth
- Limited or no income due to underemployment, unemployment, disease, or disability among working age women and men
- Loss of income due to retirement and disease/disability among the elderly
- Needs of special groups, including single headed households, the elderly taking care of children, persons with disabilities, migrants, and persons affected by HIV/AIDS and/or non-communicable diseases

One programme cannot address all of these critical risks and vulnerabilities. What will be required is a range of programmes that, in combination, protect the poor and vulnerable during periods of macro-economic stability, during economic downturns and after hurricanes. St. Lucia faces challenges in responding to crises, however, due to high debt, limited fiscal space, and vulnerability to natural disasters.

Access to child and gender sensitive social safety net programmes and expenditures is assessed in the following chapter.

III. Access to Child and Gender Sensitive Social Safety Net Programmes

This chapter assesses the types of social safety net programmes in St. Lucia and the expenditures on these programmes. The assessment begins with an overview of the social protection landscape and then tracks social safety net expenditures. The chapter ends with an assessment of implementation arrangements and constraints.

III.A. The Social Protection Landscape

This report focuses on social assistance programmes; however, it is important to note that social insurance is a vital part of the social protection landscape. The National Insurance Scheme (NIS),

---

38 Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.
established by the National Insurance Act of 1978, provides retirement, disability, maternity, workers’ injury, and survivors benefits with expenditures totaling EC$50.5 million (US$18.7 million) in 2007. National Insurance is funded by a mandatory 10% payroll tax (5% employer contribution and 5% employee contribution) levied on wages of all employed and self-employed persons, including public sector employees. Approximately 67% of the employed labour force contributes. In 2006, half of all contributors were women. However, women have lower insurable wages than men (EC$1,670 for men and $1,282 for women in 2003) and lower pensions (EC$663 to men and EC$432 to women in 2003). Only a small percentage of self-employed, seasonal, domestic, or informal sector workers contribute. In 2006, there were 4,295 pensions in payment with a fairly even distribution between men and women. This represents about 27% of persons 60 years and older. However, women are less likely to receive retirement pensions and more likely to receive survivors pensions (Table 4). This suggests that women, particularly single women, are less protected by social insurance and that, as a result, their requirements for social assistance are greater.

Table 4: Pension in Payment by Type, 2006/07

<table>
<thead>
<tr>
<th>Pension Type</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement</td>
<td>1,768</td>
<td>1,301</td>
<td>3,069</td>
</tr>
<tr>
<td>Survivors</td>
<td>199</td>
<td>771</td>
<td>970</td>
</tr>
<tr>
<td>Invalidity</td>
<td>132</td>
<td>114</td>
<td>246</td>
</tr>
<tr>
<td>Disablement</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>2,109</td>
<td>2,186</td>
<td>4,295</td>
</tr>
</tbody>
</table>


The MOH implements a universal non-contributory pharmaceutical programme that serves a social insurance function by providing free pharmaceuticals to all diabetics and all diabetics with hypertension, irrespective of income. Information on costs or numbers served is not available. The programme is implemented by the MOH. A number of concerns were highlighted, including inadequate record keeping, an unreliable supply of medications, and possible abuse of the system by doctors and patients.

St. Lucia implements a number of targeted social assistance programmes with three ministries involved in their provision. Programmes include a cash transfer programme, multiple in-kind transfers and services, active labour market programmes, community based programmes, and social care services (Table 5). The ministries with primary responsibility for the provision of social assistance are the Ministry of Social Transformation, Youth and Sports (MOSTYS); the Ministry of Health, Wellness, Family Affairs, National Mobilisation, Human Services and Gender Relations (abbreviated MOH); and the Ministry of Education and Culture (MOEC).

The Public Assistance Programme is targeted to the “needy” and reaches about 25% of poor households. The MOH administers the programme through its Division of Human Services. In April 2009, Public Assistance provided benefits to 2,492 households with total expenditures equal to EC$3.9 million (US$1.5 million) in FY08/09. Direct expenditures on grants to households were equal to about 94% of the total Welfare Services budget. The programme provides a cash benefit equal to EC$135 per

40 Administrative costs are actually higher as reported costs do not include administrative costs, facilities and other operating expenses included as part of the Department’s overall administrative budget.
month for a single person household up to a maximum of $300 per month for households of five or more persons. Applicants are not required to seek child support as a precondition for eligibility for Public Assistance and the Division will assist beneficiaries to obtain maintenance while she is receiving Public Assistance. However, most single mothers are entitled to temporary assistance only.

**There are multiple student support schemes in St. Lucia.** The Book Bursary and Book Rental programmes provide free books to indigent students and rental books to poor students at a total cost of EC$1.2 million (US$0.6 million). Participants in the rental programme pay EC$175/year for rental of books; the Bursary Programme provides books at no cost. In the 2007/08 school year, 725 primary and 406 secondary students received a book bursary and 1,182 secondary students participated in the book rental programme. At current levels, the programmes have the potential to reach about 14% of students who are poor; however, as discussed below, there is considerable leakage to the non-poor. The MOEC provides transportation to school for needy secondary students. The Ministry contracts bus drivers who provided transportation in the 2008/09 school year for 2,200 students at a cost of EC$3.8 million (US$1.4 million). Students pay EC$1/day for roundtrip transportation. The St. Lucia Social Development Fund (SSDF) implements an education assistance programme that provided books and uniforms to approximately 3,000 students in the 2008/09 school year at a cost of EC$0.5 million (US$0.2 million). The National Community Foundation (NCF) provides shoes, uniforms, books, school fees and transportation allowance and supported 144 students in FY2007/08 at a cost of EC$0.2 million (US$0.07 million).

**The School Feeding Programme provides a cooked meal to approximately 7,000 students in 65 infant and primary schools and 11 special schools, with free meals provided to about 1,500 students who are poor.** Students pay EC$1.00 per meal. Schools located in communities identified as extremely poor (based on a poverty map) also provide breakfast. In FY2008/09, expenditures on the school feeding programme were equal to EC$1.3 million (US$0.5 million).

**The MOEC implements two programmes targeted to poor and vulnerable infants and young children.** The Community Day Care Programme provides day care services in 21 Government managed day care centres, most of which are operated in rural community centres. Programme expenditures were EC$1.4 million (US$0.5 million) in FY08/09. Approximately 800 children participated in that year. Parents pay EC$30/month. The Roving Caregivers Programme, also implemented by the MOEC, is an informal early childhood programme that provides parenting education to poor families with infants and young children. Caregivers make regular visits to families. The programme targets the low income communities of Bruce Ville, Boisden, and Anse la Raye and Augier. The programme is funded by the Bernard Van Leer Foundation, the Caribbean Support Initiative and UNICEF and served 200 children in 2008.

**Government implements a number of active labour market programmes aimed at promoting employability and employment, including an employment and training programme, second chance education programmes, training programmes, job search assistance and microenterprise development services.** The Holistic Opportunities for Personal Empowerment (HOPE) programme was established in 2009 with an allocation of EC$9.6 million (US$3.5 million). HOPE provides short-term employment, on-

---

41 Ministry of Education and Culture (2008) Education Statistical Digest. Information on the number of students participating in the rental scheme at the primary level was not provided.

42 Estimates provided by SSDF Financial Officer

43 Information provided by the Student Support Services Unit, MOEC.
the-job training and life skills training, to persons aged 16 – 60. The objective is to place 2,000 persons per year. Participants will be employed for six-months and paid a rate that reflects their skill level and the type of jobs. Placements will be in the public and private sectors. The National Skills Development Centre (NSDC) provides skills training to youth and to older workers. NSDC is funded by Government, the World Bank (WB), and the People’s Republic of China (PRC) with total expenditures for FY08/09 estimated at EC$3.3 million (US$1.2 million). NSDC implements classroom-based skills training for about 2,000 trainees annually (72% women). In addition, NSDC implements the Skills for Inclusive Growth Project, funded by the World Bank, to increase youth employability among youth who do not have the entry requirements for post-secondary vocational training or tertiary education. To date, 1,000 young people have registered. Training is provided through demand driven public/private sector partnerships. The project will also establish an occupational standards framework to improve the value and quality of training and to facilitate harmonisation and portability of certification at least at the regional level. NSDC will also provide training for HOPE participants.

The National Enrichment and Learning Programme (NELP) is implemented by the MOEC and provides adult literacy and skills training. NELP is funded by Government with expenditures equal to EC$0.7 million (US$0.3 million) in FY08/09. Approximately 1,100 persons participated in NELP in that year. The James Belgrave Fund (Belfund), which operates under the auspices of the MOSTYS, provides micro-credit, business development training and support services. The Belfund was established in 2000 with a capitalisation grant from Government of EC$1.3 million (US$0.5 million) and receives an annual subvention from Government in the amount of EC$0.6 million (US$0.2 million). Since commencement, the fund has granted 525 loans, with approximately 52% going to females. The Department of Labour established a job search assistance programme in 2009. To date, 488 job-seekers have registered; however, none have been placed in jobs. The programme receives no fiscal allocation.

The St. Lucia Social Development Fund (SSDF) was established in 2009 through the Poverty Reduction Fund (Amendment) Act of 2009 to bring St. Lucia’s two demand driven community based initiatives, the Poverty Reduction Fund (PRF) and the Basic Needs Trust Fund (BNTF) under one administrative framework. SSDF implements community infrastructure and development projects as well as programmes targeted to individual households. Expenditures on all SSDF (PRF and BNTF) programmes in FY08/09 are estimated at EC$11.6 million (US$4.3 million).44 SSDF, with funding from the Caribbean Development Bank (CDB), implements the BNTF, a demand driven programme that provides funding for access roads, health and education facilities, community markets, and water supplies in poor communities. Expenditures on BNTF were equal to EC$7.6 (US$2.8 million) in FY08/09. SSDF also implements the HOPE programme (described above); an education assistance programme; and a housing assistance programme. It also provides funding to non-governmental organisations for institutional strengthening and capacity building. In addition, SSDF implements Koudemain Ste Lucie, modeled on the Chile Puente Programme, which provides psychosocial support to indigent families.45 Koudemain was established in 2008 with an allocation of EC$1.8 million (US$2.7 million).

Government provides social care services through the MOH Divisions of Family Affairs and Gender Relations. The Division of Family Affairs, through its Child and Family Services Unit, investigates cases where children require care and protection, coordinates foster care and adoption, and provides

44 The reporting period was prior to creation of SSDF though the merger of BNTF and PRF; however, for ease of reference expenditures have been amalgamated and this report refers to the programme as SSDF.
45 See Annex 2 for a description of the Puente Programme.
counseling services for troubled families and children. From September through December 2008, the Unit provided services to 664 families. In July 2009, there were 120 children in foster care. Expenditures on Child and Family Services were equal to EC$0.6 million (US$0.2 million) in FY08/09.\(^{46}\) The Division of Gender Relations provides counseling and residential facilities for abused women, with expenditures equal to EC$0.7 million (US$0.3 million).

**Civil society organisations are actively involved in the provision of second chance education and social care services and many receive subventions from Government.** In FY08/09, MOH and MOSTYS provided subventions to NGO providers of social assistance services in the amount of EC$ 1.1 million (US$0.4 million) and EC$ 0.3 million (US$0.1 million), respectively.\(^{47}\) Recipient organisations include the Upton Garden Girls Centre and the Centre for Adolescent Renewal and Education (both of which provide second chance education, training and self-development services); the Salvation Army which provides food for approximately 300 persons once per week; the Holy Family Children’s Home; six homes for the aged; various organisations for persons with disabilities, and others. The National Community Foundation, funded from the National Insurance Scheme and private donations, provides education grants to approximately 140 students annually, medical assistance grants, and grants to households whose homes have been destroyed by fire.

