

## **ANNEX 9 – EQ GRIDS**



EQ 1

**A. RELEVANCE – Questions 1-2**

**EQ 1. To what extent did the objectives of the regional strategies of the EC respond to the regional needs of the PACP states? How did the regional strategies evolve over the period 1997-2007?**

JC 1.1: The needs common to the different countries of the Pacific ACP region have been comprehensively identified by regional bodies and other agencies.

I.1.1.1 Existence of identification of needs by regional bodies and other agencies and evidence of their common agreement

**TABLE EQ1.1 - MAIN CONSTRAINTS OF THE PICS SUCH AS IDENTIFIED BY**

Donors and external documentary sources	Regional bodies, reported in the 2005 Pacific Plan	Regional bodies, reported in the 1995 Forum's Vision
1. Political		
Instability and insecurity due to		
Ethnic differences		
<i>Land disputes</i>		
<i>Economic disparity</i>		
<i>Inadequate education</i>		
Weaknesses in the regulatory framework	V	
Weaknesses in the enforcement capacity	V	
Poor governance	V	
2. Economic		
Remoteness and insularity	V	V
Exposition to natural disasters	V	V
Limited local market and population size	V	
Limited diversification		
Dependence w/r to external trade and FDI		V
Lack of regional/international trade integration	V	V
Heavy dependence of public finance on import taxes		
Instable investment environment	V	
Dependence of ODA and remittances		
High costs for the provision of public services		
Lack of institutional capacity		
Weakness of the private sector	V	
Skewed income distribution		
Weakness of the exploitation and management of natural resources	V	
3. Social		
High ratio of poverty incidence/ GDP per cap.		
Uneven distribution of income		
Lack of social opportunities		V

High unemployment		
Low education level and inadequacy of skills	V	V
Weakness in basic education	V	
High levels of infant mortality		
Increasing incidence of sexually transmitted diseases	V	
Structural weaknesses of health systems	V	
Lack of cultural integration	V	V
Gender inequalities	V	V
4. Environment		
Loss of biological diversity	V	
Degradation of natural environment	V	V
Sea level rise		
Pollution	V	
Over-exploitation and mismanagement of natural resources	V	V
Lack of waste management	V	
Climate changes		
Sensitivity of the natural environment to trade, tourism, growth, urbanisation	V	

The evaluation team adopted the hypothesis that the regional needs identified by donors and other international organisations are close to objective needs. The table above indicates an increasing coherence between those and the needs identified by regional bodies.

It must be said that the depth and precision of the needs identification substantially varies from one sector (agency) to the other. In the area of Regional Economic Integration and Trade, the Forum mainly tackles issues related to regional trade integration (which Specification of intra-regional trade requirements has emerged in the context of the establishment of the PICTA and PACER agreements leading to the establishment of the PICTA) and the adaptation to the principles and obligations of the WTO and APEC. Regional needs in relation to extra-regional trade are not well specified by PICs or regional organisations, though there is general recognition of the benefits of international trade and commitment to engagement. Moreover, the impact of trade on fundamental economic structures and in particular on the diversification of the PICs economies is not analysed.

In the field of Human Resources Development, the 2001 Conference of Ministers of Education in Auckland decided the Forum Basic Education Action Plan (FBEAP) and identifies basic education as a fundamental building block for society, recognising that there is an urgent need for each country (i) to improve basic educational planning, through clearly identifying desired basic educational outcomes and the learning needs of the individuals; (ii) to improve data and information collection for informed policy decisions; and (iii) to develop coherent national educational plans through high level training of key personnel and strengthening of the planning units.

In the area of Fisheries, regional needs were clearly stated during the last quarter of the 20th century. The requirement for regional fisheries management was supported by scientific research on the shared migratory species of the region. This situation led to the founding of the Pacific Islands Forum Fisheries Agency (FFA) in 1979, the Oceanic Fisheries Programme

(OFP) of the Secretariat of the Pacific Community (SPC) in 1981, and the Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC) in 2004, in which the EU itself gained full membership in 2005.

Finally, in the area of Natural Resources Management, regional bodies operating in the NRM sector include in their mandate the role of moderating regional platforms of dialogue, identifying common development issues and needs, and proposing and delivering regional services to the member countries. Most CROP agencies undertake extensive consultations with national stakeholders before the elaboration of multi-annual strategies and action plans. These programming documents are endorsed by PICs and serve as a basis for cooperation between donors and CROP agencies.

In general, priorities are mutually agreed by regional bodies as, since 1995, the Forum's Secretariat plays an active role in policy formulation and implementation. This also reflected by the fact that the Secretary General was then designated as the permanent Chair of the South Pacific Organisations Coordinating Committee (SPOCC) - now known as the Council of Regional Organisation in the Pacific (CROP)- which was established in 1988 to create coherence between regional organisations by harmonising, their activities and reducing duplication.

The following scoring grid summarises identification performance for these central sectors.

**SCORING GRID QUALITATIVE INDICATOR I 1.1.1**

	Needs of the region have been...			Total
	0-...Not identified 1-...Identified in broadest terms 2- ...Detailed identification of needs 3-...Very detailed identification of needs	1- ...identified after 2002 2- ... identified after 1997 and before 2002 3- ... identified before 1997 and during the whole period	0-Not mutually agreed 1-Mutually agreed	
	DETAIL	TIMING	MUTUALLY AGREED	
<b>REIT</b>	1	2	1	4/7
<b>Education</b>	2	3	1	6/7
<b>Fisheries</b>	3	2	1	6/7
<b>Natural Resources</b>	2	3	1	6/7
<b>TOTAL</b>	2/3	2,5/3	1/1	<b>5.5/7 or 7.8/10</b>

JC 1.2: EC regional strategies were conceived to respond to existing regional strategies and needs identified at the regional level.

I.1.2.1: Reference of EC response strategy explicitly refers to identified and commonly agreed regional needs and strategies

Most of the needs listed in the first columns of table EQ1.1 are covered by the identification carried out by EC services. As one easily checks, the focal sectors of the EC regional strategy all corresponds to priorities identified by regional authorities. The extent to which the corresponding activities are designed as a response to regional strategies varies from sector to sector.

#### Regional Integration and Trade

EC regional strategies in regional economic integration and trade were conceived at the all-ACP level, rather than being a direct response to the regional strategies of Pacific ACP States. PACP States were signatories of the Lomé Convention and the Cotonou Agreement, so that in broad terms EC strategies designed for application across ACP countries conformed to commitments of Pacific ACP States. Nevertheless, the strategies for regional economic integration and trade followed up the Cotonou Agreement, rather than responding directly to detailed specifications of PACP States. No specific situation analysis regarding regional integration and trade in the Pacific region was produced, so no strategy paper specifically based on the regional situation was developed. As noted above, the attention of Pacific ACP States was focused on intra-regional issues, and detailed specifications of the needs with regard to extra-regional trade were not developed, except by some countries in the context of their WTO membership of procedures for accession. This applies particularly to trade with the European Union, since it is a small part of regional trade. Strategy for regional economic integration and trade is confined to the very broad strategic commitments of the RSP.

#### Human Resources Development

The region has given substantial attention to its strategies for HRD. Forum members have directed attention towards Basic Education and the Commission has responded to the regional initiatives. The Forum Basic Education Action Plan was established at the time the RSP for EDF 8 was in preparation and the RSP responded to the regional commitment. Regional educational organisations have also established plans within the areas of their responsibilities and the Commission has responded to their requirements. There is significant harmony of understanding between regional education authorities and the Commission.

#### Fisheries

Both the 8<sup>th</sup> EDF Pacific RIP and the 9<sup>th</sup> EDF RSP explicitly refer to the regionally expressed needs for support to the development of a regionally coordinated fisheries sector management. In recognition of increased need for the development of a regional fisheries strategy, the 9<sup>th</sup> EDF RSP/RIP responded by making support for the upgrade of fisheries sector development a focal sector.

#### Natural Resources Management

In the NRM sector, the regional strategy framework has been evolving since the 1960s. The regional institutional environment and the capacity of regional organisations to moderate dialogue and consultation with PICs for regional consensus on common needs and shared development goals has similarly evolved. These developments mean that it has become progressively easier for the Commission to respond to regionally identified strategies and needs. The 9<sup>th</sup> EDF RSP responded to the regional strategic framework more easily than the

8<sup>th</sup> EDF RIP and previous EDF programmes. The most recent development provides regional stakeholders and their partners with a long-term strategic vision in the form of the Pacific Plan, along with specific sectoral strategic frameworks. The civil societies of the PICs are also increasingly aware of the general and specific policy framework in which they can operate. Reference to other Pacific regional strategic frameworks in NRM can be found under Evaluation Question 8 (I.8.1.2).

Reference of EC response strategy to identified and commonly agreed regional needs and strategies is summarised by the following scoring grid.

**SCORING GRID QUALITATIVE INDICATOR I 1.2.1**

	EC strategies make reference to...		Total
	0 – ... No reference to regional characteristics 2 – ...to regional characteristics	Neutral - ...No reference to political commitments 1 – ...Reference to general commitments (Lome-Cotonou Agreement) 2 – ...Reference to Regional Agreements	
<b>REIT</b>	0	1	1/4
<b>Education</b>	2	2	4/4
<b>Fisheries</b>	2	2	4/4
<b>Natural Resources</b>	2	2	4/4
	1.5/2	1.75/2	3.35/4 or 8.1/10

**JC 1.3: EC regional strategies evolved over time to adapt to evolving regional needs**

**I.1.3.1: References to evolving regional needs in the justification of changes in Commission regional strategies between 8th and 9th EDF**

In general, EC strategy's evolutions are in line with political commitments and changes of context.

Regional Integration and Trade

EC strategies on regional economic integration and trade have undergone major changes in the period 1997-2006. In particular, it has adapted to the increasing concern of regional authorities to incorporate the Multilateral Trading System developed under the auspices of the WTO. Accordingly, and in coherence with the Cotonou Agreement's provision for Economic Partnership Agreements, the strategy under EDF 9 is to establish ACPs more directly as players in international trade, taking on obligations to abide by international trade rules, whilst benefiting from increased market access. At the same time, it was recognised that the capacity of ACP countries to produce products and services that could be sold in EU markets, or world markets, was a crucial constraint. Finally, the negotiation process required for the establishment of EPAs has ensured a much greater engagement of the EC with the capacity issues facing Pacific ACP States.

### Human Resource Development

HRD under EDF 8 was the continuation of smaller activities of EDF 7. A call for proposals was launched leading to the three components of USP-HRD. Since USP is a tertiary level institution, projects were formulated at the academic level. At the same time two parallel developments appeared: Basic education became the focus of the Millennium Development Goals and the Forum Basic Education Action Plan was prepared formulating regional needs at the level of basic education (formal education and TVET). The FBEAP document describes some of the problems in the sector of BE and TVET. At the same time at, national levels, the same reorientation towards BE and TVET happened as well as the preparation of SWAps (Sector Wide Approaches). Accordingly, EDF 9 develops a sector design taking into account these reorientations.

### Natural Resources Management

The Commission narrowed its focus of support from 'natural resources' in the 8th EDF period to 'fisheries' in the 9th EDF period. The new focus was justified by reference to the identification by the Commission and in the region of the importance of fisheries for the regional and the advances that could be made with a regional approach to fisheries. The need to ratify and implement MFAs gave added impetus and justification for the change.

The 9th EDF RSP devolved non-focal resources from the 9th EDF RIP to consolidation of NRM programmes funded under the 8th EDF, so that the six new Pacific ACP countries, all significantly reliant on natural resources, would have funds available to engage with the existing eight Pacific ACP countries in natural resource development projects.

### Fisheries

Commission strategies identify regional commitments that have led to the evolution of Commission strategies as follows:

- 9<sup>th</sup> EDF RIP (33): 'The establishment of the Forum Fisheries Agency in 1979 was an important step towards developing a common management regime for the EEZs of Forum members. The opportunity provided by the United Nations Convention on the Law of the Sea and subsequent conventions on straddling and migratory fish stocks was used to initiate the Multilateral High Level Conference, which in 2000 adopted a Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (the Tuna Convention).'
- 9<sup>th</sup> EDF RIP (XI): 'The EU intends to contribute to the [fishery sector] steps being taken by the Region to ensure the conservation and sustainable management of this resource.'
- 9<sup>th</sup> EDF RIP (VII). 'The sector where these benefits are most expected to impact and which has the most potential for revenue generation and economic growth is Fisheries. The Region therefore attaches particular importance to the sustainable development of this sector.'
- 9<sup>th</sup> EDF RIP (145):
  - 'Ratification of the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean.'; and
  - 'Promotion of the principles enshrined in the International Code of Conduct for Responsible Fisheries.'

**SCORING GRID QUALITATIVE INDICATOR I 1.3.1**

	Strategies evolutions are justified by reference to changes in...		Total
	Regional context	Political commitment	
	0 – ...no reference to regional characteristics 2 – ... regional characteristics	Neutral-... no reference to political commitment 1 – ... general commitments (Cotonou Agreement) 2 – ... Regional Agreements	
<b>REIT</b>	0	1	1/4
<b>Education</b>	0	2	2/4
<b>Fisheries</b>	0	2	2/4
<b>Natural Resources</b>	0	2	2/4
<b>Total</b>	0/2	1.75/2	1.75/4 or 4.3/10

EQ2

**EQ 2. To what extent were the EC regional and country strategies mutually supportive in tackling the needs of the region and were appropriate choices made between interventions at regional and at country level?**

JC 2.1: EC regional and country strategy documents are complementary.

I.2.1.1: References in EC Regional (National) strategy documents to National (Regional) strategy documents as complementary tools

References exist in 8<sup>th</sup> and 9<sup>th</sup> EDF strategy documents. But:

- they don't develop explicitly the interaction.
- they are based on standard formulations.

CSP

It is clear that regional issues were raised in the context of preparation of CSPs. Several CSPs contain coverage of country views on regional priorities in Annexes (usually Annex 3) to the main reports. These commonly include endorsement of a regional approach to development of international trade and the development of private sector capacity for trade. There is a strong similarity in the issues recommended for regional attention in the CSPs, suggesting that PACPs were invited to endorse proposals made by those preparing the CSPs. Sustainable management of natural resources, human resources development and trade and private sector development are the three areas consistently cited as appropriate priorities for a regional approach.

RSP

The 8th EDF RIP makes clear reference (Art. 1.7) to other Community financing resources both at national and regional levels. Coherence between these different instruments should be taken into account. Co-financing from regional and national funds is also envisaged for regional projects with significant national impact. Art. 1.12 states that 'the regional strategies should be consistent with those decided at the national level ... The possibilities for cooperation and programmes at the sub-regional level should be encouraged.'

RIP EDF 8, Chapter 2.1.4, records that: 'Community assistance will support the regional sectoral strategy (outlined above), in coherence with the financing foreseen in the budgets of the Pacific ACP States on their own resources, in their NIP, and by other donors.'

