

Evaluation of EU Assistance to ACP Banana Producers – ref. 951501

Abstract

This report evaluates Commission assistance to banana producers in four ACP countries: the Windward Islands, Belize, Jamaica and Cameroon. It concludes that the impact on competitiveness was below its potential. It recommends to change the aid allocation formula, to focus more on institutional reforms, raising field level productivity and income generation for those displaced from the banana industry.

Subject of the evaluation

This report evaluates assistance programmes for banana producers in the ACP countries (Belize, Cameroon, Cape Verde, Ivory Coast, Windward Islands, Jamaica and Suriname), financed by the EU under Council Regulation 2686/94. The total budget under this regulation amounted to € 95 million, out of which some € 78 million was actually allocated. Out of this latter total, € 37.9 million was provided as income support, to compensate countries for losses in export revenue, and the remainder in the form of technical assistance. A sample of four beneficiary countries was selected: Windward Islands, Jamaica, Belize and Cameroon.

Evaluation description

The **purposes** of this evaluation are (a) to enhance transparency and accountability for the use of EU funds under Regulation 2686/94 and (b) to offer guidance for the programming and use of funds under the new EU assistance programme to ACP banana producers, established under Regulation 856/99.

Methodology: The report consists of four country evaluations and a synthesis report. Evaluation visits were made to four countries: the Windward Islands, Belize, Jamaica and Cameroon. For each, an inventory of individual projects, financed under this programme, was compiled. Each project was evaluated in accordance with the criteria of the logical framework project evaluation methodology: efficiency, effectiveness, impact and sustainability. Overall programme relevance was also assessed.

Main findings

The report concludes that the potential impact of EU assistance on competitiveness of the banana industry was already low in the Windward Islands, and average in the other three countries. Actual impact was low to medium. Jamaica and the Windwards face major challenges to reorganize exports and marketing arrangements. Only Cameroon and Ivory Coast have any realistic possibility of competing with the non-ACP banana exporters. Assistance has made most impact where it has gone into field productivity improvements. It has made least impact where its potential was perhaps highest: reform management and marketing arrangements. There has been little social and environmental investment. The programme has suffered from administrative delays in implementation.

Recommendations

The "competitiveness gap" formula for the calculation of financial assistance to ACP countries, as a compensation for loss of privileged access to banana markets, should be dropped in favour of a mechanism that allocates resources to their most efficient uses.

Top priority should be given to the reform of dysfunctional organisational arrangements in the banana industries of beneficiary countries.

Focus on raising field productivity is the basis for increased competitiveness

Prioritise social and environmental investments.

Assist alternative income generation schemes for those displaced from the banana export industry.

Feedback

The report is published on the website of the Commission (SCR Evaluation).

Donor: European Commission	Region: ACP	DAC Sector: Agriculture
Evaluation type: efficiency, effectiveness, impact, sustainability, relevance	Date of report: 31/1/2000	Subject of Evaluation: Programme
Language: English	N° vol./pages: 5/300	Authors: Hubbard/Herbert/Delatouche