In addition to the social protection programmes discussed above, Government grants subsidies on selected items and imposes prices controls on basic foodstuffs in an effort to further protect the population. In FY07/08, St. Lucia removed the General Consumption Tax from basic food items as part of the CARICOM Common External Tariff Agreement, a regional response to the high cost of living. This agreement remains in effect until 2010. Government subsidises fertiliser and the price of flour, sugar and rice, and has placed an additional 15 basic food and health-related goods under price controls, involving maximum wholesale and retail margins. Government estimates that approximately EC$7 million was spent in maintaining prices in FY08/09 and a provision of EC$10 million was made in the FY09/10 budget to compensate for price increases.\(^{48}\)

---

\(^{46}\) Disaggregated expenditure data not provided for FY2008/09.

\(^{47}\) These expenditures are an estimate derived by subtracting grants to international, sporting, and youth organisations; BNTF; PRF; the BelFund; and the National Conservation Authority from total ministry grants outlays.

<table>
<thead>
<tr>
<th>Implementing Agency/ Supervisory Responsibility</th>
<th>Target Group</th>
<th>Objective</th>
<th>Targeting Mechanism</th>
<th>Source of Funding</th>
<th>ECS 2008/09 Revised Estimates ('000,000)</th>
<th>USS 2008/09 Revised Estimates ('000,000)</th>
<th>% of GDP</th>
<th>Number Served 2008/09</th>
<th>Benefits Provided (ECS, where applicable)</th>
<th>Duration of Assistance</th>
<th>Periodicity</th>
<th>Legislativ Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash (Near Cash) Programmes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Assistance</strong></td>
<td>Division of Human Services/ MOH</td>
<td>Needy Persons</td>
<td>Poverty Relief</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>3.9</td>
<td>1.4</td>
<td>0.14</td>
<td>2,492 (as at April 2009)</td>
<td>Cash benefit of ECS$135 per month / single person. Maximum of ECS$300 per month / households of five or more persons</td>
<td>indefinite</td>
<td></td>
</tr>
<tr>
<td><strong>In-Kind Programmes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Student Welfare Assistance</strong></td>
<td>Student Support Services Unit/MOEC</td>
<td>Poor children</td>
<td>Promote school enrolment and attendance</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>0.7</td>
<td>0.3</td>
<td>0.03</td>
<td></td>
<td>Free and rental textbooks</td>
<td>While enrolled in school</td>
<td>Duration of primary school; secondary school students reapply annually;</td>
</tr>
<tr>
<td><strong>School Feeding Programme</strong></td>
<td>Student Support Services Unit/MOEC</td>
<td>Poor primary school students</td>
<td>Increase enrolment, attendance, performance</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>1.3</td>
<td>0.5</td>
<td>0.05</td>
<td>1,500</td>
<td>Free school meal</td>
<td>While enrolled in school</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>School Transport Programme</strong></td>
<td>Planning Unit/MOEC</td>
<td>Poor children</td>
<td>Promote school enrolment and attendance</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>3.8</td>
<td>1.4</td>
<td>0.14</td>
<td>2,200</td>
<td>Transport to school</td>
<td>While enrolled in school</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>Education Assistance</strong></td>
<td>SSDF/MOST</td>
<td>Poor children</td>
<td>Promote school enrolment and attendance</td>
<td>Means tested</td>
<td>EU/SFA</td>
<td>0.5</td>
<td>0.2</td>
<td>0.02</td>
<td>3,000</td>
<td>Books &amp; uniforms</td>
<td>While enrolled in school</td>
<td>Annually</td>
</tr>
<tr>
<td><strong>Education Assistance</strong></td>
<td>National Community Foundation</td>
<td>Poor children</td>
<td>Promote school enrolment and attendance</td>
<td>Means tested</td>
<td>NIS, donations</td>
<td>0.2 (2007/08)</td>
<td>0.07</td>
<td>0.0</td>
<td>144</td>
<td>Books, uniforms &amp; transport, meal, facility &amp; exam fees</td>
<td>While enrolled in school</td>
<td>Annually</td>
</tr>
<tr>
<td>Implementing Agency/Supervisory Responsibility</td>
<td>Target Group</td>
<td>Objective</td>
<td>Targeting Mechanism</td>
<td>Source of Funding</td>
<td>ECS 2008/09 Revised Estimates ('000,000)</td>
<td>USS 2008/09 Revised Estimates ('000,000)</td>
<td>% of GDP</td>
<td>Number Served 2008/09</td>
<td>Benefits Provided (ECS, where applicable)</td>
<td>Duration of Assistance</td>
<td>Periodicity</td>
<td>Legislativ e Mandate</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------</td>
<td>-----------</td>
<td>---------------------</td>
<td>------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------</td>
<td>--------</td>
<td>--------------------</td>
<td>------------------------------------------</td>
<td>------------------------</td>
<td>------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Community Day Care</td>
<td>Early Childhood Unit/MOEC</td>
<td>Low-income children</td>
<td>Enhanced cognitive development</td>
<td>Self-referral</td>
<td>General Revenues</td>
<td>1.4</td>
<td>0.5</td>
<td>800 children</td>
<td>Day Care Services</td>
<td>Until enter pre-school</td>
<td>Once</td>
<td>none</td>
</tr>
<tr>
<td>Roving Caregivers</td>
<td>Early Childhood Unit/MOEC</td>
<td>Low-income children</td>
<td>Enhanced cognitive development through improved parenting</td>
<td>Geographic targeting</td>
<td>Bernard van Leer/UNICEF</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>200 Parenting Education</td>
<td>Two-years</td>
<td>Once</td>
<td>none</td>
</tr>
<tr>
<td>Disaster Assistance</td>
<td>National Community Foundation</td>
<td>Poor households</td>
<td>Assist poor households facing unanticipated shock</td>
<td>Means tested</td>
<td>NIS, donations</td>
<td>0.01</td>
<td>0.0</td>
<td>0.0</td>
<td>15 ECS800 for replacement of household goods</td>
<td>One-off payment</td>
<td>Once</td>
<td>National Community Foundation Act</td>
</tr>
<tr>
<td>Disaster Assistance</td>
<td>Division of Human Services/ MOH</td>
<td>Households experiencing fire</td>
<td>Assist poor households facing unanticipated shock</td>
<td>Proof of fire and no insurance</td>
<td>General Revenues</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>$500 - $2000 grant</td>
<td>One-off payment</td>
<td>Once</td>
<td>Public Assistance Act #17/1967 &amp; 1999</td>
</tr>
<tr>
<td>Burial Assistance</td>
<td>Division of Human Services/ MOH</td>
<td>Poor households</td>
<td>Assist poor households with burial of family member</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>One-off payment</td>
<td>Once</td>
<td>Public Assistance Act #17/1967 &amp; 1999</td>
</tr>
<tr>
<td>Fee Waivers for Medical Care</td>
<td>Victoria Hospital/ MOH</td>
<td>Poor households</td>
<td>Increase access to medical care</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>894 Fee waiver for public sector providers</td>
<td>1 year</td>
<td>Reapply annually</td>
<td>none</td>
</tr>
<tr>
<td>Medical Assistance</td>
<td>National Community Foundation</td>
<td>Poor households</td>
<td>Increase access to medical care</td>
<td>Means tested</td>
<td>NIS, donations</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>34 Payment of transportation and fees</td>
<td>One-off payment</td>
<td>Reapply for each benefit</td>
<td>National Community Foundation Act</td>
</tr>
<tr>
<td>Implementing Agency/Supervisory Responsibility</td>
<td>Target Group</td>
<td>Objective</td>
<td>Targeting Mechanism</td>
<td>Source of Funding</td>
<td>ECS 2008/09 Revised Estimates ('000,000)</td>
<td>USS 2008/09 Revised Estimates ('000,000)</td>
<td>% of GDP</td>
<td>Number Served 2008/09</td>
<td>Benefits Provided (ECS, where applicable)</td>
<td>Duration of Assistance</td>
<td>Periodicity</td>
<td>Legislativ e Mandate</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------</td>
<td>-----------</td>
<td>---------------------</td>
<td>-------------------</td>
<td>-----------------------------------------</td>
<td>-----------------------------------------</td>
<td>----------</td>
<td>----------------------</td>
<td>------------------------------------------</td>
<td>-----------------------</td>
<td>------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Medical Assistance</td>
<td>MOH</td>
<td>Poor households</td>
<td>Increase access to medical care</td>
<td>Means tested</td>
<td>General Revenues</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>Maximum of $5,000 for overseas medical care</td>
<td>One-off payment</td>
<td>Once</td>
<td>none</td>
</tr>
<tr>
<td>Housing Assistance</td>
<td>SSDF/MOSTYS</td>
<td>Poor households</td>
<td>Improve housing</td>
<td>Means tested</td>
<td>EU/SFA II</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>70</td>
<td>Maximum of $18,000</td>
<td>One-off payment</td>
<td>none</td>
</tr>
<tr>
<td>Active Labour Market Programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOPE</td>
<td>SSDF/MOSTYS</td>
<td>Unemployed persons</td>
<td>Short-term employment and enhanced employability</td>
<td>Self</td>
<td>(WB)/CDB/General Revenues</td>
<td>9.6 (2009)</td>
<td>3.5</td>
<td>0.34</td>
<td></td>
<td>Employment and training</td>
<td>6 months</td>
<td>Maximum of two cycles in a two year period</td>
</tr>
<tr>
<td>National Skills Development Centre</td>
<td>MOEC</td>
<td>Persons in need of skills training</td>
<td>Enhanced employability</td>
<td>Self</td>
<td>General Revenues/WB/PRC</td>
<td>3.3</td>
<td>1.2</td>
<td>0.12</td>
<td>2000</td>
<td>Training and job search assistance</td>
<td>Unlimited</td>
<td>By course</td>
</tr>
<tr>
<td>National Enrichment Learning Programme</td>
<td>MOEC</td>
<td>Persons with low literacy</td>
<td>Improved literacy and employability</td>
<td>Self-Targeted</td>
<td>General Revenues</td>
<td>0.7</td>
<td>0.3</td>
<td>0.02</td>
<td>1,134 (07/08)</td>
<td></td>
<td>Unlimited</td>
<td></td>
</tr>
<tr>
<td>Belfund</td>
<td>MOSTYS</td>
<td>Unemployed persons</td>
<td>Self-employment and job creation</td>
<td>Self</td>
<td>General Revenues</td>
<td>0.6</td>
<td>0.2</td>
<td>0.02</td>
<td>300</td>
<td>Micro-credit and training</td>
<td>Unlimited</td>
<td>n.a.</td>
</tr>
<tr>
<td>Job Search Assistance</td>
<td>MOL</td>
<td>Unemployed persons</td>
<td>Unemployment reduction</td>
<td>Self</td>
<td>General Revenues</td>
<td>No budgetary allocation</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td>As needed</td>
<td>As needed</td>
<td>None</td>
</tr>
<tr>
<td>CARE</td>
<td></td>
<td>Youth-at-risk</td>
<td>Labour market integration</td>
<td>Self-targeted</td>
<td>Government Subventions</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>220</td>
<td>Education and training</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Community Based</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSDF (formerly PRF and BNTF) )</td>
<td>SSDF/MOSTYS</td>
<td>Poor Communities</td>
<td>Community Development</td>
<td>Geographical ly targeted and Means Tested</td>
<td>General Revenues/CDB/EU</td>
<td>9.8</td>
<td>3.6</td>
<td>0.44</td>
<td>Varies by programme</td>
<td>Varies by programme</td>
<td>Varies by programme</td>
<td>PRF Amendment 2009</td>
</tr>
<tr>
<td>Social Care Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Koudemain Ste Lucie</td>
<td>SSDF/MOSTYS</td>
<td>Indigent Households</td>
<td>Poverty Alleviation</td>
<td>Means tested</td>
<td>EU Stabex/General Revenues</td>
<td>1.8</td>
<td>0.7</td>
<td>0.07</td>
<td>44 in 2009</td>
<td>Psychosocial support &amp; referrals</td>
<td>2 years</td>
<td>Once</td>
</tr>
<tr>
<td>Implementing Agency/Supervisory Responsibility</td>
<td>Target Group</td>
<td>Objective</td>
<td>Targeting Mechanism</td>
<td>Source of Funding</td>
<td>ECS 2008/09 Revised Estimates ('000,000)</td>
<td>USS 2008/09 Revised Estimates ('000,000)</td>
<td>% of GDP</td>
<td>Number Served 2008/09</td>
<td>Benefits Provided (ECS, where applicable)</td>
<td>Duration of Assistance</td>
<td>Periodicity</td>
<td>Legislativ Mandate</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------</td>
<td>-----------</td>
<td>---------------------</td>
<td>------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------</td>
<td>--------</td>
<td>----------------------</td>
<td>---------------------------------------------</td>
<td>---------------------</td>
<td>------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Family Services</td>
<td>Division of Human Services/MOH</td>
<td>Dysfunctional Families, children in need of care &amp; protection</td>
<td>Care and Protection</td>
<td>Referral and self-referral</td>
<td>General Revenues</td>
<td>0.6</td>
<td>0.2</td>
<td>0.02</td>
<td>Counseling and therapeutic services</td>
<td>As needed</td>
<td>As needed</td>
<td>None</td>
</tr>
<tr>
<td>Upton Gardens Girls Centre</td>
<td>Division of Human Services/MOH</td>
<td>At-risk adolescent girls</td>
<td>Care and Protection</td>
<td>Referral and self-referral</td>
<td>General Revenues, grants and donations, WB</td>
<td>0.4</td>
<td>0.1</td>
<td>0.01</td>
<td>20</td>
<td>Counseling, education, counseling</td>
<td>Indefinite</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Boys Training Centre</td>
<td>Boys Training Centre/MOSTYS</td>
<td>Boys in need of Care and Protection/Boys in Conflict with the Law</td>
<td>Care and Protection/Rehabilitation</td>
<td>Referral</td>
<td>General Revenues, WB</td>
<td>1.5</td>
<td>0.6</td>
<td>0.06</td>
<td>19</td>
<td>Residential care</td>
<td>3 years</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Senior Citizens Home</td>
<td>Division of Human Services/MOH</td>
<td>Care and Protection</td>
<td>Referral and self-referral</td>
<td>General Revenues, WB</td>
<td>1.2</td>
<td>0.5</td>
<td>0.04</td>
<td>53 (in May 2009)</td>
<td>Residential care</td>
<td>Indefinite</td>
<td>Not applicable</td>
<td>None</td>
</tr>
<tr>
<td>Transit Home</td>
<td>Division of Human Services/MOH</td>
<td>Children in need of temporary Care and Protection</td>
<td>Care and Protection</td>
<td>Referral and self-referral</td>
<td>General Revenues, WB</td>
<td>1.0</td>
<td>0.4</td>
<td>0.04</td>
<td>Under construction</td>
<td>Short-term Residential care</td>
<td>6 months – 1 year</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Therapeutic Centre</td>
<td>Division of Human Services/MOH</td>
<td>Dysfunctional Families</td>
<td>Care and Protection</td>
<td>Referral and self-referral</td>
<td>General Revenues</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Under construction</td>
<td>Counseling and therapeutic services</td>
<td>Indefinite</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Women’s Support Centre</td>
<td>Division of Gender Relations/MOH</td>
<td>Abused women</td>
<td>Emergency Shelter</td>
<td>Self-targeted and referrals</td>
<td>General Revenues</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>15 women/25 children</td>
<td>Emergency shelter, counseling</td>
<td>Indefinite</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