**SCORING GRID QUALITATIVE INDICATOR I 2.1.1**

<p><b>- 1: Formal Reference to RIP or RSP for sectors not considered (-0,25 per sector)</b>  <b>0: No reference to RIP or RSP</b>  <b>1: Formal reference to Regional Sectors (0,25 per sector)</b>  <b>4: Development reference to Regional Sectors with development of the interactions (1 per sector)</b></p>								
8 <sup>th</sup> NIP					9 <sup>th</sup> CSP			
	<u>Trade &amp; PS</u>	<u>NRM</u>	<u>HRD</u>	<u>F</u>	<u>Trade &amp; PS</u>	<u>NRM</u>	<u>HRD</u>	<u>F</u>
Cook Islands					1			0.25
-0.25 Also mentions banking								

					regulation and supervision			
Fiji	0.25	0.25	0.25	0.25	1		0.25	
Kiribati*	0.25	0.25	0.25	0.25	0.25			
Marshall Islands					0.25		0.25	0.25
Micronesia								0.25
Nauru					0.25	0.25		0.25
Niue						0.25		0.25
Palau					0.25			0.25
Papua New Guinea	Annex 3 non available				1			
Samoa*			0.25		0.25			
Solomon Islands*	0.25	0.25	0.25	0.25	0.25			
Tonga	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Tuvalu*		0.25	0.25			0.25		
Vanuatu*	Annex 3 non available				0.25	0.25		0.25

### Regional Integration and Trade

Regional integration and trade receive little attention in CSPs for both EDF 8 and EDF 9. The CSPs are widely focused on issues of rural and outer island development, rather than the external relations of the countries. This reflects the priorities of national governments and probably also the recognised effectiveness of a regional approach to many trade issues.

This is confirmed more broadly in the Commission paper 'Trade and Development: Assisting Developing Countries to Benefit from Trade', which comments: 'However, reflecting the general lack of visibility of trade aspects in PRSPs, many of the CSPs approved so far do not put much emphasis on trade-related assistance. On the other hand, trade-related assistance in the broad sense features prominently in many RSPs, with 40 to 50 percent of regional funds devoted to this area in some regions<sup>1</sup>.'

Papua New Guinea is preparing a project, valued at €2 m. over 2 years, for capacity building in trade policy. The project is relatively small, but may nevertheless represent a significant extension of EC support for trade to country level.

### Human Resources Development

There are mentions in the RIP for EDF 8 of linkages between regional and national strategy. The RIP also notes that, 'Of the NIPs for the 8 Pacific ACP States, 5 focus on HRD as the focal sector with one of them focusing exclusively on education improvement. Of the other three, their foci include many HRD initiatives including in the areas of environmental health and capacity building.' More than half of the PACP Country Strategies have adopted basic education as a priority sector under their 9th EDF country strategies and National Indicative Plans (NIP). Pacific National Authorising Officers anticipate the regional strategy will complement and consolidate national programmes by addressing problems which can be tackled more cost-effectively at the regional level. Health is not a priority area in any of the

<sup>1</sup> European Commission. Communication from the Commission to the Council and the European Parliament. Trade and Development: assisting developing countries to benefit from trade. (COM(2002)513 final)

PACP CSPs, except in so far as they involve some construction of health posts in Outer Island Development Programmes or the Social Sector Development Programme in Tonga.

The RIP for EDF 8, Chapter 2.1.4, records that: 'Community assistance will support the regional sectoral strategy (outlined above), in coherence with the financing foreseen in the budgets of the Pacific ACP States on their own resources, in their NIP, and by other donors.'

The RIP for EDF 8 also notes on page 5 that: 'Support to HRD shall be consistent with other sectoral strategies and the overall strategy for economic and social development in the individual states, their commitment to possible reforms in the education sector and to common educational and training policies within an overall HRD regional strategy.'

The same document notes that: 'Of the NIPs for the 8 Pacific ACP States, 5 focus on HRD as the focal sector with one of them focusing exclusively on education improvement. Of the other three, their foci include many HRD initiatives including in the areas of environmental health and capacity building.'

More than half of the PACP Country Strategies have adopted basic education as a priority sector under their 9th EDF country strategies and National Indicative Plans (NIP). Pacific National Authorising Officers anticipate the regional strategy will complement and consolidate national programmes by addressing problems which can be tackled more cost-effectively at the regional level.

#### Fisheries

##### 8th EDF:

- The EC RIP does not contain any specific references regarding mutual support to or from individual NIPs or NIPs regarding fishery sector interventions.
- The NIPs of Kiribati and the Solomon Islands make clear references to the fishery sector as part of a greater regional NRM strategy in the 8<sup>th</sup> EDF RIP in that '... The Government of ... and the European Commission exchanged views on regional cooperation as provided for under the Lomé IV Convention and noted that: ... Within the framework of Regional Cooperation ... the priorities for support for the EU may cover ... the sustainable management of natural resources (fisheries and forests) and environmental protection. ...'
- The NIPs of Fiji, PNG, Samoa, Tonga, Tuvalu and Vanuatu are making references to the RIP. These references are however pointing towards a still early stage of regional-national strategy support in saying that '... The European Union and [country] also carried out a first exchange of views on the priorities and the possible orientations on regional cooperation drawn up by [country] in co-ordination with its partners. ...'. The references are also not specific to any particular development sector.

##### 9<sup>th</sup> EDF:

- The EC RIP/RSP does not contain references to specific national strategy papers but emphasises its intended general impact at country levels among others through support to the '... review of national fisheries policies (such as Management Plans) especially where based on a shared regional fishery resource. ...', and its '... support for regional institutions to support and coordinate action to formulate and implement national/regional fishery strategies, which promote economic development as a means of strengthening small and fragile economies. ...'.

- The NIP/CSPs of Fiji, Kiribati, Samoa, Tuvalu and Vanuatu are not making any specific reference to regional fishery sector support strategies as part of the RIP/RSP.
- The NIP/CSPs of the Cook Islands, FSM, Nauru, Niue, Palau, PNG, the Marshall Islands, the Solomon Islands and Tonga are using standardised forms of reference to a mutual strategic support between themselves and the EC RIP/RS in saying that ‘... Fisheries matters will be addressed by means of the EC regional programme with its support to the regional agencies of the Forum Fisheries Agency and the Secretariat of the Pacific Community. ...’.
- The Nauru NIP/CSP adds that ‘... For a small economy like Nauru, participation in regional [fisheries] integration initiatives is crucial in order to attract investment and benefit from the larger trade and market opportunities so engendered. ...’.
- The NIP/CSPs of Palau and the Marshall Islands add that ‘... The EC intends to develop a network of bilateral fishing agreements with certain Pacific states, in line with the mandate approved by the Council and in regard to the interests shown by EU Member States. This line of action would be taken in conformity with the fishery management decisions taken by regional fishery organisations covering the Pacific Ocean. ...’.
- The Marshall Islands NIP/CSP additionally adds that ‘... NIP resources may be used to complement RIP resources, budget lines and trade specific operations, ...’.
- The NIP/CSP of PNG limits its strategic reference to the RIP/RSC fishery sector support to the reference that ‘... Coherence between development cooperation policy and other EC policies (trade, fisheries, agriculture, environment) relevant for PNG will be assessed on a continuing basis. In this context NIP resources may be used to complement resources from the RIP, budget lines ...’.
- The Tonga NIP/CSP is limiting its reference to the RIP/RSP to stating that ‘... Tonga is also benefiting directly from important regional co-operation projects funded by the EC in the Pacific ACP countries, in sectors such as ... fisheries, ...’.
- The Solomon Islands are most explicit in referencing national fishery sector development strategies as part their NIP/CSP to the respective RIP/RSP sectoral strategy in saying that ‘... Solomon Islands benefited from the regional indicative programme in the areas of aviation, forestry and fishing including support to the Forum Fisheries Agency, which is based in Honiara. ...’ and ‘... Solomon Islands reaffirms its commitment to the Regional Integration objectives of the Regional Indicative Programme and will play its full role to ensure that these are realised. NIP resources may be used to complement regional resources in this regard especially in building trade analysis capacity. ...’.

Table: References to complementarity between EC RIP/RSP and individual PACP NIP/CSP fishery sector support strategies for the 8<sup>th</sup> and 9<sup>th</sup> EDF.

- = Explicit fishery sector strategy reference;
- = General non-sector specific reference but logically encompassing fishery sector strategies.

Country	Strategic Reference: National - Regional		Strategic Reference: Regional - National	
	8 <sup>th</sup> EDF NIP	9 <sup>th</sup> EDF NIP/CSP	8 <sup>th</sup> EDF RIP	9 <sup>th</sup> EDF RIP/RSP
Cook Islands		● <sup>1</sup>	○	● <sup>9 + 10</sup>
Fiji	○ <sup>12</sup>	○		
FSM		● <sup>1</sup>		

Kiribati	● 11	○		
Nauru		● 1 + 2		
Niue		● 1		
Palau		● 1 + 3		
PNG	○ 13	● 4		
Marshall Islands		● 1 + 3 + 5		
Samoa	○ 12	○		
Solomon Islands	● 11	● 6 + 7		
Tonga	○ 12	● 8		
Tuvalu	○ 13	○		
Vanuatu	○ 13	○		

- 1: ...**Fisheries** matters will be addressed by means of the EC regional programme with its support to the regional agencies of the Forum Fisheries Agency and the Secretariat of the Pacific Community;
- 2: ...For a small economy like Nauru, participation in regional [**fisheries**] integration initiatives is crucial in order to attract investment and benefit from the larger trade and market opportunities so engendered;
- 3: ...The EC intends to develop a network of bilateral **fishing** agreements with certain Pacific states, in line with the mandate approved by the Council and in regard to the interests shown by EU Member States. This line of action would be taken in conformity with the **fishery** management decisions taken by regional fishery organisations covering the Pacific Ocean;
- 4: ...Coherence between development cooperation policy and other EC policies (trade, **fisheries**, agriculture, environment) relevant for PNG will be assessed on a continuing basis. In this context NIP resources may be used to complement resources from the RIP, budget lines and;
- 5: ...NIP resources may be used to complement RIP resources, budget lines and trade specific operations;
- 6: ...Finally, Solomon Islands benefited from the regional indicative programme in the areas of aviation, forestry and **fishing** including support to the Forum Fisheries Agency, which is based in Honiara;
- 7: ...Solomon Islands reaffirms its commitment to the Regional Integration objectives of the Regional Indicative Programme and will play its full role to ensure that these are realised. NIP resources may be used to complement regional resources in this regard especially in building trade analysis capacity;
- 8: ...Tonga is also benefiting directly from important regional co-operation projects funded by the EC in the Pacific ACP countries, in sectors such as ... **fisheries**;
- 9: ...review of **national fisheries** policies (such as Management Plans) especially where based on a shared regional fishery resource;
- 10: ...support for regional institutions to support and coordinate action to formulate and implement **national/regional fishery** strategies, which promote economic development as a means of strengthening small and fragile economies;
- 11: ...The Government of ... and the European Commission exchanged views on regional cooperation as provided for under the Lomé IV Convention and noted that: ... Within

the framework of Regional Cooperation ... the priorities for support for the EU may cover ... the sustainable management of natural resources (**fisheries** and forests) and environmental protection;

<sup>12</sup>: ...The European Union and [country] also carried out a first exchange of views on the priorities and the possible orientations on regional cooperation drawn up by [country] in co-ordination with its partners;

<sup>13</sup>: ...La Commission européenne et [pays] ont également procédé à un premier échange de vues sur les priorités et les orientations possibles de la coopération régionale définies par [pays] en coordination avec ses partenaires.

#### I.2.1.2: Regional and national funds allocated to the same sector at regional and country level have complementary interactive objectives

At strategic level, regional and national funds are allocated to NRM and HRD.

While in NRM the objectives are similar and interaction is possible. In the HRD, the objectives are very different. At national level the focus is on support to primary education infrastructure. At regional level HRD focused mainly tertiary education under the 8<sup>th</sup> EDF while the regional strategy for the 9<sup>th</sup> EDF is characterised by a change of focus to primary education targeting management, planning and policy support, national level emphasised infrastructures projects.

As noted above, country programmes do not incorporate significant fisheries or trade-related projects. A further note on country trade projects is under Evaluation Question 5 (I.5.1.1).

#### Natural Resources Management

In EDF 8, RIP funds allocated to the NRM sector have the objective of improving planning and policies in natural resources development and environmental management and promoting higher returns while sustaining the resource base through generation of higher investment returns and income initiatives in support of national and community efforts. The same objective towards quality of life, employment and income opportunities from NRM are present in most CSPs with strong commitments in the sector.

In EDF 9 RIP, the allocation to NRM is directed to fisheries development (17%) as a focal sector and to the consolidation and extension to 6 new ACP states of the NRM programmes carried out under the 8<sup>th</sup> EDF (24%). Both allocations aim at promoting regional cooperation and coordination of policies for the eradication of poverty and for securing maximum benefits for the people of the region. Similar objectives are found in the national programming of NRM interventions with specific focus on community and private sector support.

#### Human Resources Development

In the 8<sup>th</sup> EDF funds allocated to HRD at regional level focus mainly tertiary education while this is not the case in the CSP of the same period prioritising the support to primary education infrastructure.

The regional strategy for the 9<sup>th</sup> EDF is characterised by a change of focus from tertiary to primary education. While the regional support targets management, planning and policy support, national level emphasised infrastructures projects. Both levels are complementary.

The Commission's regional fishery sector programmes:

1. Are exclusive and currently not counterparted by country-level programmes, with the exception of the Rural Coastal Fisheries Development Project in PNG;
2. Are assisting in the establishing of the regional Tuna Commission;
3. Are providing catch statistics and fishing quota advice to the Tuna Commission and individual member countries;
4. Are providing general technical fishery sector advice;
5. Are providing capacity building in national fishery management;
6. Are assisting in national integrated coastal fisheries management regarding ecological, socio-economic, technical, ethnic and gender-related management aspects.

At the current early stage of a progressive long-term development of a sustainable fishery sector in the Pacific, the development and consolidation of regional fishery management coordination is of primary importance. This has been adequately addressed by EC sectoral interventions, which during the 9th EDF period are exclusively focused on the regional level through support to the PIF, the Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC), and to the Regional Fisheries Organisations SPC and FFA. In particular the regional PROCFISH, CO-FISH and DEV-FISH programmes are continuing to deliver expected favourable results.

JC 2.2: Interventions in the same sectors at regional and country level are designed and implemented in complementarity.

I 2.2.1: References in project documents at regional (country level) to synergies with other country (regional) projects

There is no reference in project documents to synergies with projects designed in another level.

### Regional Integration and Trade

Interventions at country level in regional economic integration and trade are very small and of recent origin. PACREIP has to some extent been impeded in its work by lack of a national dimension. The all-ACP project Trade.com, through its 'Hub and Spokes' component, provided trade expertise at country level to some countries (see Evaluation Question 5, I.5.1.1).

### Human Resources Development

#### **Fiji School of Medicine HRD (FSchM-HRD)**

30% of the students come from PACP States other than Fiji. Relations between FSchM and national training institutions in the health sector are not mentioned in regional strategy documents. Also relations with national policy level are not mentioned. FSchM is one of the organisations in CROP.

Health is not a priority area in any of the PACP CSPs, except in so far as they involve some construction of health posts in Outer Island Development Programmes or the Social Sector Development Programme in Tonga.

#### **University of the South Pacific HRD (USP-HRD)**

The Financial Agreement relating to regional support to USP indicates (page 9) that all programme components have received regional endorsement and are supported at the national levels by member states.

There are campus courses in Fiji, Samoa and Vanuatu, most of them long-term, e.g. BA or even Ph.D. There are also short-term in-country courses, though no list of in-country courses has been found.

Management training is not a priority area in other PACP-States.

USP-HRD includes a component on Tourism Development Studies (TDS), a Management Development Programme (MDS) and a component on Employment and Labour Management Studies (ELMS). The Commission supports tourism development in Vanuatu, capacity development at central administration level in several countries, and educational planning in some countries. Contacts between these regional and national interventions in related areas are limited both at the planning and interventions stages.