Source: Compiled by Author.
III.B Expenditures on the Safety Net

Analysing social assistance spending is difficult as expenditures cross ministries and programmes. Social protection expenditures include recurrent expenditures for operating costs, direct transfers, in-kind goods and social care, training, remedial education and other social work services. This report included as social safety net expenditures, all central ministry administrative costs for the Division of Family Affairs in the MOH and all project and administrative costs of the SSDF (formerly PRF and BNTF) and selected expenditures on targeted programmes in other ministries (for example, school feeding, book rental and book bursaries and transportation subsidies in the MOH). Capital expenditures are also included. Where available, programme level expenditure data is reported. Detailed expenditure tables are provided in Annex 1.

Several caveats about the data are in order. First, while actual expenditure data is available for recurrent expenditures, only budgeted amounts (i.e., estimates of expenditure) are available for capital outlays. Second, some programme level data were provided by programme managers and these would have to also be treated as estimates. However, given these limitations, the data do give a reasonable picture of social assistance spending in St. Lucia.

Expenditures on social assistance are estimated at EC$34.1 million (US$12.6 million) in FY08/09. This represents less than 1.3% of GDP (Figure 14) and 2.9% of central government expenditures. Between FY06/07 and FY08/09, social assistance spending decreased by 5% in nominal terms and 14% in real terms (Figure 15). The FY09/10 budget includes an estimated 43% real increase in social assistance, driven largely by the addition of HOPE, increases in other programmes implemented by SSDF, and construction of the Senior Citizens Home.

![Figure 14: Social Assistance Expenditures as a % of GDP, 2006/07 to 2008/09](image)

Source: Author’s calculations

---

49 In most cases, we had to rely on expenditures for the departments that house social protection programmes. Ministerial responsibility for departments changed over time, but efforts have been made to track recurrent expenditures for departments no matter in which ministry the department was housed.
Social assistance spending is somewhat lower in St. Lucia than in other countries in the region. Social assistance expenditures averaged 1.8 of GDP in other OECS countries and 1.4 in Latin America and the Caribbean. St. Lucia and other countries in Latin America and the Caribbean have a pattern of social protection similar to that of East Asia and the Pacific in terms of the relative size and structure of expenditures, with social assistance spending accounting for about one-third of total social protection spending. In contrast, in the OECD and in Eastern Europe and Central Asia, social insurance spending is relatively more important, while in Africa, social assistance spending is more important.

Approximately 54% of social assistance expenditures are funded from the capital budget, mostly with donor funding. This is an increase over the FY00/01 and FY01/02 when capital expenditures averaged 45% of the social assistance budget. While a substantial share of capital expenditures is devoted to construction of the Transit Home, Therapeutic Centre, Home for the Elderly, and Upton Gardens Residential Facility; the significant share of social assistance funding coming from external sources raises concerns about the sustainability of social assistance initiatives.

The SSDF (formerly PRF/BNTF) accounts for the largest share of social assistance spending – 35.5% in FY08/09, and this increases to 45% in FY09/10 with the addition EC$9.6 million for HOPE. In contrast, Public Assistance absorbs about 11% of social assistance expenditures. Student welfare assistance and school feeding take up 2.2% and 3.8%, respectively. The National Skills Development Centre, including the OECS Skills for Inclusive Growth, absorbs about 9% although some unknown share of the NSDC budget would probably not be designated as social assistance spending (Table 6).

---

Table 6: Composition of Public Expenditures on Social Assistance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$EC ('000,000)</td>
<td>$EC ('000,000)</td>
<td>% of All Social Assistance</td>
<td>% of All Social Assistance</td>
</tr>
<tr>
<td>SSDF (PRF/BNTF)</td>
<td>9.4</td>
<td>12.1</td>
<td>29.9</td>
<td>35.5</td>
</tr>
<tr>
<td>Welfare Services (Public Assistance)</td>
<td>4.1</td>
<td>3.9</td>
<td>13.2</td>
<td>11.4</td>
</tr>
<tr>
<td>Family &amp; Child Care Services</td>
<td>0.6</td>
<td>0.6</td>
<td>1.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Student Welfare Assistance</td>
<td>0.5</td>
<td>0.7</td>
<td>1.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Student Transportation</td>
<td>2.8</td>
<td>3.8</td>
<td>8.9</td>
<td>11.1</td>
</tr>
<tr>
<td>School Feeding</td>
<td>1.2</td>
<td>1.3</td>
<td>3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Day Care Services</td>
<td>1.4</td>
<td>1.4</td>
<td>4.5</td>
<td>4.2</td>
</tr>
<tr>
<td>National Skills Development Centre [1]</td>
<td>3.7</td>
<td>3.3</td>
<td>11.8</td>
<td>9.5</td>
</tr>
<tr>
<td>National Enrichment &amp; Learning</td>
<td>0.7</td>
<td>0.7</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td>James Belgrave Fund (Belfund)</td>
<td>0.6</td>
<td>0.6</td>
<td>1.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Upton Gardens Girls Centre</td>
<td>0.3</td>
<td>0.4</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Boys Training Centre</td>
<td>1.8</td>
<td>1.5</td>
<td>5.8</td>
<td>4.5</td>
</tr>
<tr>
<td>Homes for the Elderly [2]</td>
<td>0.6</td>
<td>1.2</td>
<td>2.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Transit Home</td>
<td>0.8</td>
<td>1.0</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>TOTAL ABOVE PROGRAMMES</strong></td>
<td>28.6</td>
<td>32.5</td>
<td>91.1</td>
<td>95.3</td>
</tr>
<tr>
<td><strong>TOTAL ALL SOCIAL ASSISTANCE</strong></td>
<td><strong>31.4</strong></td>
<td><strong>34.1</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

(1) Includes Skills for Inclusive Growth
(2) Includes Senior Citizens Home

Source: Author’s Calculations based on Estimates of Expenditure and information provided by programme staff

III.C. Implementation Arrangements and Constraints

Eligibility and Targeting

Although programmes support the same target groups, each programme requires completion of a separate application, investigation by staff, and documentation. This is despite the fact that information collected is generally the same for all programmes.

- Eligibility for Public Assistance is determined through a means test and psychosocial history. The Public Assistance Act stipulates that eligibility is subject to approval by a Board of Supervisors; however, the Director reports that, to her knowledge, the Board has never been formed. There are plans to establish the Board in 2009 and to refer new cases to the Board for review. The law stipulates that cases are subject to quarterly review. There is no limit to the number of years that a beneficiary can stay in the system. Public Assistance beneficiaries under the age of 60 are recertified every 6 to 12 months; however, the review
is not systematically conducted and beneficiaries over the age of sixty are never recertified. The recertification periods should be reconsidered. Households in which at least one person is employed (no matter how low their salary) are automatically rejected. There is also reported to be political interference in the selection of beneficiaries.

- Eligibility for Koudemain Ste. Lucie is determined by a proxy means test developed by the Statistical Department. Selected households are eligible to participate for a period of two years.
- Eligibility for the Book Bursary Programme which provides free textbooks and for the Textbook Rental Programme is determined by school-based selection committees and based on referrals from the principal, counselor or class room teacher, a welfare officer, the family court, or a district representative. Household income should be below EC$600 monthly to be eligible for the Bursary Programme; there is no established cut-off point for the book rental programme. Students on the rental scheme are required to pay a rental fee of EC$175 annually. Once accepted, students receive a fee waiver for all of the years that they remain in primary school. Secondary school students are required to reapply annually.
- Eligibility for the School Transportation programme is determined by school principals, counselors or by MOSTYS staff. Parents are required to reapply annually.
- Fee waivers for school meals are decided at the school level with no clear procedures on how this is to be done. Schools decide how many free meals will be allocated, and the process by which students are identified. Once accepted, students receive a fee waiver for all of the years that they remain in primary school.
- Eligibility for the HOPE programme is based on unemployment and willingness to work and participate in training. International experience teaches that, to exclude the non-poor, the wage offered should be about equal to or slightly below the prevailing wage rate for unskilled workers; however, the wage rate offered by HOPE depends on the skill level of the participant and can be higher than the prevailing wage rate for unskilled labour.
- Recommendations for fee waivers for medical care are made by the Medical Social Worker at Victoria hospital based on a means test and home visit. Households earning more than EC$500 per month are not eligible. Eligibility is subject to approval by a committee comprised of Ministry of Health staff. Public Assistance beneficiaries are automatically eligible for a fee waiver.
- Decisions for assistance for Overseas Medical Care are made by the Chief Medical Officer (CMO) based on his assessment of need. The CMO also makes decisions about fee waivers for medical care when patients (or parliamentarians) seek to overturn the decision of the Medical Social Worker

Multiple targeting mechanisms are administratively costly. Ministry of Education staff, Human Services staff, Ministry of Health staff, SSDF staff are all involved in determining eligibility for programmes. Public Assistance Social Workers devote 70% of their time to beneficiary selection. The medical social worker at Victoria Hospital reports that she devotes 30-40% of her time to selecting beneficiaries for fee waivers. Other programmes also devote staff resources to beneficiary selection. It should be remembered that these efforts go to selecting essentially the same households for these different programmes.

Information on how well these different eligibility and targeting criteria do in selecting beneficiaries is limited, so it is not possible to answer questions about the targeting outcomes of all programmes.
Information on coverage and targeting outcomes of Public Assistance, school meals and the book rental programme are presented in this section.

**Errors of inclusion (persons in the programme who should not be) and errors of exclusion (person not in the programme who ought to be) are significant for Public Assistance.** A large share of the target group for Public Assistance remains uncovered. Less than 2% of the poor are in receipt of Public Assistance (Table 7). Analysis of the district distribution of beneficiaries and poverty suggests that errors of exclusion are even more pronounced in some districts, with residents of Micoud and Gros Islet/Babbaneau underserved by the programme (Figure 16). Similarly, of the 44 indigent households participating in the Koudemain pilot, only 3 are in receipt of Public Assistance. At the same time, there appears to be considerable leakage to the non-poor, with about 45% of Public Assistance beneficiaries classified as non-poor. It may be that Public Assistance is having an impact on reducing poverty and that some of the non-poor would be poor in the absence of the benefit. At the same time, the data suggests that targeting outcomes for Public Assistance could be improved.

<table>
<thead>
<tr>
<th>Table 7: Public Assistance by Poverty Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor (%)</td>
</tr>
<tr>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Does Not Receive Public Assistance</td>
</tr>
<tr>
<td>Receives Public Assistance</td>
</tr>
<tr>
<td>Per cent of All Public Assistance Beneficiaries</td>
</tr>
</tbody>
</table>

Source: Department of Statistics, based on data from the 2005/06 Country Poverty Assessment

It is important to note that due to the small number of Public Assistance beneficiaries included in the CPA sample, the findings reported here should be treated as indicative and not conclusive.
Coverage and targeting outcomes for education subsidies also need to be improved. Although coverage of the free meal programme is good with 87.7% of students in the poorest quintile in receipt of a free school meal; there is considerable leakage to non-poor students (Table 8). The Book Loan programme is targeted to the poor students; however, students in all wealth quintiles participate and coverage of the book loan facility is limited (Table 9). As a result, almost half of poor students report that they do not own all required books because they could not afford them.

<table>
<thead>
<tr>
<th>Table 8: Distribution of Recipients of Free Meals by Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

Source: Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.

<table>
<thead>
<tr>
<th>Table 9: Distribution of Recipients Using Book Loan Facility by Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

Source: Kairi Consultants, St. Lucia Country Poverty Assessment: 2005/06, CDB.

Benefits Provided

Benefits for Public Assistance vary with household size and provide relatively more generous benefits to the elderly than to households with children. Public Assistance provides cash benefits of between $130 and $300 per month. For a single-person household, the benefit is equal to about 31% of the adult equivalent poverty line, while the benefit for a family of five is equal to 14% of the adult equivalent poverty line. This means that large families (which are likely to be the poorest households) are at a disadvantage relative to smaller households. Households with children can only receive a benefit for the child if that child is enrolled in school. This leaves children not of school age at risk, as no benefit is received for their support.

Public Assistance benefits are broadly comparable to similar programmes in other countries. In a study of 55 cash transfer programmes from 27 middle-income countries (49 programmes from 22 ECA countries and 6 CCT programmes from LAC), the median value of benefits as a share of the consumption of recipient households is 13% for family allowances, 15% for means-tested and proxy-means-tested programmes from ECA region, 9% for conditional cash transfer programmes, and 20% for social pensions. \(^{54}\)

Public Assistance benefits have kept pace with inflation since 2004; however, the real value of the benefit for large families has only just been maintained while benefits for single person households

\(^{53}\) This is a slightly different measure than the per cent of the poverty line reported above; however, consumption among the poor was not available. Still, the poverty and indigence lines provide a proxy for household consumption among the poor and indigent.

(who are typically the elderly) have increased significantly (Table 10). This suggests that, in the short-term, increases could be more heavily weighted in favour of larger households.

Table 10: Monthly Public Assistance Benefit by Household Size, 2004 to 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>85</td>
<td>135</td>
<td>59%</td>
</tr>
<tr>
<td>(ECD $ Constant)</td>
<td>85</td>
<td>116</td>
<td>36%</td>
</tr>
<tr>
<td>2 person</td>
<td>125</td>
<td>180</td>
<td>44%</td>
</tr>
<tr>
<td>(ECD $ Constant)</td>
<td>125</td>
<td>154</td>
<td>23%</td>
</tr>
<tr>
<td>3 person</td>
<td>180</td>
<td>220</td>
<td>22%</td>
</tr>
<tr>
<td>(ECD $ Constant)</td>
<td>180</td>
<td>189</td>
<td>5%</td>
</tr>
<tr>
<td>4 person</td>
<td>200</td>
<td>250</td>
<td>25%</td>
</tr>
<tr>
<td>(ECD $ Constant)</td>
<td>200</td>
<td>214</td>
<td>7%</td>
</tr>
<tr>
<td>5+ persons</td>
<td>250</td>
<td>300</td>
<td>20%</td>
</tr>
<tr>
<td>(ECD $ Constant)</td>
<td>250</td>
<td>257</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Author’s calculations

Implementing Arrangements

Public Assistance is implemented by the Welfare Unit in the Division of Human Services and Family Affairs, but significant capacity building is required. There are 4 social workers covering all of St. Lucia, 3 in Castries and 1 in Vieux Fort. Social workers are responsible for intake, case management, and making payments to beneficiaries. The average caseload for each officer is over 600 households. Information management systems need to be upgraded. In addition, payment systems need to be modernised. Public Assistance is paid by Public Assistance Officers in Castries and by Treasury Officers outside of Castries and the payment process absorbs considerable public sector staff resources. Three Public Assistance Officers devote 4 days each per month making payments to clients and this reduces their ability to provide adequate case management services. Police officers are present throughout the 4-day period. Treasury sub-offices pay beneficiaries throughout the month. These payment arrangements impose time costs for beneficiaries, who report waiting between 1 – 3 hours to collect their benefit. The system creates inequities as beneficiaries in Castries can only collect one day during the 4-day payment period, while beneficiaries in other locations can collect throughout the month.

The Koudemain Ste Lucie programme is in its pilot phase. Four Family Caregivers have been hired by the SSDF to provide psychosocial services to 44 families. Three out four of the Koudemain Caregivers are not trained or experienced in provision of psychosocial support to families and caregivers receive no supervision from trained social workers or psychologists. Although the pilot has commenced, baseline indicators have not been established and the database has not been designed. Despite the lack of monitoring indicators and a management information system, the programme is now in the process of

---

Caregivers were given a short orientation to psychosocial support by the Division of Family Affairs.
identifying additional households. Although modeled after Chile’s programme, Koudemain is not able to channel beneficiaries into all relevant programmes without need for several applications, a fundamental design feature of the Chile Puente programme.

Multiple agencies are responsible for provision of student assistance with agencies providing overlapping benefits (e.g. textbooks, transportation and fee waivers for school meals by the MOEC; uniforms and textbooks by SSDF; uniforms, textbooks and transportation by the CDF). Each programme has a separate application procedure, although they all collect approximately the same information about the same target group.

The Ministry of Health has portfolio responsibility for the Division of Human Services and Family Affairs; however, it is not clear that this is an optimal implementing arrangement. Multiple stakeholders identified a need to bring all services targeted to the poor into one Ministry. These stakeholders noted that Human Service programmes (and officers) and Social Transformation programmes (and officers) work in the same communities and often with the same families. Being housed in separate ministries means that they often miss opportunities to realise synergies from their work, especially as it relates to poverty alleviation, domestic violence, and child abuse.

The BNTF and the Poverty Reduction Fund, both community based safety net programmes, were merged in 2009. The combined agency is called the St. Lucia Social Development Fund and the fund is responsible for administration of all programmes under the BNTF portfolio and the former PRF portfolio. This eliminates duplicative administrative arrangements for community based programmes and the Government is to be congratulated on this effort. In addition to its existing portfolio and community and NGO projects, student assistance, housing assistance, SSDF was assigned responsibility for two new programmes (HOPE and Koudemain). It will be important to ensure that SSDF does not become overloaded by programmes for which it may not have a comparative advantage as this could weaken the effectiveness of the organisation. If new responsibilities are assigned to SSDF, they should not start without basic systems in place, including requisite staff, determination of monitoring indicators, a working information system, and clearly documented policies and procedures for each new programme.

St. Lucia would benefit from a public information campaign to inform citizens about safety net programmes available to them. A focus group discussion with about 30 applicants for the HOPE programme and individual meetings with Koudemain and Public Assistance beneficiaries pointed to the fact that families are not aware of the different programmes or where and how to apply.