### **Pacific Regional Initiatives for the Delivery of Basic Education (PRIDE)**

The regional support offered and national strategy development within the development of the Sector Wide Approach (SWAp) is highly consistent. Many countries can profit in policy planning and testing of reforms by asking for support for an in-country sub-project. In theory, the two levels are very well related to each other. However, the practice needs to be analysed since documents are not very precise in describing the real relation between regional and national initiatives. A case worth studying is Solomon Islands, because they have just finished their National Policy and are about to implement new and very interesting approaches in education, which may be supported by PRIDE as in-country sub-projects. Kiribati may profit from the regional PRIDE in testing approaches within the Framework of the Kiribati Training Programme II (KTP II).

Meanwhile PRIDE has become a positive example of the advantages of delivery of regional services to national policies and national policy development. The 'Pacific Plan' mentions PRIDE when arguing the advantages of scale.

#### Fisheries

With the exception of the ongoing Rural Coastal Fisheries Development Project in PNG (8th EDF), which by its coastal nature has only limited mutual support options with the ongoing 9th EDF largely oceanic regional sector programmes, no fisheries sector interventions at country level were funded from 2002 to 2007. This situation reflects the current primary logical need for regional fisheries sector development coordination to precede national activities, as identified and expressed by all PACP member states. Flanking EC and EU support (STABEX, FPA) was provided to a selected few national projects focusing on food security and export revenue generation from fisheries.

#### Natural Resource Management

Cross references in regional programme documents can be found between programmes implemented by the same agency (e.g. Development of Sustainable Agriculture in the Pacific (DSAP) and Plant Protection in the Pacific (PPP) implemented by SPC Land Resources Division). No references are found in programmes implemented by different agencies and/or funded by other donors, even though they may fall in the same or similar sectors. The cross references increase during project implementation and in monitoring and evaluation reports, where coherence and coordination is specifically required.

Samoa country strategy allocates EDF 8 and EDF 9 funds to the water sector. This national strategy has direct links with the regional strategic framework and with the programme 'Reducing Vulnerability in the Pacific' (RVP) implemented by SOPAC with 8th and 9th EDF funds. The water sector is one RVP priority field of intervention. It was decided, in consultation with national institutions, to concentrate RVP support to Samoa in other focal areas such as hazard and risk assessment, in order to complement the national level intervention.

Another example of regional-national linkage and complementarity arises in the agriculture and trade sector. The regional programme 'Plant Protection in the Pacific' (PPP) implemented by SPC Land Resources Division with 8th and 9th EDF funds provides support in pest control and agriculture quarantine services, facilitating the PICs to meet agriculture trade requirements and protecting national crops and products from external pests. Samoa has used PPP policy and technical advice in the establishment of a pest control facility called 'Heat Treatment Forced Air' (HTFA) to fight the dissemination of flies and other pests through imported and exported products. The facility is financed with STABEX funds.

JC 2.3: Regional interventions address problems that can more effectively be tackled at regional level.

I 2.3.1: Arguments developed in EC regional and country strategy documents in support to the location of interventions at regional or national level (mention of higher relevance, effectiveness, efficiency or sustainability of interventions)

No arguments were found in EC regional and country strategy documents

### Regional Integration and Trade

The Commission view of regional integration and cooperation is contained in the document, 'European Community support for regional economic integration efforts among developing countries' [COM (95) 219]. The document includes the following comment: 'Regional cooperation is a general concept that refers to all efforts on the part of (usually) neighbouring countries to address issues of common interest. These efforts or initiatives can be divided into two broad groups: those whose objective is the elimination of policy-induced barriers to intra-group movement of goods, services and factors of production (usually referred to as "regional integration"), and those aimed at reducing other barriers to the intra-group flows (such as the facilitation of transport and communication infrastructures), as well as any other activities leading to furthering the interdependence of the economies and to the better management of common resources (usually referred to as "regional cooperation").'

A regional approach can potentially offer one or more of the following benefits:

- Economies of scale in operations, including the use of expensive human resources;
- Benefits that cannot be attained in full measure unless all countries of a region are involved, as for example in the conservation of a migratory fish species like tuna;
- A region can provide a forum in which all countries can be encouraged to participate in a project in which all necessarily enjoy the benefits. Conservation of natural resources is a possible example;

<sup>3</sup> A. V. Hughes. Strengthening Regional Management: A Review of the Architecture for Regional Co-operation in the Pacific. Report to the Pacific Islands Forum. August 2005. (Consultative Draft)

- There is bargaining advantage to be obtained from the regional approach. Regional unity can limit negotiating options for external agents, and hence weaken their bargaining position. Region based bargaining for access to marine resources improves regional bargaining position in relation to external agents.

This classification potentially offers some means of judging whether regional intervention is appropriate. It complements the 'subsidiarity principle' – that matters should be approached on a national basis unless there are clear benefits in a regional approach.

### Fisheries

see I.2.1.1.

- 8th EDF RIP Specific Objectives (2.2.2): 'The Pacific Island governments are aware of the fact that their fishery, ... will remain of crucial importance for the sustainable development of the region in the foreseeable future. Their development and sustainable management through ... and implementation of common policies and strategies, ... will be of essential importance to the long term sustainability of the region's economic development and quality of life.'
- 8th EDF RIP Regional Commitments (2.2.3): 'The Forum Leaders in their 1996 Communique also stressed the importance of developing the region's fisheries sustainably and in a way that maximises the benefit to Forum members.'
- 9th EDF RIP Summary (VIII): 'The main objectives ... are to foster regional economic integration and to develop the region's human resources and fisheries sectors.'
- 9th EDF RIP Summary (XI): 'The EU intends to contribute to the [fishery sector] steps being taken by the Region to ensure the conservation and sustainable management of this resource.'
- 9th EDF RIP (123): 'Development of Fisheries consistent with the region's poverty eradication targets and taking account of sustainable development criteria requires a strengthening of all regional institutions active in regional fisheries development.'
- 9th EDF RIP (142): 'The following specific objective is to be pursued: The conservation and optimum exploitation of fish stocks in the Western and Central Pacific by promoting regional cooperation and coordination of policies aimed at eradicating poverty and securing maximum benefits for the people of the Region.'
- 9th EDF RIP (144):
  - '... promotion of **regional** networks and actions linking fisheries resource legislators, managers, food safety inspectors, fishermen's organisations, researchers and member of national fisheries administrations.;
  - '... review of **national** fisheries policies (such as Management Plans) especially where based on a shared regional fishery resource.;
  - '... support for **regional** institutions to support and coordinate action to formulate and implement **national/regional** fishery strategies which promote economic development as a means of strengthening small and fragile economies.;
  - '... support for **regional** institutions in order to obtain accurate scientific data on coastal and oceanic marine resources.'

9th EDF RIP Annex I: Interventions Framework, Table 1c / Results: 'Fisheries policies formulated and co-ordinated at regional and national levels.'

### Regional Organisations and Selection of Intervention Level

A recent Report to the Forum Secretariat on Strengthening Regional Management<sup>3</sup> considers the characteristics of regional organisations and their influence in the region. On the Pacific Plan the report comments: 'The forthcoming Pacific Plan is thus best seen as an expression of resolve by Heads of Governments to strengthen cooperation among their countries *in those areas where such cooperation is the best way of achieving national objectives.*' [original emphasis] On the regional organisations the Report notes: 'To some extent they were not designed for regional *cooperation* so much as for delivery of external aid on a region-wide basis, for which little substantive interaction among national recipients may be needed.' [original emphasis] The Report also notes that while regional Heads of Government may commit themselves forthrightly to regional initiatives when in regional conclaves, '...when they get home the tone commonly changes. Regionalism generally does not play well in domestic politics... Statements by Heads of Governments for home consumption may therefore shift to expressing reservations about loss of sovereignty and determination to protect the national interest, or simply saying nothing at all about regional issues.'

#### I 2.3.2: Regional versus country specific character of the issues addressed by EC interventions

Regional character has been observed in the regional interventions.

### Regional Economic Integration and Trade

Interventions relating to trade development are particularly suited to a regional approach. They require extensive use of specialist human resources. At country level, this would probably not be a priority, taking into account the costs concerned. At regional level, the costs are more easily accommodated. A regional grouping for trade negotiations means that access to the markets of all regional countries can be negotiated, with corresponding expectations of larger concessions from others. The adoption of a regional approach in trade negotiations is particularly advantageous to small countries, since they potentially gain access to the markets of much larger countries because of the attractions of the markets of the larger countries in their own region.

Regional commitments to PICTA, MSG and PACER are based on the idea that a regional free trade and cooperation area will provide potential economies of scale for producers and will enhance the benefits of tariff reductions by all to all members. Some bargaining advantages are also foreseen.<sup>4</sup> The EC has supported the implementation of PICTA through the PACREIP (see Evaluation Question 5, I.5.1.1).

### Human Resources Development

FSchM is the only institution providing high level training for the PACP States, with the exception of Papua New Guinea. Papua New Guinea has its own university and a medical school that was upgraded under the 7th EDF. FSchM intake has been increased from 700 to 1200. However this increased intake does not necessarily resolve the problems of staffing health organisation in the region, since many qualified health personnel migrate to Australia or New Zealand. The migration is particularly prominent amongst those with a few years of experience after their formal training – i.e. staff that are potentially the most productive in health organisation in the region.

<sup>4</sup> Pacific Islands Forum Secretariat. National Trade Policy Consultations: Session IV – Trade Agreements and Negotiations. Presentation, Nuku'alofa, Tonga, November 2005.

Lower level training in the health sector in PACP states is largely unknown. The Commission supports some small construction work for health posts in Outer Island Development Programmes and for the Social Sector Development Programme in Tonga.

USP-HRD seeks to serve all the member countries. It is effective with regard to long-term higher education courses, but for the short-term courses the arguments for regional provision are not so strong. Practice shows some problems arising because courses are not linked to national programmes.

There is a strong justification for organising policy development support (educational planning and experimenting) at the regional level, as is done under PRIDE. It will help to support regional integration at the same time. PRIDE is already seen as the most positive example of regional support to member countries.

#### Finally

The choice of regional level for PRIDE is appropriate. It is also appropriate for the academic part of USP-HRD. It is, however, perhaps less appropriate for the short courses offered within the framework of USP-HRD.

The component of USP-HRD relating to employment and labour market studies (ELMS) may be wrongly placed at university level, but it is correctly placed at the regional level, though it has proved difficult to make operational.

The choice of regional level for FSchM-HRD is also appropriate. FSchM is the regional institution for academic training of health staff for the region.

#### Fisheries

The limiting factor for the development of the fishery sector in the PACP region is the availability of skilled and experienced fishery management personnel at national levels. This is only secondarily a problem of capacity building but primarily a problem of staff retention within respective government positions after such capacity has been built up. Low salary levels as well as low public recognition of their services leads many fishery managers away from their assigned duty posts towards more rewarding sources of personal income. As long as PACP national revenues generated from fishing are primarily generated from fishing access fee collection and not from proper management of domestic fishing, the value of national fish resources will remain to be seen as financial asset management to be left in the hands of politicians and government administrators not needing any background in fisheries whatsoever. A shift towards generating revenues from domestically owned fishing activities would spark proper national management of the resource and would boost the status of national fisheries managers to an appropriate level.

#### Natural Resources Management

In the NRM sector, there is a consolidated track record of projects/programmes addressed at either national and/or regional level. For specific sub-sectors, the comparative advantages emerging from Commission interventions are as follows:

<b>Sub-sector</b>	<b>Regional issues</b>	<b>National issues</b>
Agriculture	Pest control, biosafety, trade facilitation, research and knowledge sharing, training and policy advice.	Smallholder & community development, adaptive farming systems, environmental impact, food security.
Forestry	Training and policy advice. Information management and networks, marketing and certification.	Community-based forest management; land tenure & land use planning, watershed management, biodiversity conservation, law enforcement.
Fisheries & marine resources	Off-shore fisheries development Pelagic and migratory fish stock, Multilateral Fishing Agreements Policy advice and harmonisation Institutional support and HRD.	Coastal resources management, artisanal and community-based fisheries, land-based infrastructure Aquaculture and fish farming.
Energy	Research and planning Policy advice, institutional support and HRD.	Technology transfer; Policy implementation; Adaptation measures including maintenance and technical support.
Water & sanitation	Policy advice, institutional support and HRD.	Policy implementation, water supply and management of water facilities.
Disaster and risk management	Policy advice and harmonisation, HRD, research and information sharing, early warning systems.	Policy implementation and mitigation measures at national and community level.
Environmental management	Policy advice and support in Multilateral Agreements (MEA); Institutional support and HRD Information sharing and networking.	Policy implementation and law enforcement Environmental awareness Environment Impact Assessment and mitigation measures.

The comparative advantages of a regional approach in NRM programmes are recognised by stakeholders and beneficiaries to be the following:

- Policy advice and harmonisation of national strategies with regional and international policy frameworks;
- Negotiation of multilateral agreements;
- Institutional support and human resource development;
- Research and development of regional and international networks;
- Information sharing and valorisation of regional knowledge.

EQ 3

**C. IMPACT ON POVERTY REDUCTION**

**EQ 3. What attempts have been made to establish a cause-effect relationship between the intended impacts of the regional strategy and the poverty reduction global impact?**

**JC 3.1 EC strategies are aligned with regional strategies that aim at reducing poverty**

Commission strategies consistently refer to the reduction and elimination of poverty. However, as noted under evaluation question 1, Pacific regional strategies were not clearly set out until publication of the Pacific Plan of 2005, and the poverty objective was not clearly expressed. In the Pacific context, poverty is understood more as 'hardship'.

**I 3.1.1: Poverty reduction goal is explicit in supported regional strategies**

The poverty reduction goal is not explicit in the supported regional strategies of the 1997-2007 period. The Pacific regional strategy was indeed not clearly defined prior to the publication of the Pacific plan in 2005. This plan however:

- recognises quite severe and significant levels of poverty in the region ;
- identifies “reduced poverty” as one of its objectives ;
- and defines quantified target in this respect.

The lack of strategy in terms of poverty prior to 2005 should be linked to the specificities of the Pacific region:

- poverty has connotations in the Pacific region different from elsewhere ; it is being equated more with « hardship” than with life-threatening deprivation;
- poverty has not been seen in the Pacific as such an important issue as in other parts of the world;
- without pressure emanating from dialogue at regional level the issues has slide down the ranking of priorities

As noted in the context of Evaluation Question 1, Pacific regional strategy was not clearly defined prior to the publication of the Pacific Plan in 2005. ‘The Leaders Vision’ that forms the basis of the Pacific Plan makes no mention of poverty reduction. However, the Pacific Plan defines “reduced poverty” as one of its strategic objectives, targeting a 20% decrease in the poverty gap ratio (incidence x depth of poverty) between 2006 and 2015, assuming that many of the Pacific Plan initiatives contribute to this goal.

This lack of a strategy in terms of poverty reduction in the supported regional strategies can be explained by the specificities of the Pacific region. Indeed, the commitment to poverty reduction in the Cotonou Agreement was made in the context of dialogue at ACP level and was strongly influenced by global dialogue on development issues that had already established poverty reduction as a major priority. The Millennium Development Goals were adopted at about the same time as the Cotonou Agreement was signed. The commitments at that level may have had less resonance at the Pacific regional and national level, and this may have influenced the Commission approach to poverty reduction. Poverty has not been seen in the Pacific as such an important issue as in other parts of the world, for example in Africa. Destitution is not an obvious problem in the Pacific. A recent study notes that ‘poverty’ has connotations in the Pacific region different from elsewhere,

being equated more with 'hardship' than the life-threatening deprivation that is understood elsewhere.<sup>1</sup> Without pressure emanating from dialogue at regional level for direct attention to poverty reduction, the issue may have been allowed to slide down the ranking of priorities. Nevertheless, poverty has emerged in recent years as a much more important issue in the Pacific. The study mentioned above recognises the different perception of poverty in the Pacific, but also acknowledges quite severe and significant levels of poverty in the region.

JC 3.2: Supported regional strategies or EC policy papers substantiate the fact that the selected intended impacts will contribute to poverty reduction.

Poverty reduction is mentioned in most policy and programming documents with regard to Commission sectoral strategies:

- Regional Economic Integration and Trade is recognised as an important factor in increasing economic growth rates and this, provided it is accompanied by other measures, contributes to the alleviation of poverty.
- Human Resources Development through education and training supported by health initiatives will be of essential importance to the long-term sustainability of the region's economic development and quality of life (8<sup>th</sup> RIP).
- The development and sustainability of natural resources in the region will contribute to obtaining higher returns from the use of these resources for the local populations and to increasing regional capabilities for the prevention and mitigation of natural disasters and hazards, thus protecting vulnerable natural and social habitats (8<sup>th</sup> RIP).
- The conservation and optimum exploitation of fish stocks promotes regional cooperation and coordination of policies aimed at eradicating poverty and securing food security and maximum benefits for the people of the region (9<sup>th</sup> EDF RSP). The new bilateral EC-PACP Fishery Partnership Agreements (FPA, Solomon Islands, Kiribati, FSM, Vanuatu) following the revision of the EU Common Fishery Policy (CFP) in 2000, and replacing the older form of Fishery Access Agreements, contain clear provisions for their contribution to development goals as stipulated in the MDGs.

I 3.2.1: Explicit cause-effect reference between poverty reduction and the intended impacts in EC policy documents

The extent to which policy documents explicitly refer to expected impacts on poverty reduction varies from sector to sector:

- Regional Economic Integration and Trade policy is associated with higher economic growth and the alleviation of poverty, notably in global Commission studies on the matter. However:
  - Although a correlation between both is established, there is no hard evidence on the direction of the causality;
  - They underline that if trade is to have a sustainable impact on poverty reduction, it must be embedded in a wider strategy (including private sector development and education);

<sup>1</sup> The study mentions that « it is important to understand the nature of poverty in the local context in order to devise appropriate strategies to combat it and to determine the institutional setup required to translate policies into actions...The term "poverty" is perceived to have connotations of hunger and destitution that do not properly reflect the nature of poverty in most of the communities consulted. Instead, the term "hardship" has been suggested. Hardship translates to "an inadequate level of sustainable human development"...1' See Asian Development Bank. Millenium Development Goals in the Pacific: Relevance and Progress. March 2003. Manila. Asian Development Bank. Millenium Development Goals in the Pacific: Relevance and Progress. March 2003. Manila.

<sup>6</sup> "Globalization, Growth and Poverty", World Bank, 2002, Washington, DC, and, "Trade, Growth and Poverty", Dollar and Kraay, mimeo, 2001.

- Analyses on the subject in the specific context of the Pacific are not available
- The references are the clearest in the HRD sector. This concerns:
  - Overall policy documents;
  - Planning and project documents at national and regional level, although reference to poverty alleviation is stronger in national documents
- The links between Fisheries, Natural resources management and poverty reduction appear at different levels:
  - They are analysed in the Cotonou Agreement and in other EC Policy and working papers ;
  - Poverty reduction is also mentioned in some 8th EDF CSPs and in most of the 9th EDF NIP/CSPs, although it is receiving limited attention; the 9th EDF NIP/RSP however explicitly links conservations and optimum exploitation of fish stocks to food security;
  - The bilateral EC-PACP Fishery Partnership Agreements clearly refer to the MDGs, including poverty reduction as an indirect and global impact, notably through the concentration on a regionally coordinated fishery management and its translation into national development programmes.

### SCORING GRID QUALITATIVE INDICATOR I 3.2.1

I 3.2.1.	Correlation between Sectoral Policies and PR in EC Policy Documents	Nature of causality between Sectoral Policies and PR in EC Documents	Total
	0-No correlation 1-Weak correlation 2-Strong correlation	0- No Causality 1- Causality conditional to other factors 2- Independent indirect causality 3- Independent direct causality	
<b>REIT</b>	1,5	1	<b>3/6</b>
<b>Education</b>	2	2	<b>4/6</b>
<b>Fisheries</b>	1	2	<b>3/6</b>
<b>Natural Resources</b>	1	1	<b>2/6</b>
<b>TOTAL</b>	<b>1.4/2</b>	<b>1,5/3</b>	<b>3/6</b>

The extent to which EC policy documents explicitly refer to the expected impacts on poverty reduction vary strongly from sector to sector. Overall, the strategies relating to poverty are based more on general assumptions that sound interventions will produce general economic and welfare benefits, and that these will reduce poverty. This issue is analysed hereafter sector by sector.

<sup>7</sup> “Trade Policy Reform as Institutional Reform”, Dani Rodrik in “Development, Trade and the WTO—a Handbook”, The World Bank, Washington, DC, 2002.

<sup>8</sup> European Commission. Trade and Development: assisting developing countries to benefit from trade. (COM (2002) 513 Final)

<sup>11</sup> Commonwealth of Australia. Pacific 2020: Challenges and Opportunities for Growth. May 2006. Canberra.

### Regional Economic Integration and Trade

As part of a wider strategy, including in particular human resources development, trade is associated with higher economic growth and the alleviation of poverty.

The Commission study *Trade and Development: assisting developing countries to benefit from trade* affirms that: *'there is now a solid set of studies and empirical evidence on the impacts of increased participation in international trade and investment, from which two main conclusions can be drawn. Firstly, those countries with a higher level of participation in international trade and investment tend to show higher growth rates<sup>6</sup>. Secondly, if trade is to have a sustainable, positive impact on poverty reduction, it must be part of a wider, country-owned strategy, which includes a strong element of human capital development and pays attention to the situation of vulnerable groups, including women. Greater trade openness is generally associated with higher economic growth, although both the direction of the causality and the measurement of "openness" continue to be debated. What can be said with relative certainty, though, is that in recent years "no country has developed successfully by turning its back on international trade and long term capital flows"<sup>7, 8</sup>*

The same document also notes that *'the countries that have successfully combined more trade with higher growth and human development tend to have some key features in common. They have gradually opened up their economies as part of a wider development strategy based on two main pillars: improving the investment climate for the private sector to generate jobs and empowering poor people, especially through better education. This highlights the fact that the institutional and overall policy environment within which trade liberalization takes place is the determining factor of the impact of trade reforms on economic performance.'*

In other words, the document pinpoints a correlation between trade development and poverty reduction without however providing evidence or making a judgement on the direction of the causality. It highlights however the importance of embedding trade in a wider strategy, notably in terms of investing the private sector and empowering poor people, notably through education.

Aside from this general study, there are no studies that specifically examine the links between trade development and poverty reduction in the Pacific.

To sum up, although studies examine the relation between trade and poverty reduction exist they do not provide hard evidence on the direction of the causal links between both. Moreover no policy document examines this problem in the specific context of the Pacific region.

### Human Resources Development

The main objective of the Commission's education policy is poverty reduction. However, only short reference is made to poverty alleviation through HRD and education in all the documents. They refer in a sentence or two to the well known impact of educational levels on poverty reduction (through employment, self-employment, education of women, etc.). In general there is a correlation between the level of education and the level of living conditions and income.

For example, the planning documents for the tourism component (TSP) of the USP-HRD consider poverty related outcomes of the TSP as the long term consequence. The World Tourism Organisation has a programme "Poverty alleviation through tourism". The

financing agreement for USP-HRD refers to poverty-related impacts (Annex 2.8 and B2), although the logframe does not mention it. A further example is the financing agreement for PRIDE. Annex 2 expects "an impact on poverty alleviation, as improved levels of education have a positive effect on the potential to earn livelihoods." (page 5)

Planning documents for education projects at national and regional level generally refer to poverty alleviation. National planning documents refer in a more concrete way to poverty alleviation than regional documents. Documents state that it is difficult to assess direct impacts of education and HRD on poverty reduction, but they underline that there is a general agreement on the relationship and the positive effect.

The link between project activities and poverty reduction is clearer in country level education projects than in regional level projects. For example, the construction component of the Fiji Education Sector Project is concentrated where need is greatest. A similar approach is adopted in the Solomon Islands, where project documents identify the poverty aspect as a criterion for choice of sites.

#### Fisheries and Natural Resources Management

There are specific reference to links between fisheries and natural resources and the poverty reduction goal in the following Articles of the **Cotonou Agreement** signed in June 2000:

Article 23 d. Cooperation shall support sustainable policy and institutional reforms and the investments necessary for equitable access to economic activities and productive resources, particularly agricultural production strategies, national and regional food security policies, sustainable development of water resources and fisheries as well as marine resources within the economic exclusive zones of the ACP States. Any fishery agreement that may be negotiated between the Community and the ACP States shall pay due consideration to consistency with the development strategies in this area;

Article 32,1,c,I Cooperation on environmental protection and sustainable utilisation and management of natural resources shall aim at supporting specific measures and schemes aimed at addressing critical sustainable management issues and also relating to current and future regional and international commitments concerning mineral and natural resources such as tropical forests, water resources, coastal, marine and fisheries resources, wildlife, soils, biodiversity;

#### Article 53 Fishery Agreements (EU-PACP bilateral Fishery Partnership Agreements)

1. The Parties declare their willingness to negotiate fishery agreements aimed at guaranteeing sustainable and mutually satisfactory conditions for fishing activities in ACP States.

2. In the conclusion or implementation of such agreements, the ACP States shall not discriminate against the Community or among the Member States, without prejudice to special arrangements between developing States within the same geographical area, including reciprocal fishing arrangements, nor shall the Community discriminate against ACP States.

These links are further reiterated in **other EC Policy papers** such as the following:

- UNDP/EC Poverty and Environment Initiative. Attacking poverty while improving the environment, 2000
- EC Staff Working paper: Integrating the Environment into EC Economic and Development Cooperation, April 2001
- ACP-EU Joint Parliamentary Assembly – Resolution on fisheries and their social and environmental aspects in developing countries, June 2006
- ACP-EU Joint Parliamentary Assembly – Resolution on the problematics of energy in the ACP countries, June 2006

A sectoral effect of fishery development on poverty reduction is mentioned in some 8th EDF **CSPs** and in most 9th EDF NIPs/CSPs. While still only receiving limited mention in the individual 9th EDF NIPs/CSPs, in the 9th EDF regional policy and programming documents, and in particular in the 9th EDF NIP/RSP, poverty reduction has gained a prominent status with regard to the conservation and optimum exploitation of fish stocks through their promotion of regional cooperation and coordination of policies aimed at eradicating poverty and securing food security and maximum benefits for the people of the region.

The new **bilateral EC-PACP Fishery Partnership Agreements** (FPA), following the revision of the EU Common Fishery Policy (CFP) in 2000, and replacing the older form of Fishery Access Agreements, contain clear provision for their contribution to the MDGs.

With regard to the Commission's support to the regional PACP fisheries sector development, the global goal of poverty reduction has been integrated as an indirect and long-term impact to be reached as soon as the positive impacts of the current concentration on a regionally coordinated fishery management are consolidated and translated into national development programmes. Current linkages mainly exist in the form of regional support to revenue generation from national oceanic fisheries, which are allocated for development in other sectors.

Most PACP states are starting to realise that in terms of immediate domestic poverty reduction the development of a coastal fishery sector may constitute a valuable additional asset. The Commission is adequately reacting to this expressed need for assistance by supporting the SPC Coastal Fisheries Programme and its PROCFISH/C as well as CO-FISH project components.

Sustainable development is also intricately linked to economic development in the fishery sector. The Commission's regional support programmes are clearly reflecting this mechanism and are doing so in a two-fold way, through their support of a regionally coordinated and oceanic fishery with equitable national shares (PROCFISH, CO-FISH) and through support for establishment of national tuna fishing capacities (DEV-FISH).

#### Summary table on expected impacts of Commission interventions

The Commission interventions are expected to impact the reduction of poverty in various ways, with connections generally more explicit at programme or project level than at strategic level. Some are targeted more explicitly on the two other pillars of the Cotonou Agreement, the promotion of sustainable development and gradual integration into the world economy, but potentially impact on poverty reduction through achievement of these other impacts. The following matrix identifies the major areas of expected impacts for the most important interventions of the Commission.

Sector	EC Regional Programmes	Poverty Reduction	Sustainable Development	Integration in the world economy
REIT	EPA			●●●
REIT	PACREIP			●●●
HRD	USP-HRD	●	●●	●
HRD	PRIDE – Basic Education	●	●	
FISH	PROCFISH – Oceanic & Coastal fisheries	●●	●●●	●
FISH	COFISH – Coastal fisheries	●●	●●●	●
FISH	DEVFISH – Dev. of Tuna Fisheries	●	●●●	●●
NRM	DSAP – sustainable agriculture	●●●	●●	●
NRM	PPP – Plant Protection	●	●●	●●●
NRM	RVP – Reducing vulnerability	●●	●●●	●
NRM	PEIN – Environmental information	●	●●●	●●
NRM	Coral gardens Initiative	●●●	●●●	
NRM	Sustainable Management of biodiversity sites	●	●●●	
NRM	Participation of PICs in Climate Change policies	●	●●●	
LEGEND:		●●●	Primary objective	
		●●	Secondary but explicit	
		●	Secondary, not explicit	

JC 3.3: For each specific intended impact, the conditions identified to ensure its contribution to poverty reduction are fulfilled, or an action is planned to establish them.

The required conditions concern overarching issues relating to the quality of government and macroeconomic management. The Commission contributes to the establishment of the required conditions, but they are necessarily most fundamentally the responsibility of the people of the region. In general, the conditions required to ensure poverty reduction are not well established.

#### I 3.3.1: Level of attainment of the conditions identified

With respect to Regional Integration and Trade, conditions to contribute to poverty reduction are identified globally, without specifying through which causal links leading from enhanced Regional Integration and Trade to poverty reduction. The identified conditions have only partly been attained, for instance in terms of private sector development, as shown in question 5.

Conditions under which activities in the Education sector can contribute to poverty reduction are more clearly identified, but no specific indicators have been defined in this respect.

**SCORING GRID QUALITATIVE INDICATOR I 3.3.1**

I 3.3.1.	Level of identification of necessary conditions ensuring contribution of Sectoral Policies to PR	Level of attainment of the necessary conditions	Total
	0-Not identified 1-Identified but lack of precision 2- Identified	0- Not attained 1- Partly attained 2- Attained	
<b>REIT</b>	1	1	2/4
<b>Education</b>	2	0	2/4
<b>TOTAL</b>	1.5/2	0,5/2	2/4

Regional Economic Integration and Trade

The conditions associated with the successful use of trade expansion for the reduction of poverty relate to good governance, absence of conflict, growth in labour-intensive sectors (including agriculture), sound macroeconomic management, human resources development (especially at the primary level) and a good investment climate.

The Intervention Logic prominently identifies the development of an internationally competitive private sector as an impact necessary for the realisation of global goals, including poverty reduction. The Commission's performance with regard to private sector development is evaluated in the context of Evaluation Question 5.