Monitoring and Evaluation

The Family Affairs Division maintains a list of Public Assistance beneficiary names and amounts paid, but the Division does not have a database of clients. Information about the age, gender, or ethnicity of beneficiaries, composition of assisted households, or other basic monitoring data is not maintained. The Division cannot provide information on the number of beneficiaries assisted in any one year. While they can provide information on the number of beneficiaries during any given month and the district in which recipient households reside; they cannot produce disaggregated data on age or gender of beneficiaries or the composition of beneficiary households. The lack of a management information system reduces the ability of Government to monitor and evaluate the Public Assistance Programme. Moreover, the Division does not record and monitor information on rejected applications. This means that it is impossible to tell who has been rejected and for what reasons.
SSDF has a monitoring system for its community based projects and some of its other programmes; however, monitoring systems are not in place for the Koudemain and HOPE programmes. Although the programmes were designed as pilots, monitoring indicators were not established and baseline data was not collected. This makes it very difficult to evaluate the impact of the pilot programme on beneficiary households. SSDF reports that computerised monitoring systems are in the planning phase; however, it is not clear when these information systems will come on stream.

The capacity for monitoring and evaluating safety net programmes needs to be strengthened. Monitoring systems for most programmes are not computerized and are essentially a list of beneficiaries with little other information on beneficiary characteristics and information is not typically organized in any systematic way. Evaluations of programmes are hardly ever undertaken. Other than the external evaluation of the PRF and BNTF, there have not been any evaluations of safety net programmes. The lack of monitoring and evaluation systems makes evidenced based programme planning impossible.

The Department of Statistics implements a quarterly labour force survey; however, poverty monitoring data is collected infrequently. Implementation of regular consumption surveys every year, or at least every other year, will be important to monitor the impact of covariate shocks and programme impacts on poverty. Capacity building in the Department of Statistics will be required for more regular implementation of poverty monitoring surveys.

Accountability and Control

Policy and procedures are not fully documented. The Public Assistance Programme has a procedures manual; however, this manual does not provide detailed guidance on each aspect of the programme. Procedures for creating case files, case management, record keeping, recording information about rejected applicants, or reporting changes in household composition or welfare are not clearly established and documented. SSDF has a manual of operations for its community programming, but manuals for HOPE and Koudemain have not been fully developed. Procedures for allocation of free school lunches and book bursaries and rentals are not clearly outlined and this means that implementation is subject to the discretion of ministry and school officials.

Financial auditing is carried out by the Audit Department, which is constitutionally mandated to audit public programmes annually; however, most social assistance programmes are not audited regularly. The Audit Department audits the accounts of each ministry annually; however, these do not involve an audit of individual programmes. The last audit of a Human Services programme was a performance audit of the Senior Citizens Home completed in 1997. SSDF is required by the mandates of its financing agencies to have annual external audits.

Programmes lack formal appeals mechanisms. Appeals to the elected representative and call in talk-shows were identified as frequently used appeals mechanisms. However, these do not meet the requirements for systematisation and objectivity.

III.D. Safety Net Legislation

St. Lucia has signed international commitments that mandate provision of social safety nets, including the CRC, CEDAW and UDHR; however, St. Lucia is not living up to its commitments. Social insurance
and the two largest social assistance programmes (SSDF and Public Assistance) are governed by legislation; however, the presence of a legislative framework for key programmes has not been sufficient to ensure realisation of international commitments.

The Public Assistance Act was an important step in moving away from the colonial Poor Relief Law; however, the legislation maintains archaic Poor Relief nomenclature (benefits are relief; beneficiaries are the “Outdoor Poor”) and outmoded principles (referral of applications to a Board of Management, power of entry into clients home). Moreover, since the periodicity of payment specified in the law (payment of benefits weekly or fortnightly) are not adhered to, the law should be adjusted to reflect current reality. Approval by a Board is not transparent and will not address the targeting deficiencies of the programme. St. Lucia needs to amend the Public Assistance Act to incorporate more modern social welfare principles.

III.D. Conclusions

St. Lucia has as a number of social assistance programmes that serve, or could address critical vulnerabilities; however, as discussed in this chapter, programmes suffer from a number of constraints. St. Lucia faces significant challenges in providing a sustainable safety net that protects the most vulnerable St. Lucians. The following chapter provides an analysis of social assistance programming.

IV. Analysis

IV.A. Overview

The social safety net does not adequately protect children, single parents (who are predominantly women) or the working age poor (with or without children) and, as a result, the right of children and women to social protection is not being fulfilled. The government of St. Lucia does not have a clearly articulated social protection strategy. The social safety net is comprised of a set of programmes without clear priorities or sufficient coherence and with unrealised possibilities for synergies between programmes. Two resource intensive and technically demanding programmes came on stream in 2009. At the same time, there has been insufficient attention to strengthening the existing safety net.

A priority for strengthening the safety net is to improve targeting outcomes of all targeted programmes, including Public Assistance, fee waivers for school meals, textbooks, and medical care. This would promote the pro-poor focus of the safety net. The multiple targeting systems now employed are administratively costly, increase transaction costs for beneficiaries, and are apparently not doing a very good job of identifying eligible beneficiaries. Rationalisation of the targeting function through development of a unified mechanism for selecting beneficiaries for different programmes is required. The Koudemain proxy means test (PMT) targeting mechanism represents an important step in developing an objective and transparent targeting mechanism and could provide a base upon which to build a more efficient and effective mechanism for selecting beneficiaries for all targeted safety net programmes. Before using it to select beneficiaries in other programmes, the PMT needs to be subjected to further analysis that would validate the current formula or identify ways to refine it. That analysis could help to set the different cut-off points for eligibility in St. Lucia’s various social assistance schemes.
The Public Assistance Programme could do a better job of protecting children, adolescents, youth, and single mothers and of promoting their human capital development. Coverage of poor households with children is low and benefits may not be sufficient to prevent households from adopting negative coping strategies, such as keeping children from school. At the same time, the a priori exclusion of the working poor fails to recognise that, despite the fact that they are working, they remain vulnerable by virtue of the fact that they are still poor. This requirement could also create perverse incentives regarding work. Although enrolment in school is a condition for a family being able to increase the number of eligible household members, benefits do not adequately reflect the out-of-pocket and opportunity costs of sending children to school, particularly for secondary school age children. The programme does not incorporate explicit strategies to help working age beneficiaries move from welfare to work; and excluding beneficiaries who find a job from benefits, may provide a disincentive to look for work. Capacity building of the Public Assistance Programme is required, including a management information system, a streamlined payment mechanism, staff upgrading, documentation of policy and procedures, and establishment of formal appeals mechanisms. Annual external audits of the Public Assistance programme and regular external process audits are also needed to enhance programme accountability and implementation.

Education based safety nets need to be rationalised. Because multiple programmes provide education supports and each programme has a separate application procedure, clients may need to make multiple applications at multiple locations in order to receive all of the assistance required to send their children to school. This increases time and out-of-pocket costs for poor families and places an onerous burden on the extremely poor. It also increases possibilities for system abuse by households that are not needy. In addition, the SSDF awards contracts to large suppliers who provide uniforms to the clients. This arrangement excludes small seamstresses and tailors from provision of uniforms for poor students. As a result, an opportunity to support micro-businesses has been missed. Moreover, provision of in-kind goods can be demeaning to beneficiaries and problems are encountered when uniforms in the right size and style for each school are not available. The School Transportation programme absorbs considerable resources and may be stigmatising to beneficiaries who are identified as riding the “poverty bus.”

HOPE is designed as a short-term employment programme; however, participants are required to participate in training. Unemployed workers and/or the working poor who do not want or need to participate in this training do not have access to income from a public works programme. In addition, HOPE beneficiaries receive a salary commensurate with their skill level and work assignment. As indicated earlier, this is contrary to best practices in the design of public works programmes where wages are set at the prevailing wage rate for unskilled labour in order to attract only the poor. HOPE work assignments will be in both the public and private sectors and will be for a six-month period with the possibility of renewal for one additional six-month period. Government will subsidise 50% of the salary of private sector placements. Wage subsidies have had mixed results in other countries and without careful planning can substitute for private sector labour generation. Government needs to explore mechanisms for participation of persons who do not want/need to participate in training.

Day care for young children of poor families cannot meet demand and a significant share of young children never attend pre-school and early childhood interventions are not well positioned to reduce vulnerability. At present, about 380 children are on the waiting list for public day care; however centres will only be able to accommodate about half of these children. Early childhood development is critical in the development of human capital. By missing the opportunity to provide daycare, early stimulation, and proper nutrition to children birth to three years old, St. Lucia is placing these children at a great
disadvantage that is almost impossible to make-up. Government and international partners have been working to upgrade the quality constraints that characterise the early childhood system. Expanding access also needs to be placed as a priority on the agenda. It will be important to get a better understanding of the degree to which poverty and pre-school enrolment are linked and how to promote enrolment among poor children.

The Koudemain Ste Lucie programme is a pilot; however, it is not clear whether this represents a sustainable model for St. Lucia. Although the pilot has commenced, baseline indicators have not been established and the database has not been designed. The programme is being expanded despite the lack of monitoring indicators and a management information system. This makes effective monitoring and evaluation impossible. The pilot also commenced without sufficient attention to capacity building. One out of the four Caregivers is a trained social worker; the others have had no training and almost no related work experience. Caregivers were given a short orientation to psychosocial support by the Division of Family Affairs; however, this does not appear to be sufficient to equip them with the knowledge and competencies for the job. In addition to training, regular case conferences with a team from the Family Services in the Division of Human Services would facilitate better case management and referral of participants.

Koudemain is a labour intensive programme (an average caseload of 11 families per Family Caregiver in contrast to about 80 clients for Human Services Family Caseworkers and 600 clients per Human Services Welfare Officers). Planning for an external evaluation of Koudemain to assess impact and cost effectiveness should commence as soon as possible. Government should examine the role and relationship between Koudemain and Human Services programmes (Public Assistance and Family Services) in order to maximise synergies. Both target the same groups and there is some overlap in the services provided. It may be that some aspects of Koudemain could be incorporated in Public Assistance.

Facilities for residential care and protection of children are inadequate. The only Government institution to which boys in need of care and protection can be sent to is the Boys Training Centre. The centre provides residential care for boys in need of protection as well as remand and detention placements for boys in conflict with the law, including boys on remand or convicted of stealing, robbery and murder. There is no separation of different categories of offenders. Facilities are inadequate and unsafe, and in 2005, an eleven-year-old boy who was locked in a cell died as a result of a fire he could not escape. The mixing of boys in care and protection with boys in conflict with the law violates all principles of best practices for care and protection of children and needs to be addressed urgently. Residential facilities for girls are also inadequate; however, plans to open a residential facility for young girls as an adjunct to the Upton Gardens day facility for girls should address some of these concerns. Construction of a short-term residential facility for boys and girls and a Therapeutic Centre is underway; however, stakeholders noted that, despite the initiatives, residential facilities will still not be able to accommodate all of the children in need of care and protection.

The social safety net could benefit from rationalisation of implementation arrangements. The MOH has portfolio responsibility for Human Services; however, this does not seem to be the best institutional home for the Division. Human Services would seem to fit more naturally with other programmes targeted to the poor and vulnerable. Moving Human Services to the MOSTYS, which implements other

56 Caregivers were given a short orientation to psychosocial support by the Division of Family Affairs.
57 Royal Saint Lucia Police Force website
major programmes targeted to poor and vulnerable households and communities, would facilitate synergies and economies of scale in programming for vulnerable households and communities, targeting, and information management.