The conditions under which trade successfully contributes to poverty reduction are not well established in the Pacific. The Australian-led study of the performance and prospects of the region, 'Pacific 2020', opens with the comment that *'The overall performance of the Pacific island countries in the course of the past two decades has been poor. The region suffers from high unemployment and joblessness, and governments are failing to meet the expectations of their citizens. Several countries suffer from social or political instability, or serious crime. Some face daunting health or environmental challenges. Without an upturn in economic growth, the future for these countries is at best uncertain and at worst bleak.'*<sup>11</sup>

Human Resources Development

Programmes in this sector (i.e. USP-HRD, PRIDE) refer to poverty reduction through improved educational levels and skills, but the project design does not include indicators in this respect. There is a confirmed and acknowledged correlation between education and quality of life and access to social and economic services. Improved vocational training in urban and rural areas has a direct impact on poverty reduction but it is not yet a priority area in the regional programmes.

**I 3.3.2: Specific actions planned to achieve the identified conditions**

The Commission is actively engaged in measures to improve governance. Human resource development is a focal sector for EDF 8 and EDF 9. The Commission works alongside the nations of the region and other donors in seeking to establish conditions for improved economic performance.

EQ 4

**B. EFFICIENCY**

**EQ 4. To what extent were organisational and administrative arrangements efficient in the delivery of support across the region?**

JC 4.1: Organisational and administrative arrangements for EC support in the Pacific have made available inputs in due time, at planned cost, on a well-managed day-to-day basis.

I 4.1.1: Proportion of programmes/projects/components completed or not in due time and identification of bottlenecks

*Despite some variation between sectors, the vast majority of programmes have been implemented according to the schedules initially foreseen in the FAs, CAs and/or TORs. In some cases difficulties have been observed, such as implementation challenges not sufficiently taken into account during in the design of the project, issues related to procedures or issues related to recruitment.*

**Regional Economic Integration and Trade :**

- One large programme, the PACREIP, approved in Novembre 2003
- According to the Monitoring Report a mixed record in terms of implementation :
  - A delay of more than 9 months for the start of project activities
  - Implementation challenges not properly identified in the project design
  - The size of the Region was not sufficiently taken into account in the design of the programme
  - Delays with some important components of the programme, in some cases linked to difficulties on reaching an agreement with the PFTAC on financial reporting procedures

**Human Resources Development**

- Three larger regional HRD projects are ongoing and two of them are on schedule
- Difficulties were met in the USP-HRD project, notably in terms of higher expenses.

**Fisheries**

- 11 of the 13 ongoing projects are on schedule
- 2 projects were confronted with delays of more than one year for the start up of activities

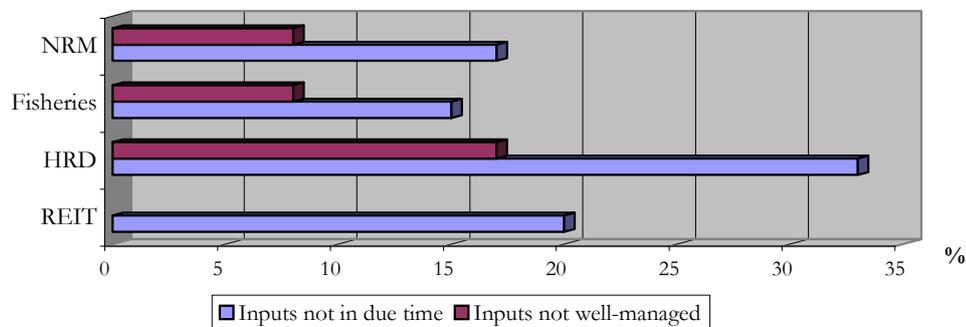
**Natural Resources Management**

- Four out of 24 regional and country level projects experienced delays
- Observed delays are related to for instance procedural problems in transferring funds to OCTs or issues related to recruitment

The number of regional or country-level projects experiencing timing or management problems was low. Programme reviews and evaluations provide a generally positive assessment of the delivery of results and outputs. Delays mainly occurred in project development and inception phases. In REIT delays have been experienced with the PACREIP project. Fishery and NRM sector projects showed very low percentages of management-related problems at 8% for both and very moderate timing-related rates of 17% and 15%, respectively. In the HRD sector the FSchM project, the recently commenced PRIDE project and the TSP component of

the USP-HRD project have proceeded efficiently. The MDP component started with a significant overspend but performance has since improved. The ELMS component of USP-HRD has not performed efficiently.

**Percentage of regional or national Projects experiencing Problems in Timing or Management between 1997 and 2006**



### Regional Economic Integration and Trade

The main Commission programme in support of regional economic integration and trade in the Pacific is the Pacific Regional Economic Integration Programme (PACREIP). This programme was approved in November 2003.

The Monitoring Report for the PACREIP indicates that, ‘The record of efficiency of implementation to date is mixed. The prolonged initial mobilisation allowed for the start of project activities only in mid to late 2004 resulting in the delay of 6 to 9 months when compared with the initial work plans per the Financing Agreement (FA). Challenges of implementing such a complex project in the huge Pacific region had an additional hampering effect as they were not properly considered in the project design. While components 1, 2, 3, 6 and subcomponents 4.2 and 4.3 demonstrate good progress, there is a serious delay of 18 months in the important subcomponent 4.4 above. Subcomponent 4.2 and component 5 are also delayed but to a smaller extent, however they appear to be still involved in preparatory phases organising wider implementation frameworks than being actively engaged in addressing project issues. PACREIP is highly time sensitive as the Cotonou Agreement defines 31.12.07 as the date of completion of EPA negotiations and the majority of results should be synchronised and delivered by that time<sup>1</sup>.’

The delay over subcomponent 4.4 (Fiscal and Financial Sector Reform) has arisen because PACREIP has been unable to reach agreement with the Pacific Financial Technical Assistance Centre (PFTAC) over the implementation of the subcomponent. PFTAC uses IMF financial reporting procedures and these are incompatible with Commission financial reporting procedures. Given the concern over compatibility of support systems expressed in the Paris Declaration, it is unfortunate that two major support agencies cannot reach an accommodation.

The Monitoring Report indicates that the size of the Pacific region was not taken into account in the design of the PACREIP.

<sup>1</sup> Monitoring Report. Pacific Regional Economic Integration Programme. MR-01410.01 – 14/09/05.

Component 2 of PACREIP is 'Capacity building for EPA negotiations'. PACREIP has made an important contribution to the preparation of the regional position on EPAs because of its direct engagement within the Forum Secretariat. A senior official of the Secretariat remarked that the Secretariat 'couldn't have prepared' for the EPA negotiations without PACREIP assistance. However, building capacity for trade negotiations must be regarded as a long term process.

#### Human Resources Development

Out of the 3 larger regional HRD sector projects currently active, 2 projects or 66 % are on-track with respect to time lines as projected in their FAs, CAs and/ or ToRs.

- The regional PRIDE project (Pacific Regional Initiatives for the delivery of Basic Education) inputs are delivered in due time and at planned cost;
- FSchM-HRD project inputs are delivered in due time and at planned cost;
- USP-HRD TSP component (Tourism Study Programme) inputs are delivered in due time and at planned cost;
- USP-HRD MDP component (Management Development Programme) inputs were delivered in due time but not at planned cost. Following the MTR, some improvement in performance was achieved;
- USP-HRD ELMS component (Employment and Labour Market Studies) inputs are not delivered; project management adjustments are still lacking;

#### Fisheries

- Out of the 13 fishery sector projects active between 1997 and today, 11 projects or 85 % were finished in due time as projected in their FAs, CAs and/ or ToRs;
- The SPC-based Pacific Regional Oceanic and Coastal Fisheries PROCFISH and the national Rural Coastal Fisheries Development Project (PIS) in Papua New Guinea were delayed in their start by 14 and 16 months, respectively.

In the fishery sector, based on the high efficiency of the Commission's interventions, the 2004 RIP MTR recommended the provision of additional funding of € 4 million, or an increase of 80% of the 9th EDF funding to the fishery sector, most of which will be allocated to the PROCFISH project, which had already been upgraded through the attachment of the CO-FISH project, extending to the six new ACP members. In view of the performance of the Secretariat of the Pacific Community (SPC) as the Commission's sectoral implementing counterpart, and including the already made allocation of additional project funding to its 'sub-project' CO-FISH (2003), the budget of PROCFISH will have then been almost doubled within one EDF period from an initial € 8,1 million to € 15 million.

Out of 13 regional and national fishery-sector projects active between 1997 and today, 11 projects or 85 % were completed or are likely going to be completed in due time as projected in their FAs, CAs and/or TORs. Only 3 projects or 23% experienced serious management problems. All regional and national fishery-sector projects remained or are progressing efficiently within their planned budget frames. The eight fishery sector projects completed between 1997 and July 2006 had a total budgetary disbursement rate of 97% with the national projects under-performing the regional ones by 91% to 100%, respectively. The

current (07/2006) rate of contracted to planned project budget for all EC-supported regional and national EDF fishery-sector projects in the Pacific is very high at 94%. With respect to its active phase of almost 6 years and an additional life span of just 2 more years (12/2008), the disbursement rate for the ongoing national fishery project Rural Coastal Fisheries Development Project (PIS) in Papua New Guinea is not satisfactory at just 53%.

Based on CRIS database, 10 regional programmes were carried out (or started) during the period from 1997 to date. Of these, one was from 7th EDF, four were from 8th EDF, four from 9th EDF and five from the Environment and Forest Budget Lines, the later covering sub-regional areas (selected countries). CRIS includes also other opened commitments for programme preparatory and complementary actions such as programme identification and strategy formulation and programme external reviews. The 7th EDF projects are now closed. Most 8th EDF programmes are in the final phase of implementation and are expected to be concluded by 2007. Most 9th EDF programmes are expected to be concluded by 2007-2010.

Most of 7th EDF regional programmes were concluded in line with planned budget (100% of funds contracted and paid). The 8th EDF concluded programmes were closed with 100% contracted and paid funds. For the ongoing 8th and 9th EDF regional programmes, nearly all planned resources (98%) were contracted, but the disbursement rate is still at nearly 50%.

#### Natural Resources Management

- Four out of 24 NRM regional and country-level projects (17%) experienced delays during their implementation periods;
- Regional DSAP Project experienced minor delays and procedural problems in the transfer of funds to OCTs;
- The Information Resource Centre (IRC) & Pacific Environmental Information network (PEIN) experienced minor delays due to delayed budget allocations for inception phase;
- The regional project Reducing Vulnerability of Pacific ACP States experienced delays due to recruitment issues;
- The Coral Reef Initiative (Poverty Alleviation through capacity building of islands communities to manage and restore coral reef fisheries resources) experienced delays due to recruitment issues.

#### I 4.1.3: Proportion of programmes/projects/components that experienced serious management difficulties and identification of bottlenecks

Depending on the sector, management difficulties and bottlenecks were observed for between 8 to 17% of the projects. No major difficulties in this respect are reported with respect to Regional Economic Integration and Trade.

Examples of difficulties met in the other sectors are:

- Human Resources Development: problems of staffing and high staff turnover, executing NGO leaving the country ;
- Fisheries: no hand-over of rural fishing centres from provincial governments to fishermen associations;
- Natural Resources Management: recruitment issues and problems of adjustment to EC procedures.

<sup>3</sup> In the table are reported the regional programmes that were subject to mid-term or final evaluations and those for which

**SCORING GRID QUALITATIVE INDICATOR I 4.1.3**

I 4.1.3.	Proportion of programme/project/components that experienced serious management difficulties	Nature of bottlenecks (Initial allocation: 2)	Total
	1- Between 10 and 20% 2- Between 10% and none 3- None	(-0,5)- Recruitment problems/frequent staff turnover/ problem between TA and PMU (-0,5)- Lack of capacity (lack of supervision, desengagement of NGO, lack of procedures knowledge) (-0,5)- Lack of political commitment in recipient country (-0,5)- Lack of ownership at provincial level	
<b>REIT</b>	3	2	<b>5/5</b>
<b>Education</b>	1	0,5	<b>1,5/4</b>
<b>Fisheries</b>	2	1,5	<b>3,5/4</b>
<b>Natural Resources</b>	2	1,5	<b>3,5/4</b>
<b>TOTAL</b>	<b>2/3</b>	<b>1,37/2</b>	<b>3,37/4</b>

Human resources availability and recruitment of skilled regional PACP staff is a problem experienced by many national and regional programmes. Competition for skilled staff between regional organisations and national institutions is high, despite intensive HRD and capacity building included in project design and implementation at sectoral level.

For country-level projects, Human Resources availability and recruitment of skilled international staff is also a problem due to perceived lower attractiveness of duty stations (remoteness, living standards, low standards of education facilities for accompanying children) compared to other global regions.

Regional Economic Integration and Trade

No projects in regional economic integration and trade have experienced serious management problems between 1997 and 2006:

Project / programme	Delivery channel	Problems
Economic Programme	Partnership FA (17.1.01)	No serious management problems.
PACREIP	CA (RAO)	Delays, but no serious management problems.

the NRM Consultant was able to discuss with implementing agencies and with other stakeholders involved.

### Human Resources Development

Two out of 12 selected regional and national HRD sector projects or 17 % were/ are experiencing serious management problems between 1997 and 2006:

Project / programme	Delivery channel	Problems
USP-HRD (ELMS component)	FA (RAO) / CA (USP); 8th EDF	Staffing has been a major problem in the implementation, mainly in the ELMS component, which finally could not reach its objectives and was scaled down. Many of the planners of the components left and others had to continue implementation. Probable insufficiency of supervision since some problems have only been addressed after the mid-term evaluation. Frequent staff turnover (though rather common at USP).
Kiribati Training Programme	FA (NAO) / GA / 8th EDF	Executing NGO withdrew from the country; delays in transmission of inputs; Problems between TA and PMU; No agreement about national strategy on TVET and project concept after Government change; Project standstill until strategy will be defined

### Fisheries

Between 1997 and 2006, only one out of 13 regional and national fishery-sector projects or 8% encountered management difficulties, which were however solved in due time:

Project / programme	Delivery channel	Problems
Solomon Islands Rural Fishing Enterprises Project Phase III	FA (Ministry of Agriculture and Fisheries); 7th EDF	Project progress / ownership / no hand-over of rural fishing centres from provincial governments to fishermen associations

### Natural Resources Management

Between 1997 and 2006, only two out of 24 all NRM sector projects or just 8 % were/ are experiencing serious management problems (Table below). None of the national-level NRM projects was experiencing any serious management problems.

Project / Programme <sup>3</sup>	Implementing Agency & Funding	Management
Reducing vulnerability of Pacific ACP states	FA, CA (SOPAC); 8th + 9th EDF	Delayed delivery of services and outputs due to recruitment issues.
Coral Reef Initiative	FSPI; Environment Budget Line	Initially problematic adjustment to EC management procedures and project staffing problems.

JC 4.2: Channels of delivery for implementation of regional and national programmes were adapted during the period to make support more cost effective

I 4.2.1: Evolution of delivery channels used for regional and national programmes

Despite some variations between sectors, most interventions took place through CAs:

- REIT: Few evolutions took place over the last years in terms of delivery channels, except for administrative changes that rendered the PACREIP project more flexible notably in terms of use of local consultants
- HRD: CAs at regional level accelerated project implementation and quality
- Fisheries:
  - Regional fishery projects were all conducted under CAs. The Regional Fisheries Organisations allow benefiting from:
    - \*A long-term professional and development expertise and recognition
    - \*Established network and infrastructure in the region
    - \*Administrative reliability and planning stability.
  - The National fishery line agencies have been hampered by:
    - \*A long-term professional and development expertise and recognition
    - \*Lack of project management capacities, in particular with respect to development aspects and lack of technical capacities
    - \*Insufficient co-management and stakeholder ownership
- Natural Resources management:
  - CAs applied by all Regional Programmes implemented by CROP agencies under 9<sup>th</sup> EDF;
  - a SWAP and a microprojects programme applied in Samoa by a PMU

Two type of delivery channels should be taken into consideration here: the Programme Management Units and the Regional organisations. They are discussed hereafter sector by sector.

#### Regional Economic Integration and Trade

Programmes in REIT were introduced during EDF 9 and have generally only been implemented in recent years. Consequently there has been little scope for evolution of delivery channels specifically concerned with the delivery of support for regional economic integration and trade.

There have, nevertheless, been important administrative changes that have positively affected the PACREIP project, including the new financial system and the introduction of Contribution Agreements. PACREIP is now also able to utilise local consultants, rather than being confined to nationals of the EU.

#### Human Resources Development

- In general, contribution agreements at regional level (with USP) helped to accelerate project implementation and to improve project quality in the PACP sector of Human Resources Development;
- Although showing considerable deficiencies in development-related implementation techniques (see other EQs), USP is the only CROP organisation to serve as a partner with whom CAs can be signed;
- PRIDE was mentioned in interviews as not having difficulties to release funds in time like other regional programmes do;
- The same is said about the implementation on the basis of a Framework of Mutual Obligation (FMO) for the STABEX 99 Education.

#### Fisheries

- Fitted with individual Contribution Agreements (CA), the Regional Fisheries Organisations SPC and FFA have proven themselves as highly valuable aid delivery channels (CA) and implementing partners of regional EC development projects in the Pacific among others for the following reasons:
  - Combination of long-term professional scientific and development expertise in the regional as well as in national fishery sectors;
  - Established networks in the region;
  - Sectoral recognition and reputation;
  - Existing infrastructure;
  - Administrative reliability and planning stability.
- During this evaluation's field phase, all interview partners at the SPC and FFA management and technical levels unanimously agreed on the beneficial regulatory impact of their respective projects' CAs;
- The only ongoing national fishery sector project Rural Coastal Fisheries Development Project (PIS) at PNG does not have a CA;
- Between 1997 and July 2006 (7th to 9th EDF projects), national fishery line agencies as FA counterparts in country-level fishery-sector interventions, particularly those without additional CAs, have shown only moderate performances among others for the following reasons:
  - Unclear implementation responsibilities;
  - Lack of project management capacity, in particular with respect to development aspects;
  - Insufficient co-management and stakeholder ownership leading to low sustainability of impacts;
  - Insufficient or lack of compliance to agreed (FA) national financial contributions in cash or kind;
  - Lack of technical capacity;
  - Lack of transparent and constructive vertical project-internal and stakeholder communication.
- All 8th and 9th EDF regional fishery sector projects were/ are conducted under Contribution Agreements (PROCFISH under a practically equivalent Grant Agreement) detailing their implementation procedures and responsibilities of implementing bodies.

Project	Delivery mode	Project	Delivery mode
Pacific Regional Oceanic And Coastal Fisheries (PROCFISH)	FA (RAO); CA (RO/SPC); 8th EDF	Fiji: Natadola Marine Resort Study	FA (RAO); TA; Environment Consultants Fiji, Ltd.
Development Of Tuna Fisheries in the Pacific ACP Countries (DEV-FISH)	FA (RAO); CA (RO/FFA); 9th EDF	Solomon Islands: Rural Fishing Enterprises Project Phase III	FA (SI Ministry of Agriculture and Fisheries); 7th EDF
Pacific Regional Coastal Fisheries Development Programme (CO-FISH)	FA (RAO); CA (RO/SPC); 9th EDF	Solomon Islands: Rural Fishing Enterprises Project Phase II	FA (SI Ministry of Agriculture and Fisheries); 7th EDF
PNG: Rural Coastal Fisheries Development Project (PIS)	FA (National Fishing Agency, PNG) / TA; 8th EDF	Vanuatu: Fisheries Extension Service Training Centre	FA (Vanuatu Ministry of Fisheries and Marine Resources); 7th EDF
South Pacific Regional Tuna Resources Assessment & Monitoring (SPRTRAMP)	FA (RAO); CA (RO/SPC); 7th EDF	Strengthening of the Vanuatu Maritime College	FA (Vanuatu); CA (Vanuatu Maritime College); 8th EDF
Regional: Integrated Fisheries Surveillance And Management Programme	FA (RAO); CA (RO/SPC); 7th EDF		

#### Natural Resources Management

- In the NRM sector, as an evolution from the 8th EDF, Contribution Agreements have been applied to all Regional Programmes implemented by CROP agencies under 9th EDF (e.g. DSAP, PPP, RVP).
- At national level, the EC is funding the Water Sector Support Project (9th EDF) in Samoa applying a Sector Wide Approach (SWA) as a continuation and consolidation of past EC support in this national focal sector (water supply & sanitation). The SWA allows better coordination with other national and regional agencies, as the ongoing SOPAC regional programme 'Reducing Vulnerability of Pacific States' for example mutually supports it.
- The Microprojects Programme is being implemented in Samoa with 8th EDF funds. The project targets NSAs and community-based projects providing financial and technical support to education and social and productive services, including farming, fishing and health. The project is implemented by a PMU and a multi-disciplinary steering committee ensuring co-management with line ministries and sectoral policies.

I 4.2.2: Relation between delivery channels and efficiency as determined under indicators I 4.1.1 to I 4.1.3 (inputs in due time, at planned cost, on a well-managed day-to-day basis)

Overall it seems that observed improvements in terms of management efficiency can be linked to :

1. Improved definition of responsibilities of project implementers,
2. Improved project ownership with implementers, and
3. Synergy effects deriving from mandating Regional Organisations.

Although it is difficult to link improvements in efficiency to the use of the CAs, several elements confirm the role of CAs in this respect

- Stakeholders interviewed consider that the efficiency of regional Commission projects under CAs is high;
- The improvement in efficiency has evolved in parallel with the increase in CAs.

Assessment of changes of efficiency of regional and country-level projects due to an evolution of delivery channels based on findings for 'inputs in due time, at planned cost and on a well-managed day-to-day basis' between 1997 and 2006 (+ = positive; ○ = same; - = negative):

Sector	EDF	Regional	National
REIT	7	○	
	8	+	
	9	+	
	7		○
	8		+
	9		+
HRD	7	n.a.	
	8	+	
	9	+	
	7		+
	8		+
	9		+
Fisheries	7	+	
	8	○	
	9	+	
	7		-
	8		+
	9		n.a.
NRM	7	○	
	8	+	
	9	+	
	7		○
	8		○
	9		+

Fisheries

- For the fisheries sector a conclusive comparison between delivery channels cannot be drawn due to the lack of such differences within the regional and country level programmes.
- Subjective opinion expressed in interviews during the field mission with SPC and FFA

representatives, project managers, government officials and non-government country-level stakeholders is that the efficiency of the regional Commission projects under CAs is very high.

- Comparing efficiency to former country-level projects (without CAs), stakeholders at country level tend to be very enthusiastic about the new Commission delivery mode. For lack of immediate spatial and technical compatibility between the projects, this comparison should however only be regarded as indicative.

#### Human Resources Development

Positive effects of CAs on the efficiency of the HRD-sector projects were rather limited due to persisting management deficiencies of USP as the Commission's core implementing partner. These have their roots in a lack of understanding in USP of the development character of Commission sectoral interventions. In contrast, fitted with individual Contribution Agreements (CA), the Regional Fisheries Organisations SPC and FFA have proven themselves highly valuable aid delivery channels (CA) and implementing partners of regional Commission development projects in the Pacific, which may be attributed to their long history of projects in the development context. In support of the finding of positive impact of CAs on project efficiency it is noted that between 1997 and July 2006 (7th to 9th EDF projects) national fishery line agencies as counterparts in country-level fishery-sector interventions without additional CAs have shown only moderate performances.

At national levels, the growing Commission support to Sector Wide Approaches (SWA) in key economic and social sectors is seen as a further beneficial development of the Commission's intervention strategy creating synergy effects potentially enhancing individual project efficiencies.

Overall, one can state there has been an increase in management efficiency based on:

1. Improved definition of responsibilities of project implementers,
2. Improved project ownership with implementers, and
3. Synergy effects deriving from mandating Regional Organisations.

This increase in management efficiency evolves in parallel with the increase in terms of CAs. Stakeholders from their side confirm that the CAs have contributed to this higher efficiency.

#### I 4.2.3: Running cost of the Project Management Body compared to Total Managed Budget by type of delivery channel (Comparison for projects at country and at regional level)

No significant variations could be found regarding changes in running-cost efficiency between delivery channels such as FA/TA or CA or between regional and country-level interventions.

No significant variations could be found regarding changes in running-cost efficiency between delivery channels such as FA/TA or CA or between regional and country-level interventions.

Breakdown of operational project cost versus total project cost for EC-supported regional and country-level projects in the PACP region between 1997 and 2007 (partial 7th EDF, 8th and 9th EDF) in cases where this information could be obtained during evaluation mission.

Project / Sector / Target Area	Delivery Channels	Operational Cost [%]	Operational Cost [€]	Total Project Budget [€]
PROCFISH	FA (RAO); GA (SPC); 8 <sup>th</sup> EDF	24.66	2,564,000.00	8,100,000.00
CO-FISH	FA (RAO); CA (SPC); 9 <sup>th</sup> EDF	26.16	522,476.00	1,997,476.00
DEV-FISH	FA (RAO); CA (FFA); 9 <sup>th</sup> EDF	21.15	634,500.00	3,000,000.00
PNG: Rural Coastal Fisheries Development Project (PIS)	FA (National Fishing Agency); TA; 8 <sup>th</sup> EDF	19.95	1,197,000.00	6,000,000.00
Vanuatu: Strengthening of the Vanuatu Maritime College	FA (Vanuatu); CA (Vanuatu Maritime College); 8 <sup>th</sup> EDF	5.66	37,500.00	663,000.00
Solomon Islands: Rural Fishing Enterprises Project Phase III	FA (SI Ministry of Agriculture and Fisheries); 7 <sup>th</sup> EDF	13.15	250,000.00	1,900,000.00
Fishery Sector Regional <sup>1</sup>	FA; CA; 8 <sup>th</sup> and 9 <sup>th</sup> EDF	23.11	3,720,976.00	16,097,476.00
Fishery Sector National 1	FA; TA; CA; 7 <sup>th</sup> and 8 <sup>th</sup> EDF	17.34	1,484,500.00	8,563,000.00

<sup>1</sup>: Projects with available information only, thus indicative.

JC 4.3: EC organisation and management procedures have evolved in order to make the implementation more efficient

I 4.3.1 Evidence of increasing EC management capacity (better management tools, shorten decision process, qualified staff...)

Several observations indicate that EC management capacity has improved, notably through:

- Decentralisation to regional and national Delegations
- The increase of sectoral capacities in Delegations
- Intensified cooperation with CROP agencies
- Effective use of PMUs.

There is no evidence of increased EC management capacity in the HRD sector

EC management capacity has generally improved based among others on the following developments:

- General decentralisation of EC management responsibilities to regional and national Delegations;
- Increasing numbers of EC Programme Officers at Delegations having increased project management as well as sectoral technical capacities;
- Intensified cooperation with CROP agencies increasing effectiveness and efficiency as well as creating valuable synergy effects in programming, planning and coordinated implementation of interventions;

- EU full membership in the Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC) in 2005;
- Programme management Units (PMU) and/or Technical Assistants (TA) have been established in key positions, either at RAO and NAO level, in planning departments or in sectoral institutions with responsibilities for focal areas of cooperation. Examples:
  1. TA to RAO with competences in REIT, HRD, Fisheries and NRM (focal areas of the 9th EDF RIP);
  2. Association of the regional fishery sector projects with the Regional Fisheries Organisations SPC and FFA;
  3. Samoa: TA to NAO with a professional profile in Water Resources sector, thus corresponding to the focal area of 9th EDF NIP;
  4. Solomon Islands: Establishment of functional and efficient PMU;
  5. Vanuatu: TA to NAO (governance and trade).

#### Human Resources Development

- No evidence of increased EC management capacity in the HRD sector either at regional level or at country level;
- No evidence of specific human resources development measures aiming at improved EC management capacity.

#### I 4.3.2 Evidence of increasing RAO management capacity (better management tools, shorten decision process, qualified staff...)

There are a number of indications that RAO management capacities have increased, notably through the use of PMUs and/or TAs in key positions at RAO and NAO level, in planning departments or in sectoral institutions with responsibilities for focal areas of cooperation.

RAO management capacity has generally improved based among others on the following developments:

- Improved coordination between the RAO and sectoral PIF Commissions such as the Fisheries Commission;
- Programme Management Units (PMU) and/or Technical Assistants (TA) have been established in key positions at RAO and NAO level, in planning departments or in sectoral (CROP) institutions with responsibilities for focal areas of cooperation. Examples:
  1. TA to RAO with competences in REIT, HRD, Fisheries and NRM (focal areas of the 9th EDF RIP);
  2. Samoa: TA to NAO with a professional profile in Water Resources sector, thus corresponding to the focal area of 9th EDF NIP;
  3. Solomon Islands: Establishment of functional and efficient PMU;
  4. Vanuatu: TA to NAO (governance and trade).

#### Human Resources Development

- No evidence of increased RAO management capacity in the HRD sector either at regional level or at country levels;
- No evidence of specific human resources development measures aiming at improved RAO management capacity.

## EQ 5

### **D. EFFECTIVENESS, SUSTAINABILITY AND IMPACT OF COOPERATION IN THE DIFFERENT INTERVENTION AREAS – QUESTIONS 5 to 8**

#### **EQ 5. To what extent have EC interventions contributed to the integration of PACP States into the world economy?**

JC 5.1: EC interventions contributed to increasing trade with the EU market and the Rest of the World

I 5.1.1: EC interventions aimed at increasing trade with EU market and the Rest of the World

Most of the trade related projects and programmes prepared and/or implemented by the EC have mainly focused on regional integration and institutional capacity building so as to help the region to improve the management of its international trade agreements. Increasing trade flows with the EU and the Rest of the World therefore mostly appears as a by-product rather than an explicit primary objective.

Commission support in regional economic integration and trade to the Pacific region falls into two categories:

- i) Project support, including the Pacific Regional Economic Integration Programme (PACREIP).
- ii) All-ACP programmes of support.

- i) Regional Projects

Under EDF 8, the Economic Partnership Programme (8 ACP RPA 5) commenced in September 2001 and terminated in July 2004 with a total cost of €637,115. The programme provided support for the development of PICTA and preparation of the EPA in this period. A Monitoring Report of March 2003<sup>1</sup> describes the project as 'activity oriented' with no proper targeting of results. It is rated under the standard Commission criteria as ccccb.

The Pacific Regional Economic Integration Programme (PACREIP) (9 ACP RPA 6) was approved in November 2003 with funding of €9.2 m. An addition €2 m. was allocated following the MTR. This project is the major vehicle for delivery of regional integration and trade related assistance for the region. The overall objective of the project is 'the sustainable development of the Pacific ACP economies as an economically integrated region.' The project purpose is 'to enhance the expansion of intra-regional trade in goods and services and engagement with the global economy as a coherent grouping.' Target project results are listed as follows:

- a) The implementation of PICTA.
- b) The establishment of new trade arrangements between the Pacific ACP region and the EU, (this component includes support for the development of the EU-PACP EPA).
- c) Improved capacity in Pacific ACP countries to represent and promote WTO related issues including effective promotion and defence of Pacific ACP trade interests in the WTO.
- d) Strengthened capacity in Pacific ACP countries to manage the process of regional integration in the areas of: Private Sector Development; Trade Facilitation; Financial Sector and Fiscal Reform; Environmental Impact Assessment.
- e) Regionally integrated development of environmentally sustainable SME-based tourism.
- f) Efficient coordination and management of regional economic integration and development of appropriate policy framework.