**Government needs to ensure that individual programmes and the system as a whole incorporate principles of effective risk management so that it can better respond to vulnerability.** Requirements for effective risk management include: ⁵⁸

- Transparency in design and implementation
- Explicit and public objectives, eligibility criteria, rules of operation
- Stringent reporting and budgeting
- Periodic evaluations
- Mechanisms for accountability and conflict resolution
- Safeguards to prevent moral hazard and dependency
- Quick response time and timely benefit disbursements

St. Lucia would benefit from a public information campaign to inform citizens about safety net programmes available to them. A focus group discussion with about 30 applicants for the HOPE programme and individual meetings with Koudemain and Public Assistance beneficiaries pointed to the fact that families are not aware of the different programmes or where and how to apply.

There are gender differences in access and eligibility to safety net programmes and, as a result, the safety net does not adequately protect women. Public Assistance provides inadequate support to single parents (most of whom are women) who have the burden of care for children and leaves these parents and their children vulnerable. Access to community day care is limited and services are provided at traditional hours that do not reflect the needs of many women who work irregular hours. This makes it difficult for many women to work. In addition, there is a link between an informal labour market background and the lack of social insurance coverage that results in lower pension coverage and lower benefits for women and that increase the demand for social assistance among women.

### IV.B. Matching Programmes to Vulnerabilities

As discussed in Chapter II, St. Lucians are vulnerable to a number of covariate and idiosyncratic risks that affect their welfare. How well do St. Lucia’s existing social assistance programmes address these risks? Risks, programmes and requirements to address gaps are summarised in Table 11. It should be noted that the risk and vulnerability analysis also highlights other risks related to nutrition, chronic diseases, teenage pregnancy, drug abuse, HIV/AIDS and violence. These are not included as social assistance priorities in this assessment, as they are best addressed through prevention programmes in the Ministries of Health and Education and through the Gender Affairs Department and not through social assistance programming.

---

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Risk Indicator</th>
<th>Existing Programmes</th>
<th>Requirements to Address Gaps</th>
</tr>
</thead>
</table>
| Infants & Young Children | Poverty | Public Assistance  
SSDF Koudemain Ste Lucie | Improve access to, targeting & implementation of Public Assistance for poor parents of infants & young children, particularly single headed households |
|               | Cognitive/developmental deficits  
Not participating in ECCD programmes | Fee Waivers for Medical Care  
Roving Caregivers Programme  
Community Day Care | Increase access to early childhood development & day-care programmes for poor |
|               | Child Abuse, Abandonment & Neglect | Family Services/Care & Protection  
Transit Home/Therapeutic Centre | Develop strategies to prevent children moving into Care & Protection System |
| School Age Children | Poverty | Public Assistance  
MOEC Student Welfare Assistance  
(book bursaries and rentals)  
MOEC School Feeding Programme  
MOEC School Transport. Programme  
SSDF Education Assistance  
SSDF Koudemain Ste Lucie | Improve access to, targeting & implementation of Public Assistance for poor parents of school age children, particularly single headed households |
|               | Poor School Performance  
Early school leaving  
Lower academic performance | Family Services/Care & Protection  
Transit Home/Therapeutic Centre  
Boys Training Centre | Rationalise provision of education assistance and improve targeting |
|               | Child Abuse, Abandonment & Neglect | | Evaluate Koudemain, including impact and cost effectiveness |
| Adolescents & Youth | Poverty | Public Assistance  
MOEC Student Welfare Assistance  
MOEC School Transport. Programme  
SSDF Koudemain Ste Lucie  
SSDF HOPE  
MOEC NSDC  
MOEC NELP  
MOL JOB SEARCH ASSISTANCE | Improve access to, targeting & implementation of Public Assistance for adolescents and youth, particularly youth who are parents |
|               | Early school leaving  
Low levels of human capital development  
Unemployment/underemployment | Family Services/Care & Protection  
Boys Training Centre  
Transit Home/Therapeutic Centre  
Upton Gardens Girls Centre | Increase access to active labour market programmes, including second chance education & training, for at-risk adolescents and youth |
|               | Early & multiple pregnancies  
Crime, violence & drug abuse  
HIV/AIDS | | Move boys in care and protection out of Boys Training Centre |

Table 10: Risks, Programmes and Requirements to Address Gaps in Social Assistance
<table>
<thead>
<tr>
<th>Age Group</th>
<th>Risk Indicator</th>
<th>Existing Programmes</th>
<th>Requirements to Address Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Age Adults</td>
<td>Poverty</td>
<td>NSDC</td>
<td>Increase access to active labour market programmes, particularly short-term employment not necessarily linked to training</td>
</tr>
<tr>
<td></td>
<td>Unemployment/underemployment</td>
<td>HOPE</td>
<td>Improve access to, targeting &amp; implementation of Public Assistance</td>
</tr>
<tr>
<td></td>
<td>Disability &amp; disease</td>
<td>Belfund</td>
<td>Improve targeting of medical assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public Assistance</td>
<td>Improve access to prescription medications for poor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SSDF Koudemain Ste Lucie</td>
<td></td>
</tr>
<tr>
<td>Elderly</td>
<td>Poverty</td>
<td>Public Assistance</td>
<td>Improve access to, targeting &amp; implementation of Public Assistance</td>
</tr>
<tr>
<td></td>
<td>Loss of income</td>
<td>Fee Waivers for Medical Care</td>
<td>Improve targeting of medical assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MOH Medical Assistance</td>
<td>Ensure access to prescription medications for poor</td>
</tr>
<tr>
<td></td>
<td>Disability &amp; disease</td>
<td>NCF Medical Assistance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Women’s Support Centre</td>
<td></td>
</tr>
<tr>
<td>Risks Not Related to Age</td>
<td>Disability</td>
<td>Public Assistance</td>
<td>Improve access to, targeting &amp; implementation of Public Assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Family Services</td>
<td>Improve access to education and labour market programmes for disabled</td>
</tr>
<tr>
<td></td>
<td>Substandard Housing</td>
<td>SSDF Housing Assistance</td>
<td>Develop micro-finance products to replace patchwork of disaster programmes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MOH Disaster Assistance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>NCF Disaster Assistance</td>
<td></td>
</tr>
</tbody>
</table>

**IV.C. The Safety Net In Emergency Situations**

The safety net is not flexible enough to respond efficiently in emergency situations (either financial crises or natural disasters). Critical requirements for an effective emergency response are that programmes are timely, targeted and temporary. This means that programmes need to come on stream (or be expanded) rapidly after the disaster or as the crisis is emerging and that they maintain a pro-poor focus. Emergency responses must also be temporary. This could be accomplished through expansion of a short-term employment programme and/or provision of a temporary cash support, possibly through a one-off increase in an existing cash benefit. It would be important that the public be well informed about the objectives of the emergency response, the eligibility requirements, and the temporary nature of the benefit. It would be important for this model to become internalised, with the public being very familiar with how government programmes respond in times of crisis and how they contract during times of stability.
A number of programmes provide cash or in-kind benefits when households experience an idiosyncratic shock, such as a flood or fire. To a limited degree, these programmes address failures in the insurance market. Possibilities for the development of a more systematic approach through development of micro-insurance products should be explored.

IV.D. Conclusions

The review of St. Lucia’s social assistance programmes indicates that the country has a range of social assistance programmes that could be reconfigured to address critical vulnerabilities among St. Lucians. Although the elements of an appropriate safety net are present, there is a need to strengthen and rationalise existing programmes to ensure that they better address priority risks and vulnerabilities. Gaps in provision, including safety net services for children and expanded coverage and better targeting of the Public Assistance programme need to be addressed. Given its limited fiscal space, Government should refrain from adding expensive new programmes to its safety net menu so that it can tackle challenges in the programmes that form the core of the safety net.

V. Recommendations

The analysis in this chapter suggests that St. Lucia’s social safety net needs to be strengthened so that it does a better job of reaching the vulnerable with a coherent set of services. Interventions need to address chronic and transient poverty and unemployment; promote human capital development among children, adolescents, and young adults; provide income security among the elderly; and address the needs of particularly vulnerable groups. This chapter identifies strategies to achieve these objectives.

Social Assistance Programming

- Strengthen the Public Assistance Programme
- Rationalise provision of education based safety nets
- Add a window in HOPE for workers who do not need or wish to participate in training
- Expand supply and promote participation in early childhood programmes for infants and young children who are poor and vulnerable
- Promote participation of vulnerable adolescents and youth in second chance education and training

Cross Cutting Issues

- Develop a Social Assistance Strategy
- Establish a Central Beneficiary Identification System and Central Beneficiary Registry
- Institutionalise monitoring and evaluation capacity
- Enhance accountability and control for social assistance programmes
- Establish emergency response capacity
- Develop implementation capacity
Strengthen the Public Assistance Programme

Public Assistance needs to do a better job of promoting human capital development among children and adults. Larger benefits to secondary students than to younger children and a lump sum benefit upon graduation could help to keep adolescents enrolled in school. Conditioning benefits on training for adult household members, could also promote human capital development. A Conditional Cash Transfer (CCT) provides cash payments to poor households that meet certain behavioural requirements, generally related to health care and education. Currently over 30 developing countries implement some form of a conditional cash transfer programme. Evidence from these programmes highlights the fact that well designed and implemented CCT programmes can have a wide range of good outcomes, e.g. efficient targeting, increased food consumption and improved school enrolment. At the same time, non-conditional grants can have positive outcomes on child health and education. Extensive stakeholder (including beneficiary) consultations would be needed to make the decision on whether conditioning is appropriate for St. Lucia.

Public Assistance should adopt an efficient mechanism to deliver the benefit to households. Delivery mechanisms could include inter alia banks, automated teller cards, post offices, the Treasury, remittance companies, via cell-phone, or in cash by security firms. The best way to achieve an efficient and accountable delivery mechanism in St. Lucia would be to contract the service out, with selection of the agency to serve as pay agent based on the quality and cost of proposals to be submitted by public and private entities, with continuation of the contract based on quality of performance and adherence to clearly specified accounting and reporting requirements.

It should be noted that many countries that provide cash benefits have found that mothers are more likely than fathers to spend the benefit on the child and, households with children give the benefit to the mother. This helps to address concerns that benefits will be misspent. Mexico, Columbia and Jamaica are some of the countries that have adopted this approach.

Linking Public Assistance beneficiaries with training, job search assistance and business development and microfinance services could facilitate the school-to-work and welfare-to-work transition of beneficiaries. There are a number of ways that this could occur. Koudemain Family Caregivers could provide the referral services as part of their work with families; however, this would require a better match between Koudemain and Public Assistance households through improved targeting. Another model could provide counseling, support, training, and access to micro-credit and job search assistance to existing welfare beneficiaries. This model is used in many OECD countries and in the Caribbean, and is being piloted in Jamaica.

The Welfare Services Department is not well configured to implement an upgraded Public Assistance Programme and institutional strengthening will be required. A more detailed procedures manual based on an improved targeting methodology, a more efficient benefit delivery mechanism, clearly defined case management and appeals mechanisms is required. An expanded staff complement is also

---

needed. Based on international experience, the Department should be staffed by a core group, including:

- A Public Assistance Manager (the Director Family Affairs would serve as Public Assistance Manager)
- A Public Assistance Operations Manager
- A Senior Accountant plus 1-2 accounting clerks
- An MIS Manager plus 1-2 data entry clerks
- A Monitoring Officer
- Public Assistance Officers (number to be determined)

The Public Assistance Act should be amended. Archaic provisions (such as involvement of a Board in the selection of beneficiaries, authorised entry of beneficiary residences, and payment of benefits weekly or fortnightly) and language (reference to benefits as Relief and to beneficiaries are the Out-Door Poor) should be eliminated. Jamaica and Guyana initiated (but did not complete) revision of their Poor Relief Laws. Their replacement legislation might provide guidance for St. Lucia in thinking about amendments to the Public Assistance Act.