<sup>1</sup> European Commission. Monitoring Report 00963. March 2003.

A Regional Technical Cooperation Facility (TCF) is in preparation, with funds of €1.2 million. The overall objectives are i) to improve the implementation of National and Regional Indicative Programmes among Pacific ACP countries, and ii) foster a coherent and informed approach to development and trade issues.

Those projects clearly aim at deepening the regional integration of PICS but also their incorporation into international trade. However, the extent to which they could potentially generate increased trade flows with the EU or the rest of the world is not explicitly detailed in the programming documents.

One must also mention projects in fisheries and agriculture that aimed at contributing to the development of exports of PACP countries. It is in these sectors that the PACP states are reckoned to have their main commercial comparative advantage. Consequently it is in these sectors that best prospects exist for taking advantage of emerging opportunities in international trade.

Fisheries projects include the Pacific Regional Oceanic and Coastal Fisheries Development Programme (PROCFISH) (8 ACP RPA 4; 9 ACP RPA 4) and Development of Tuna Fisheries in the Pacific ACP Countries (DEVFISH) (9 ACP RPA 8). The latter is concerned in part with the development of private sector fishing enterprise.

In agriculture, the project Development of Sustainable Agriculture in the Pacific (DSAP) (7 ACP RPR 782; 8 ACP RPA 10; 8 RTF REG 4; 9 ACP RPA 2) is concerned with increasing sustainable agricultural production and providing quality products for export. Plant Protection in the Pacific (PPP) (8th – 9th EDF) aims at facilitating food safety and access to international markets and protecting regional and country biodiversity from invasive species.

These projects are assessed in more detail in the contexts of Fisheries (Evaluation Question 7) and National Resources Management (Evaluation Question 8). They represent major contributions to the development of trade of the PACP countries, with potential for expanding PACP trade with the EU.

### iii) All-ACP Facilities

Funding for EPA negotiations has been provided mainly through all-ACP programmes. These programmes have also financed research on EPAs. There are several all-ACP facilities supporting the development of regional integration and trade<sup>2</sup>:

- A. The €20 m. Facility. This Facility financed a Regional Plan for EPA Preparation (RPEP) with €1.18 m. up to March 2006. This covered costs of funding for the various technical and preparatory meetings relating to EPA negotiations. The RPEP also financed ten sector studies relating to EPA negotiations, including studies of Fisheries, Tourism, Forestry, Mining and Investment Promotion and Protection. A New Contribution Agreement was approved in May 2005 to run until December 2005, later extended to June 2006. The €20 m. Facility was enhanced with an additional €4 m. approved in August 2005, with an extension to July 2007.
- B. The €10 m. Facility, which finances ACP representation in Geneva, including representation of the PIFS, valued at €252,000. Additional funding for Geneva representation of PACP states is provided by PACREIP.

<sup>2</sup> European Commission. Trade related assistance in the Pacific region. March 2006.

C. Trade.com has been operational since October 2004 and is scheduled to run until 2009. 'Under the 'Hub and Spokes' component of Trade.com, four Pacific countries (Fiji, Papua New Guinea, Tonga, Vanuatu, Solomon Islands) and the PIFS are benefiting from technical assistance in the form of trade advisors. 'Hub and Spokes' is implemented by the Commonwealth Secretariat and l'Agence Intergouvernementale de la Francophonie.

Again, those programmes aim at deepening the integration of PICS into the multilateral trading system but the extent to which they could contribute to increase trade flows with the EU or the rest of the world is not explicitly analysed in the programming documents.

#### I 5.1.2: Changes in the legal and regulatory framework governing trade linked to EC policy dialogue

The main innovations in the legal and regulatory framework for trade in the Pacific region in the period under evaluation were the introduction of the PICTA and PACER treaties. These were very much products of regional initiative, owing little to policy dialogue with the Commission. This has however not prevented the Commission to support the region in implementing the PICTA treaty and developing its involvement with the WTO through representation in Geneva through PACREIP.

#### I 5.1.3: Evolution of total trade of PACP states

The main source of data for the international trade of PACP states is the Asian Development Bank. For some countries data is limited, which prevents the identification of trends in total PACP trade.

Exports of PACP states are shown in EQ 5 Tables 5.1 and 5.2. Table 5.1 shows exports in the local currency for each country. Table 5.2 shows exports converted into US Dollars at the exchange rates of 31 December 2003. This gives an idea of relative exports of the countries.

Table 5.2 shows also the shares of each country in total regional exports for the years 1997 and 1999. These are the latest years for which reasonably complete data is available. The heavy predominance of Papua New Guinea and Fiji in the region's exports is apparent. Papua New Guinea accounted for 64% of regional exports in 1999 and Fiji for 28.7%. The next largest was Solomon Islands, accounting for 3.3% in 1999.

Table 5.5 shows growth rates of merchandise exports. Growth in exports has been highly volatile for most countries. Where export volumes are small, relatively minor changes in exports can register as large percentage changes. But the table shows significant volatility in the export performance of the largest exporters, Papua New Guinea and Fiji. Papua New Guinea experienced two years of export decline in 1996 and 1997, while Fiji experienced a fall of 14.6% in exports in 1997. Fiji exports showed little growth in the period 2000 to 2004.

Adding up the exports (in Table 5.2) for those countries for which data is available for both 1994 and 2002 gives a total import of USD1.415 m. in 1994 and USD2.788 m. in 2002, implying an annual growth rate in exports of 8.9%. The high volatility of exports and the incidence of changes in exchange rates mean that this figure is only a very broad indicator of export performance.

Table 5.3 and 5.4 show merchandise imports in local currencies and in US Dollars respectively. Papua New Guinea accounted for 33.9% of total regional imports in 1999, whilst Fiji account for 40.9%. The significantly larger share of Fiji in imports, as compared to exports, is financed mainly with Fiji's large income from tourism.

Table 5.6 shows growth rates of merchandise imports for each country. FSM has experienced exceptionally sharp movements in imports. Solomon Islands experienced a long period of declining imports, stretching from 1998 to 2001. There has been some recovery in recent years.

Adding up imports (in Table 5.4) for those countries for which data is available in both 1993 and 2002 gives a total import of USD1.626 m. in 1994 and USD3.131 m. in 2002. This implies a growth rate of regional imports of 8.5% per year. As with exports, the growth rate is only a very broad indicator of import trends.

#### I 5.1.4: Evolution of trade with EU in comparison with the development of total trade and of regional trade

The direction of trade for PACP countries is shown in EQ 5 Tables 5.7 and 5.8, the first of these showing the direction of exports and the second the origins of imports.

Fiji, Kiribati, Marshall Islands, Nauru, Papua New Guinea and Tuvalu all supplied a substantial proportion of their exports to Europe. Fiji exports are mainly sugar, taking advantage of its quota under the Sugar Protocol. Marshall Islands has recently developed exports to Europe of transport equipment. Kiribati and Tuvalu are LDCs and trade with Europe under the EBA arrangement. Europe has become a more important export market for Papua New Guinea over the last fifteen years as other European countries, besides the long-standing important markets of Germany and the United Kingdom, have expanded their business with Papua New Guinea. Other PACP states, most importantly Fiji, have generally seen a decline in the proportion of their exports going to Europe. Further information on Fiji trade is given in the Fiji Sector Note in Annex 11. Australia is the most important country market for Papua New Guinea. An account of Papua New Guinea trade is given in Annex 12. Between 1990 and 2004, 6 PICs over 13 recorded a decrease in their share of exports towards EU markets, 4 have recorded increase, 2 a statu quo and 1 has no data available for 1990.

Europe is a minor source of imports for PACP states. Oceania, principally Australia and New Zealand, is the major source of imports. For the Marshall Islands and FSM, North America is the main source of imports. Palau imports heavily from Asia. Fiji sources its imports in roughly equal proportions from Oceania and Asia. For Papua New Guinea, Australia is much the most important source, followed at some distance by Singapore. There is no European country in the top ten import sources for Papua New Guinea.

The evolution of Pacific region exports to the EU and imports from the EU for the period 1995 to 2005 is shown in EQ 5 Table 5.9. Data for 1998 and earlier refer to the EU of 15, while data from 1999 on refer to the EU of 25.

In the period 1999 to 2005 Pacific exports to the 25 EU states (EU imports from the Pacific) rose by 13.2% per year, reaching €1,245.5 m. in 2005. In the same period total imports of the 25 EU states rose by 7.9% per year. The Pacific share of EU imports rose from 0.08% to 0.10%, the same share as had been achieved in 1995.

In the same period Pacific imports from the EU states (EU exports to the Pacific) rose by 31.9% per year, from 107.8 m. to 567.9 m, while total exports of the EU states rose by 7.9% per year. The Pacific share of EU exports rose from 0.02% to 0.05%. In 1995 the share was 0.07%. The figures indicate significant expansion in both Pacific exports to the EU and Pacific imports from the EU, though it should be noted that merchandise trade in both directions tends to be erratic.

Pacific region exports to and imports from the EU (EU imports from and exports to the Pacific region) by main product group for 2005 and 2004 are shown in EQ 5 Table 5.10 A-D. 2005 was an exceptional year in that there was substantial import of marine transport from the Marshall Islands. Marine transport imports accounted for 48.0% of EU imports from the Pacific region in 2005. This pushed imports of palm oil down to 11.0% and copper ores to 6.0%.

In 2004 palm oil accounted for 24.2% of EU imports from the Pacific, cane sugar for 16.1% and copper ores for 13.2%. Palm oil and copper derive from Papua New Guinea, while Fiji is the source of imports of sugar.

EU exports to the Pacific region are largely comprised of marine transport. This category of product accounted for 76.9% of EU exports to the Pacific region in 2005 and 69.8% in 2004.

**JC 5.2: EC interventions have contributed to regional integration as a stepping stone to further integration into the world economy.**

**I 5.2.1: EC interventions aimed at supporting regional institutions**

A range of effective regional institutions has been established. Pre-eminent amongst the regional organisations is the Pacific Islands Forum. This organisation has been the main partner institution for the Commission in the Pacific, particularly with regard to regional integration and trade. The Secretary General of the Forum Secretariat is the RAO for the Pacific.

The Commission is assisting the implementation of PICTA through the first component of PACREIP. The programme provides technical assistance for notification requirements, negative lists, training on Rules of Origin and other aspects of the agreement. The programme is also involved with workshops concerned with the extension of the PICTA agreement to trade in services. All these components partly aimed at increasing the capacity of regional institutions.

The support of the Commission through the All-ACP Facilities and PACREIP also targeted a strengthening of regional institutions by supporting the establishment of representative offices for PIFS in Geneva, the headquarters of the WTO, as it will enable the region to participate more fully in WTO agendas. The Commission finances a permanent representative of the region in Geneva and the secondment to the Geneva office on a rotating basis of trade specialists from PIFS member countries that are members of the WTO.

Six Pacific countries (Cook Islands, RMI, Palau, FSM, Nauru, Niue) joined the ACP group during the period under evaluation. One consequence of this was the alignment of Pacific islands membership of the PIF with PACP status. This in turn made it possible for the PACP States to mandate the PIF to conduct negotiations on their behalf for the Economic Partnership Agreements of the Cotonou Agreement. EDF 9 funds were made available to support engagement of the new PACP States in programmes started under EDF 8.

**I 5.2.2: Role of EC in the adoption of intra-regional trade facilitating measures**

Component d) of PACREIP includes Trade Facilitation. Work on trade facilitation has involved: publication of a manual on Rules of Origin for the PICTA and training of customs officials; preparation of biosecurity bills for PACPs; and preparation of studies on standards and conformance, and customs and quarantine. Work on biosecurity is contracted to SPC.

Draft national biosecurity bills have been completed for the Cook Islands, Fiji, Kiribati, Niue, PNG, Solomon Islands, Tonga and Vanuatu. The programme is working in cooperation with the Regional Trade Facilitation Programme (RTFP), established under the PACER treaty on trade facilitation issues. These programmes form an essential technical underpinning to the expansion of PACP trade and regional integration.

The project Plant Protection in the Pacific (8 ACP RPA 8; 8 PTF REG 3; 9 ACP RPA 8) is assisting PACP states to meet SPS requirements. It is developing compliance with WTO requirements related to sustainable quarantine services and introducing sustainable pest management practices. This includes non-chemical management of pests, which is important for export commodities. The project is also providing inputs to the development of pre-shipment treatments of traded commodities. This project is covered in more detail under Evaluation Question 8 and in other sections concerned with Natural Resources Management.

### I 5.2.3: Evolution of intra-regional trade in comparison with the development of total trade

The main source of consolidated regional trade data for the Pacific region is the Asian Development Bank database available through [www.adb.org](http://www.adb.org). This database provides data on trade of PACP states with Oceania, but since Oceania includes Australia and New Zealand, by far the biggest traders in the region, it is no guide to the intra-regional trade of the PACP states. Enquiries to the ADB Office in Fiji, the PIFS and the Fiji Ministry of Trade and External Relations confirm that consolidated intra-regional data for island members of the Forum are not available. Given the recent signing of the PICTA treaty, specifically concerned with the development of intra-regional trade, the lack of data on the state of intra-regional trade is surprising. It suggests the greater political importance of the treaty.

Nevertheless, some indication of the size of intra-regional trade is available. EQ 5 Table 5.11 shows the proportions of the imports of each PACP state that were derived from other regional PACP states in 1998, and weights these proportions by the total value of imports of each country. This indicates that regional trade in 1998 was about 2% of the total trade of PACP states.

The largest importers from regional partners are Kiribati, Samoa and Tuvalu. Fiji is the largest exporter to other PACP states. In 2005 Fiji exported locally produced goods to the value of F\$60.5 m. to other PACP states, with re-exports accounting for a further F\$41.2 m, giving a total export to PACP states of F\$101.7 m. The regional export and re-export amounted to 8.6% of Fiji's total exports in 2005 of F\$1,187.8 m. (Data from Reserve Bank of Fiji. Quarterly Review. March 2006.) Samoa exported 0.9% of its non-Yazaki exports to Pacific states other than Australia, New Zealand and American Samoa in 2004/05. (Data from Central Bank of Samoa. Bulletin. March 2006.) (See also Fiji Regional Economic Integration and Trade Sector Note and Samoa Regional Economic Integration and Trade Sector Note at Annexe 10.)

Inhibiting factors for intra-regional trade are the similarities of economic structure, large distances and small markets, all of which tend to generate high unit costs. It is notable also that transport links around the Pacific can inhibit intra-regional trade. It was noted in one interview that merchandise from the Cook Islands to Tonga has to go by sea via Auckland. The prominence of Fiji in intra-regional trade is in partly a consequence of Fiji's position as a regional transport hub. The figures for Fiji regional trade given above indicate re-exports as 40.5% of Fiji's exports to PACP states.

JC 5.3: EC interventions enhanced the capacity of the private sector for engaging in international trade.

I 5.3.1: EC interventions aimed at increasing the competitiveness of private enterprises

The Commission supports private sector development in the Pacific through component d) of PACREIP with the aim to developing (i) the PACP capacity to manage the process of regional economic integration in PSD and strengthen private sector participation in the Public Private Partnership (PPP) and Regional Private Sector Organisation (RPSO); (ii) niche products of the PACPS; (ii) and established markets and business opportunities for the PACPS. This includes specifically trade related aspects such as the development of regional standards complying with the requirements of international ones. Component e) of PACREIP concerns tourism. This component is implemented by the South Pacific Tourism Organisation. The overall objective of the project is: 'to promote and facilitate sustainable tourism development in the Pacific'.<sup>3</sup> The Contribution Agreement was signed in October 2004.