Rationalise Provision of Education Based Safety Nets

The existing education based safety net programmes provide an array of in-kind supports; however, targeting outcomes could be improved and implementation rationalised. Government should consider providing a minimum package of provision for an expanded number of Public Assistance beneficiaries. This would include automatic access to a free school meal, free textbooks, and automatic waivers for the assorted fees charged by schools. Students who are not Public Assistance beneficiaries could also be eligible, perhaps for the book rental programme and/or a free meal. An external evaluation of the School Transportation Programme is needed to determine impact and cost effectiveness. That evaluation should also assess alternatives, including an increase in the size of the Public Assistance grant to secondary school students to reflect their higher costs of getting to school. Similarly, the SSDF Education Assistance grant could become part of the Public Assistance grant, with perhaps an increased benefit prior to the school year to allow parents to purchase uniforms and school supplies.

A Second Short-Term Employment Window for HOPE Programme

The HOPE programme should be reconfigured to facilitate participation among persons who wish to work but who do not want or need to participate in training. This could be done through introduction of a separate short-term employment window in HOPE for persons who do not participate in training.

HOPE needs to place explicit focus on and ensure participation among women. Strategies to facilitate participation by women such as location of works programmes closer to home, inclusion of works that are socially appropriate for women, and provision of crèche facilities should also be explored.

Public works programmes can play an important role in providing income support to workers experiencing temporary and chronic unemployment or underemployment; however, the existing public works programme needs to be reconfigured to enhance transparency, efficiency and access (particularly among single mothers). What is required is an improved public works programme that pays a minimum wage and guarantees a minimum amount of work to all applicants with an expanded
menu of works to include social service provision, conservation projects, light and infrastructure. There are two ways to think about public works programmes. One view is that they should be short term and designed to respond to an immediate crisis. Argentine, Chile and Korea implemented large scale public works programmes that were introduced and then cut back quickly as the crises diminished. In the context of high and chronic unemployment and underemployment, India has adopted a different approach and guarantees employment to anyone willing to work at the wage provided (Box 2). Both approaches are relevant in the St. Lucian context.

Box 2: The National Rural Employment Guarantee Act in India

Implemented by the Ministry of Rural Development, the National Rural Employment Guarantee Act (NREGA) of 2006 is the flagship safety net programme of the Government that directly touches lives of the poor and promotes inclusive growth. NREGA provides a statutory guarantee of wage employment. The Act aims at enhancing livelihood security of households in rural areas of the country by providing at least 100 days of guaranteed wage employment each year to every household whose adult members volunteer to do unskilled manual work. The primary objective of the Act is augmenting wage employment. Its auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and so encourage sustainable development. The process outcomes include strengthening grassroots processes of democracy and infusing transparency and accountability in governance.

With its rights-based framework and demand driven approach, NREGA marks a paradigm shift from the previous wage programmes. Unique features include time bound employment guarantee and wage payment within 15 days and emphasis on labour intensive works prohibiting the use of contractors and machinery. The Act also mandates 33 per cent participation for women.

The enhanced wage earnings have lead to strengthening of the livelihood resource base of the rural poor in India. In 2007-2008, more than 68% of funds utilised were in the form of wages paid to the labourers. In 2008-2009, 73% of the funds went to payment of wages.

Expand Supply and Promote Participation in Early Childhood Programmes

St. Lucia needs to expand supply and promote participation in early childhood programmes for infants and young children who are poor and vulnerable. Crime and violence are increasing concerns in St. Lucia. Intervening early in children’s lives through provision of quality childcare and pre-school programmes is the best way to promote youth and to prevent violence and crime. Research from the United States shows that children who did not participate in the Chicago federally funded Child Parent Centres has a 70 per cent higher chance of being arrested for a violent crime by age 18. Participation in the programme also reduced child abuse and neglect. A 40-year evaluation of the Perry Pre-School Programme showed a benefit to cost ratio of 17 to 1. A cost-benefit analysis of the programme yielded a return of US$7 to US$1 at age 27; by age 40 the return was US$17 to US$1 of investment. The largest saving is on crime prevention. In Syracuse NY, at-risk children who did not participate in a child development programme and parenting support for their mothers were ten times more likely to be

---


delinquent ten years later than children who participated. There is also substantial evidence that ECCD programmes in developing countries help young children to develop. Research indicates that ECCD programmes are especially beneficial for children from poor families and that early interventions promote schooling, reduce crime, promote workforce productivity and reduce teenage pregnancy. St. Lucia has placed considerable emphasis on responding to the youth-at-risk dilemma. Increasing access to quality ECCD programmes should be considered.

**Promote the School-To-Work Transition Among At Risk Adolescents and Youth**

St. Lucia has a number of labour market initiatives targeted to adolescents and youth; however, St. Lucia needs a strategic vision for addressing adolescent and youth-at-risk concerns so as to avoid the patchwork of interventions that is emerging. The OECS Skills for Inclusive Growth incorporates a model of training provision that relies on contracting out training provision to contractors who are responsible for identifying on-the-job training opportunities and providing short classroom based remedial, vocational and life skills training. This model originated in Chile (the Chile Jóvenes Programme) and was replicated in Argentina, Uruguay, Paraguay, Peru, Colombia, the Dominican Republic, and Venezuela. A similar intervention that has inherited several features from this model has been implemented in 18 Latin American and Caribbean countries under the name of Entra 21. The model has had some successes, particularly for women and adolescents. HOPE provides another model, which focuses on rapid employment generation and complementary training targeted to youth and older workings. Koudemain intervene at the household level. Close collaboration between service providers will be important to avoid a fragmented system in which young people leave school without skills, a job, or a plan for obtaining either.

**Strengthen Care and Protection Services**

Constraints in the delivery of care and protection services, including lack of adequate facilities for placement were identified above. Important steps are being taken, including construction of the Transit Home and Therapeutic Centre, opening of the Upton Gardens Residential Facility and construction of a new home for the elderly. In the context of improving services, it will be important to get a better understanding of what drives children and the elderly into care and protection, with a view to expanding alternatives to institutional care.

---


64 See Lancet, Vol.369, Jan.6, 2007 for a review of this evidence.

Cross Cutting Issues

Develop a Social Assistance Strategy

St. Lucia will need to articulate a social assistance strategy. This strategy should specify objectives, core programmes with fiscal allocations that match these priorities, implementation arrangements, accountability and control mechanisms, and monitoring and evaluation plans. Donor resources could then be aligned behind this strategy. All of the required reforms identified in the report cannot be addressed at one time. Rationalising programmes and improving targeting would be an important first step. It is important to note that this strategy does not need to be in the form of another report. Rather, the strategy could be in the form of a matrix that outlines required actions and prioritises the responses.

A first step towards development of a social assistance strategy would be to establish an Inter-Ministerial Committee that would be responsible for guiding development and implementation of the strategy. Sector wide planning for safety nets is needed since safety nets do not have a ‘home’ in one single ministry. An Inter-Ministerial Committee will oversee the preparation and implementation of the Social Safety Net Reform Strategy. The Inter-Ministerial Committee would consult with NGOs and civil society, which are stakeholders in social safety nets and which have a role in implementing social safety net programmes.

Introduce an Objective and Transparent Targeting Mechanism for all Targeted Programmes

Existing targeting systems absorb considerable staff resources. A unified beneficiary identification system for all social assistance programmes would increase the efficiency, effectiveness and transparency of targeting. A unified system would streamline the application process and would apply objective criteria, screening instruments and procedures for approval.

A proxy means test (PMT) offers an alternative to the measurement of need in countries, such as St. Lucia, where income data is unreliable. A PMT uses data from household surveys to construct a scoring formula and a cut-off point for eligibility. Households that receive a score below the cut-off point are eligible for benefits; households that receive a score below the cut-off point are not eligible. The Statistics Department developed and implemented a PMT to selected beneficiaries for Koudemain. SSDF and the Department of Statistics are to be commended for this effort. At this point, it would be useful to subject the PMT to rigorous analytic review. This review would either validate the existing scoring formula or suggest ways the formula could be adjusted to improve targeting outcomes.

The next step would be to expand usage to all targeted programmes, beginning with Public Assistance. Cut-off points can be varied for different programmes. For example, the cut off point for a cash grant targeted to the indigent might be lower than the cut-off point for access to fee waivers for medical care. It should be noted that most of the programmes using a proxy means test still require an interviewer or social worker to visit the household to fill out the proxy-means testing form and to verify the household conditions as reported on the application form.

Establish a Central Beneficiary Registry

St. Lucia implements a range of targeted programmes, including cash grants, free school meals, public works, fee waivers, free pharmaceuticals, housing repair grants and loans, and provision of low-cost
housing. Typically, programme managers do not know which beneficiaries are participating in the different programmes. A central beneficiary registry would provide important monitoring and planning information and could help to reduce system abuse. The Central Beneficiary Registry could also maintain information on beneficiaries of civil society assistance programmes; e.g., student support and disaster assistance. The central beneficiary registry should have the capacity to cross-check data against other registries, including automobile registration, National Insurance data and immigration and customs data. The MOST would provide a natural home for the Central Beneficiary Registry, particularly if Human Services is moved to MOST.

Enhance Accountability and Control

Accountability and control mechanisms for all programmes need to be upgraded. Automated information systems, including beneficiary and accounting systems, are required for key programmes. Formal appeals mechanisms should be established. Threats to the integrity of a safety net programme can occur during targeting, determination of eligibility, registration, and/or payment of benefits. Accountability and control are essential to maintaining the integrity of any programme. A system of multiple accountability and control mechanisms should be instituted, including the following accountability and control mechanisms:

1. A modern and efficient management information system (see below)
2. Documented policies and procedures to be followed by all stakeholders
3. Establishment of Appeals and Complaints Committees and clear and formal publicised procedures for submitting and responding to appeals and complaints about issues such as eligibility, problems with receipt of benefits, poor service, and/or corrupt operation of the programme
4. Process monitoring (Annex 3)
5. Annual financial audits of all social safety net programmes
6. Recourse to the legal system if fraud is detected, with legal or other sanctions for guilty parties

Develop Capacity for Monitoring and Evaluation

Programmes lack information systems and there appears to be little emphasis on monitoring basic statistics, such as number and characteristics of beneficiaries, amounts disbursed, etc. Enhanced monitoring (through programme level data and through regular survey data) and periodic external evaluations are critical to effective planning and accountability and control. The minimum requirements (modules) for a management information system for key programmes that would support monitoring of performance in relation to established programme targets and objectives would be as follows:

1. Application module
2. Enrolment module
3. Payment and reconciliation module (to include information on payments delivered and dates of delivery, un-collected benefits and reconciliation of the two)
4. Appeals and complaints module
5. Recertification of eligibility module
6. Change of household status module
7. Administration module, including programme budget and cash flows
8. Report generation module
A monitoring plan for each programme would include the monitoring of the following indicators:

1. Coverage of the target group
2. Benefits provided
3. Administrative costs and costs of benefits delivered
4. Programme outcomes; e.g., school enrolment and attendance, clinic attendance and vaccination coverage, employment and earnings outcomes for participants in active labour market programmes.

The Department of Statistics implements a regular labour force survey but poverty monitoring data is not collected regularly. Capacity building of the Department of Statistics to enable it to implement regular poverty monitoring surveys would contribute information essential for planning, monitoring, and evaluating social assistance programmes, and would also be useful for other social and economic programmes.

Recommendations for more efficient and effective budgeting include the following:

Greater fiscal priority needs to be given to Public Assistance. Financing of Public Assistance is not always secure and sometimes benefits are not paid. Most recently, benefits were not paid for a three-month period in 2009 due to unavailability of funding. The Public Assistance Programme serves more elderly persons than children. Moreover, the per capita benefit for large households (which typically have more children) is significantly less than the benefit for a single member household (who are typically the elderly). Ideally, resources now directed to the student support scheme in SSDF could be redirected to Public Assistance to facilitate expansion of coverage and increase in benefit to households with children. In FY08/09, Government spent almost twice as much on price controls as on the Public Assistance transfers to households. Subsidies are poorly targeted and there is considerable leakage to the non-poor. Reallocating resources to targeted programmes would enhance social equity.

State financial intervention does not sufficiently enhance equity for all. Government provides a sizeable and increasing subsidy for school meals. Primary students (who represent the vast majority of programme beneficiaries) pay $1.00 or about 30% of actual costs. This represents a significant subsidy for non-poor students. At the same time, targeting outcomes for the free meal are poor. Better targeting of the free meal would enhance social equity. It might be more politically feasible to work on improving targeting outcomes without raising the cost to paying students.

Enhance Emergency Response Capacity

Financial crisis and natural disasters disrupt employment and income which results in increased difficulties in meeting basic needs. In the absence of mitigating measures (insurance) or coping measures (social assistance), income, employment, and asset losses can all translate into reductions in consumption that affect child nutritional levels and investments in education and healthcare and that could have long term consequences for human capital development among children. A core set of programmes that can be scaled up quickly on a time bound basis, with emphasis on short-term employment and temporary cash assistance, is needed.

Natural disasters and financial crisis may be accompanied by significant income and resource shifts and this means that social safety nets also need to help households that become poor as a result of
the disaster. Targeting mechanisms need to capture the dynamics of poverty during the crisis so as not to miss important segments of society in need of assistance, such as the new poor. Targeting near poor households that are exposed to uninsured risks makes sense for a number of reasons. Poor households and non-poor households have equal risk exposure. While the vulnerable non-poor are more likely than poor households to use ex-ante risk management instruments such as savings, they cannot fully protect themselves against risk. In the case of Nicaragua, two thirds of both non-poor and poor households used children to cope with shocks, including increased child labour and taking children out of school.\textsuperscript{66}

Conclusion

As the report has highlighted, the safety net has a number of weaknesses that are not new. However, the recent global financial crisis, with accompanying downturns in revenues and remittances, makes it essential that these weaknesses be addressed as soon as possible. The reforms recommended in this report will require a strategic vision for social protection and a champion to lead the reforms. In addition, although this report has focused on social assistance, there is scope for thinking about the social insurance system and the degree to which it could be strengthened to better address risk and vulnerability. Hopefully, the fallout from the global financial crisis will provide the momentum for reform.

Annexes
### Annex 1: Detailed Expenditure Data

#### Programme Expenditure by Category, Current EC$

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECURRENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Needs Trust Fund</td>
<td>400,000</td>
<td>400,000</td>
<td>400,000</td>
<td>-</td>
</tr>
<tr>
<td>Poverty Reduction Fund (now SSDF)</td>
<td>700,000</td>
<td>700,000</td>
<td>700,000</td>
<td>-</td>
</tr>
<tr>
<td>Saint Lucia Social Development Fund (Formerly PRF)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,596,350</td>
</tr>
<tr>
<td>School Feeding Programme</td>
<td>981,142</td>
<td>1,158,322</td>
<td>1,183,887</td>
<td>1,591,164</td>
</tr>
<tr>
<td>Student Welfare Assistance</td>
<td>297,504</td>
<td>466,337</td>
<td>733,197</td>
<td>396,297</td>
</tr>
<tr>
<td>James Belgrave Fund</td>
<td>600,000</td>
<td>600,000</td>
<td>600,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Nat'l Enrichment &amp; Learning Programme</td>
<td>730,168</td>
<td>672,631</td>
<td>623,197</td>
<td>716,912</td>
</tr>
<tr>
<td>National Skills Development Centre</td>
<td>1,084,980</td>
<td>1,085,540</td>
<td>1,006,349</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Family &amp; Child Care Services</td>
<td>238,043</td>
<td>567,216</td>
<td>568,351</td>
<td>641,731</td>
</tr>
<tr>
<td>Day Care Services</td>
<td>1,428,680</td>
<td>1,403,594</td>
<td>1,432,035</td>
<td>1,574,587</td>
</tr>
<tr>
<td>Human Services</td>
<td>443,788</td>
<td>452,288</td>
<td>1,237,478</td>
<td>1,220,878</td>
</tr>
<tr>
<td>Welfare Services (Public Assistance)</td>
<td>3,252,340</td>
<td>4,134,538</td>
<td>3,904,453</td>
<td>4,260,352</td>
</tr>
<tr>
<td>Upton Gardens Girls Centre</td>
<td>302,620</td>
<td>302,620</td>
<td>302,620</td>
<td>302,620</td>
</tr>
<tr>
<td>Boys Training Centre</td>
<td>959,256</td>
<td>1,157,957</td>
<td>1,287,382</td>
<td>1,333,798</td>
</tr>
<tr>
<td>Home for the Elderly/Senior Citizens’ Home</td>
<td>383,615</td>
<td>624,902</td>
<td>688,639</td>
<td>607,972</td>
</tr>
<tr>
<td>Gender Relations</td>
<td>569,364</td>
<td>630,893</td>
<td>721,627</td>
<td>708,400</td>
</tr>
<tr>
<td><strong>RECURRENT TOTAL</strong></td>
<td>12,371,500</td>
<td>14,356,838</td>
<td>15,389,215</td>
<td>16,751,061</td>
</tr>
<tr>
<td><strong>CAPITAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BNTF V &amp; VI</td>
<td>7,200,000</td>
<td>6,500,000</td>
<td>7,200,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Poverty Reduction Fund</td>
<td>1,844,007</td>
<td>1,800,000</td>
<td>1,500,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Community Development Programme</td>
<td>-</td>
<td>1,650,000</td>
<td>825,000</td>
<td>700,000</td>
</tr>
<tr>
<td>School Feeding Programme Equipment</td>
<td>80,245</td>
<td>60,000</td>
<td>93,200</td>
<td>75,000</td>
</tr>
<tr>
<td>HOPE (Labour Absorption Programme)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,584,000</td>
</tr>
<tr>
<td>Nat'l Enrichment &amp; Learning Programme/Adult Education and Literacy Programme</td>
<td>-</td>
<td>35,000</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>OECS Skills for Inclusive Growth Project</td>
<td>-</td>
<td>1,275,525</td>
<td>2,248,438</td>
<td>1,515,167</td>
</tr>
<tr>
<td>National Skills Development Centre</td>
<td>2,000,000</td>
<td>1,337,657</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Koudemain Ste Lucie</td>
<td>-</td>
<td>-</td>
<td>1,800,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Social Protection Programme - Protecting the Vulnerable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>700,000</td>
</tr>
<tr>
<td>Integrated Social Recovery Programme</td>
<td>2,000,000</td>
<td>2,774,000</td>
<td>3,120,000</td>
<td>1,658,746</td>
</tr>
<tr>
<td>Upton Gardens Girls Centre</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Boys Training Centre</td>
<td>-</td>
<td>671,000</td>
<td>256,932</td>
<td>150,000</td>
</tr>
<tr>
<td>Home for the Elderly/Senior Citizens’ Home</td>
<td>9,065,046</td>
<td>10</td>
<td>543,775</td>
<td>6,454,486</td>
</tr>
<tr>
<td>Transit Home: Integrated Child Protection &amp; Development Programme</td>
<td>726,136</td>
<td>835,734</td>
<td>1,000,917</td>
<td>71,719</td>
</tr>
<tr>
<td>Gender Relations</td>
<td>95,784</td>
<td>93,895</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CAPITAL TOTAL</strong></td>
<td>23,011,218</td>
<td>17,032,821</td>
<td>18,738,262</td>
<td>33,109,118</td>
</tr>
<tr>
<td><strong>TOTAL SOCIAL ASSISTANCE</strong></td>
<td>35,382,718</td>
<td>31,389,659</td>
<td>34,127,477</td>
<td>49,860,179</td>
</tr>
</tbody>
</table>
Annex 2: The Puente Programme

The Chile Puente (Bridge) programme is a government initiative to build a link between the extreme poor and their social, economic and cultural rights. The programme is targeted to the poorest 5 per cent of the population and provides a cash benefit, for only two years, as a way of attracting families into the social safety net. Once they have entered the programme, they are then guided towards a wide range of other benefits (such as housing and child benefits) and supporting services (such as training and labour market inclusion programmes) that can potentially help them to escape from social and economic exclusion. Clients are referred to relevant social services with preferential access and counseling is provided on how to attain a set of minimum standards for their family members. The programme establishes a framework of co-responsibility with the family based on an agreed action plan to lift the household out of extreme poverty. Compliance with this customised plan then becomes the household’s condition for continuing to receive the programme’s support.

Social professions work with each family for 24 months, bring them psychosocial support to improve their living conditions, measured by 53 quality of life standards in 7 dimensions: (i) personal identification; (ii) health; (iii) education; (iv) family dynamics; (v) housing conditions; (vi) employment; (vii) income. Families plan how they will achieve the 53 Puente’s standards and establish compromises with the professional who helps identify the family’s efforts needed. A family has moved out its condition of extreme poverty when it has reached all of the 53 minimum quality of life standards. Seventy per cent of participating families achieve the 53 quality of live standards.

In addition to St. Lucia, Jamaica and Trinidad and Tobago also implement Puente-like programmes.
Annex 3: Process Monitoring

Process monitoring would address, among others, the following questions:

1. Are eligibility criteria being adhered to
2. Are the right beneficiaries receiving the right benefit
3. Does the MIS produce timely and reliable reports and are there procedures to ensure integrity of the system
4. Is there efficiency of programme processes, including targeting, enrolment, payment
5. Are communities satisfied with the process of selecting beneficiaries in terms of the accuracy and perceptions of fairness of targeting
6. Is there an effective and efficient appeals and complaints mechanism and do beneficiaries understand how to use it
7. Do beneficiaries and non-beneficiaries of a programme understand the programme, its objectives, and how it is operated
8. With respect to cash transfers, are beneficiaries and communities satisfied with the process of disbursement the cash
9. Are there security issues arising from payment process
10. Is there ongoing monitoring of security issues and, if necessary, has the programme been adapted to address these security concerns

Process monitoring should be undertaken by an independent third party, either an independent contractor or by the Audit Department. The methodology to be used in this process is based on random sampling of beneficiary households, random sampling of communities and focus group interviews within those communities, and interviews with programme staff, community councils and other relevant stakeholders.