The Commission is also undertaking the DEVFISH project, concerned with the establishment of an environment conducive to the development of private fishing operations in the Pacific: 'DEVFISH aims at the establishment of a Pacific islands owned fishing and processing operations, through increased participation of the private sector in the formulation and implementation of fisheries policies.' It was originally conceived that this project would be part of PACREIP. This project is evaluated in the context of Commission support to Fisheries. The Commission project Development of Sustainable Agriculture in the Pacific represents also an important contribution to the development of private enterprise. Most PACP states have large agricultural sectors, with disproportionately large employment in agriculture. Development of production and exports of agricultural products is likely to have significant impact on employment and the relief of poverty. However, the extent to which these projects contributed to increasing the competitiveness of firms in the targeted sectors has not been assessed.

There are a number of all-ACP programmes delivering Commission support to increase the capacity of the private sector.

The Centre for the Development of Enterprise (CDE) is concerned with the creation and development of ACP enterprises. It works with intermediary organisations in ACP countries or directly with individual enterprises. CDE undertakes to set up contacts between entrepreneurs in ACP and EU countries in the same sectors, trades or businesses. The CDE has an annual budget of around €18 m. The Fiji garment industry has received assistance from CDE. The European Commission publication 'The Pacific and the European Union' records that: 'Until the end of 2001, CDE assisted more than 90 companies in the region. By the end of 1999, the growth of CDI activities in the original eight Pacific ACP countries peaked at some 12% of all the Centre's activities for all ACP regions. This figure has been steadily growing from 6% in 1994. For the years 2000 to 2001, the Centre's activities in the region were reduced to an average 8%, mainly due to the political events in the Fiji Islands and the Solomon Islands'.<sup>4</sup> (CDE was formerly CDI, the Centre for Development of Industry.)

PROINVEST is a programme of CDE, managed by a unit within CDE. It is concerned with the promotion of investment and technology flows to enterprises operating within key sectors

<sup>3</sup> European Commission. Contribution Agreement Between Regional Authorising Officer Pacific Islands Forum Secretariat and The Chief Executive Officer South Pacific Tourism Organisation: Pacific Regional Economic Integration Programme (PACREIP). October 2004.

<sup>4</sup> European Commission. The Pacific and the European Union. 2002.

in the ACP states. A study produced in February 2004 identified tourism, fishing, Information and Communication technologies (ICT) and agro-industry as potential areas of investment in the Pacific region.<sup>5</sup> PROINVEST has a budget of €110 m. for a period of seven years from 2002 derived from EDF 8 funds.

TRINNEX is a PROINVEST facility. The objective of TRINNEX is to provide support to ACP private sector organisations through capacity building activities aimed at ensuring that the ACP private sector will actively contribute to trade policy negotiations, in so far these negotiations influence the framework for direct investment and inter-enterprise partnership agreements. The TRINNEX facility has been set up more specifically to strengthen and enhance the private sector involvement in the negotiation of Economic Partnership Agreements (EPAs) between the ACP and the European Union (EU).

European Business Assistance Scheme: EBAS is a grant fund which operates on a cost-sharing basis to encourage businesses and intermediary organisations (trade associations, chambers of commerce, etc.) finance expansion projects. The objective of EBAS is to reinforce the competitiveness of ACP enterprises. To achieve this, EBAS strives to promote the market for business consulting services by encouraging private enterprises and business associations to procure the services of outside professional consultants or service providers. It provides up to 50% of the costs of services facilitating an increase in competitiveness. Funds are allocated on a first come first served basis. EBAS works through a network controlled by a Brussels Project Management Unit and four regional offices, one of which is located in Barbados.<sup>6</sup> A Monitoring Report on EBAS activity in Fiji concluded that: 'The Pacific region of the ACP countries did not benefit as much from the EBAS programme as it could have if the programme management regional office was in place right at the beginning. In addition the project selection could have been done in a way that could ensure the success and sustainability of the selected individual projects to a greater degree than the about 67% observed during the present monitoring mission.'<sup>7</sup> In spite of the Monitoring Report, the Delegation indicated that the EBAS was beginning to produce positive feedback, and there seemed to be some regret that it had been discontinued on the grounds that it was a duplication of CDE. An evaluation of Commission support to the private sector has as one of its recommendations: 'BDS [Business Development Services] programmes and the EC PSD [Private Sector Development] strategy should aim only at reinforcing the local BDS market, not at the direct delivery of services.'<sup>8</sup> This was the specific function of EBAS.

Discussions in the region suggest that there have been difficulties in adapting the services of the all-ACP facilities to the requirements of the region and building the contacts necessary to successful use of such facilities. In particular, significant misunderstandings appear to have arisen between the Fiji Trade and Investment Board (FTIB) and CDE, both directly and with PROINVEST. The FTIB is keen to utilise the services of these agencies as an intermediary for local businesses, but there have been shortcomings in response to proposals and the conduct of regional events. Similar criticism came from other sources. The Monitoring Report quoted above on the EBAS project tends to confirm the importance of a regional presence if a facility is to be properly utilised.

<sup>5</sup> PROINVEST. Sector Orientation Report: Pacific. February 2004.

<sup>6</sup> From the website of the EC Delegation, Barbados.

<sup>7</sup> European Commission. Monitoring Report MR 00961.01. March 2003.

<sup>8</sup> European Commission. Evaluation of European Community Support to Private Sector Development in Third Countries ref: 951656. Summary. December 2005. p. 2.

**I 5.3.2: Evidence of increased competitiveness of beneficiary enterprises**

Commission interventions in the Pacific in capacity building for the private sector are mostly of recent origin. Direct interventions with companies have been rare. It has not been possible to assemble data on increased competitiveness of beneficiary enterprises.

**I 5.3.3: Percentage of enterprises supported having increased competitiveness in relation to number of enterprises of the region/country and their contribution to the GDP**

See response on I 5.3.2.

**JC 5.4: Civil society was consulted and closely involved in the design and implementation of EC interventions relating to regional integration and trade.**

**I 5.4.1: Evidence of involvement of civil society in the design and the implementation of EC interventions (consultations, steering committees)**

There is clear involvement of civil society in the design and implementation of EC interventions relating to regional integration and trade. The Commission, in conjunction with the Forum Secretariat, has actively sought the involvement of NSAs in the development of regional strategies, the formulation of projects and the development of EPAs. However, representatives of civil society contacted in the region dispute the level of involvement and insist that a more pro-active and systematic approach to consultation should be adopted by the Commission.

More specifically, the Commission Delegation in Fiji works in close cooperation with the Forum Secretariat on regional strategy and programmes. This cooperation includes consultations with NSAs. A specific consultation meeting was convened in April 2001 to discuss focal sectors and their content for the 9th EDF. The meeting was attended by regional and national NSAs, representatives of EU institutions and programmes, and other donors.

As part of the commission cooperation with the PIFS, there is considerable reliance on CROP Working Groups to consult and coordinate with NSAs. The meeting of April 2001, mentioned above, agreed that the CROP WG arrangement should be utilised for project formulation. The CROP WGs also coordinate the work of donors (see Evaluation Question 10).

The Evaluation Team invited representatives of NSAs to attend a meeting on consultation and coordination in the Pacific between NSAs and the Commission. The invitations were issued in accordance with a list of NSAs provided by the PIFS. Eight representatives of NSAs attended the meeting. None had specific knowledge or experience related to regional integration and trade. However, the representative of the Foundation of the People's of the South Pacific noted that some affiliated organisations had reservations about the value of EPAs. Another representative indicated that NSAs had been left out of consultations concerning trade development, with preference given to private business opinion. Issues of confidentiality may have inhibited consultations on EPAs.

More generally, it was suggested that the CROP agencies had been given preference in consultations over NSAs. Whilst it was assumed that CROP Working Groups involved NSAs, this was not commonly the case. Some CROP WGs welcomed NSA representation, but others did not. It was stated that in the preparations for EDF 9 NSAs had been invited to comment on drafts, at both regional and national levels, rather than engaged in early consultations. It was emphasised that NSAs deal with people at the 'grass roots' level, whereas the CROP WGs have

a more technical approach. It was suggested that the Commission could do more to ensure that NSAs were located and directly consulted, with the Delegation taking a pro-active role in engaging with NSAs. A distinct mechanism was required to ensure consultation. Financial support was needed for participation of NSAs in consultations, as well as increased funding for NSA projects under EDF provisions. It was nevertheless acknowledged that the decentralisation of Commission programme administration had been beneficial to the region and the involvement of NSAs.

It was noted that the large size and administrative demands of Commission projects were not a barrier to the engagement of NSAs. Projects up to €5 m. could easily be accommodated by many of the bigger NSAs. At €30 m. there would be difficulties. Larger NSAs were able to disseminate funds downwards for use by smaller NSAs. NSAs were noted as substantial, strong and effective participants in the development process.

The involvement of NSAs in Commission programmes is a major commitment under the Cotonou Agreement. There are significant practical problems to be overcome, including logistical difficulties that are perhaps particularly significant in the Pacific. There are many NSAs in the region based in different countries, of varying scales, specialisations and capacities. To fulfil obligations under the Cotonou Agreement, these difficulties have to be surmounted.

#### JC 5.5: Outputs and results of EC interventions are sustainable

The word 'sustainable' is used very flexibly in documents relating to Commission interventions. This sometimes obscures meaning and impedes the establishment of clear assessments of the longer term or post-project requirements for the activities undertaken.

The adjective 'sustainable' is applied to a great variety of development initiatives, to the extent that its meaning is sometimes obscure. Some brief attempt to clarify meaning is required.

The conditions for sustainability of an undertaking may be summarised as:

- 1) There must be a continued demand for the goods or services provided;
- 2) Resources must be continuously allocated for the provision of the goods or services;

The first condition requires that people should continue to want whatever is provided. In some cases, aid projects are the initiative of donors and provide what donors conceive to be necessary. Then, once a donor withdraws, the demand for the goods or services is no longer apparent, and provision is terminated.

Resources may be allocated through private markets or through governments. Private markets will allocate resources where there is demand for goods or services. Profitability of an enterprise implies sustainability. Governments allocate resources for the provision of goods and services through political systems. So long as governments see useful purpose in an activity and are prepared to allocate resources to it, the activity will be sustained.

Whether provision is private or public, absence of an essential input, with no feasible alternative, can render a project unsustainable. Absence of essential human resources can render a project unsustainable. Depletion of essential natural resources can render projects unsustainable. The emphasis on sustainability in development originally arose as a result of fears for the depletion of natural resources.

On this understanding, an unsustainable project is not necessarily a bad project. In some cases, temporary demand, perhaps relating to some special event, may require allocation of resources

for a defined period. Nor is a guarantee of sustainability necessary to a good project. Private enterprise quite commonly launches products or services that may or may not find a market and give sustained profitability. Similarly governments and donors may on occasions want to test demand by providing a service, to be continued if sustained demand is apparent.

**I 5.5.1: Evidence that interventions design had take into account the sustainability issue (development of capacity, phasing out, measures enhancing ownership)**

Provision of government services related to trade will always be required, though the nature and volume of the services may change. Given the volume of their trade relative to GDP, Pacific governments possibly allocate too few resources, human and financial, to trade administration and development. Trade itself will be sustained in accordance with profitability and capacity of private enterprises.

The PACREIP programme design includes a section on sustainability. Sustainability is understood in terms of 'ownership' and 'economic and financial sustainability'. It is noted that the implementation of PICTA cannot be achieved without the active involvement of beneficiaries beyond the project period. 'Ownership' suggests the motivation of people to put their own resources into a project or lobby governments to sustain the input of government resources. Economic sustainability is understood in terms of the economic benefits to be derived from PICTA, EPAs and a free trade agreement with Australia and New Zealand. The agreements will be sustained if they enhance the profitability of companies. It is noted that unnecessary costs relating to fiscal and environmental impacts have to be avoided. Component d) of PACREIP (see I 5.1.1 above) includes provision for Environmental Impact Assessments.

**EQ 5 - TABLE 5.1.: MERCHANDISE EXPORTS OF PACP STATES IN LOCAL CURRENCIES**

<b>COUNTRY</b>	<b>Unit</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Cook Islands	(000 NZD)	6,962	6,950	4,581	4,270	6,011	6,739	19,967	16,132	10,928	14,579
Fiji	(000 FJD)	825,597	869,941	1,049,812	897,040	1,016,289	1,200,532	1,243,658	1,223,943	1,194,789	1,273,091
FSM	(000 USD)	78,515	39,269	10,681	8,037	3,332	2,128	...	...	...	...
Kiribati	(000 AUD)	7,110	10,030	6,817	8,432	9,300	14,065	10,694	...	...	...
Nauru^	(000 AUD)	...	...	...	...	...	...	...	...	...	...
Niue	(000 NZD)	...	...	239	135	167	247	353	350	135	...
Palau^	(000 USD)	12,582	13,868	13,907	11,814	11,095	10,994	...	9,031	...	...
PNG	(million KINA)	2,682	3,420	3,334	3,079	3,707	5,006	5,813	6,105	6,387	7,842
Marshall Is	(000 USD)	22,170	23,071	19,220	15,777	5,774	7,662	9,124	...	...	...
Samoa	(000 TALA)	8,902	21,674	24,827	37,455	55,521	54,735	44,808	52,691	46,284	44,271
Solomon Is	(000 SID)	467,874	573,153	656,316	648,701	608,271	607,367	331,302	248,685	390,008	557,013
Tonga	(000 PAANGA)	17,747	18,024	15,044	13,075	11,361	19,984	16,065	14,672	30,433	37,301
Tuvalu	(000 AUD)	398	189	361	373	67	177	17	32	252	...
Vanuatu	(million VATU)	2,911	3,173	3,368	4,087	4,323	3,327	3,622	3,894	2,793	3,248

**EQ 5 - TABLE 5.2.: MERCHANDISE EXPORTS OF PACP STATES IN US DOLLARS**

USD '000

COUNTRY	USD/Cur Unit	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Shares (%)	
												1997	1999
Cook Islands	0.654	4,553	4,545	2,996	2,793	3,931	4,407	13,058	10,550	7,147	9,535	0.17	0.18
Fiji	0.58	478,846	504,566	608,891	520,283	589,448	696,309	721,322	709,887	692,978	738,393	31.32	28.74
FSM	1	78,515	39,269	10,681	8,037	3,332	2,128					0.48	0.09
Kiribati	0.749	5,325	7,512	5,106	6,316	6,966	10,535	8,010				0.38	0.43
Nauru^	0.749											0.00	0.00
Niue	0.654			156	88	109	162	231	229	88		0.01	0.01
Palau^	1	12,582	13,868	13,907	11,814	11,095	10,994		9,031			0.71	0.45
PNG	0.31	831,420	1,060,200	1,033,540	954,490	1,149,170	1,551,860	1,802,030	1,892,550	1,979,970	2,431,020	57.45	64.05
Marshall Is	1	22,170	23,071	19,220	15,777	5,774	7,662	9,124				0.95	0.32
Samoa	0.353	3,142	7,651	8,764	13,222	19,599	19,321	15,817	18,600	16,338	15,628	0.80	0.80
Solomon	0.131	61,291	75,083	85,977	84,980	79,684	79,565	43,401	32,578	51,091	72,969	5.12	3.28
Tonga	0.497	8,820	8,958	7,477	6,498	5,646	9,932	7,984	7,292	15,125	18,539	0.39	0.41
Tuvalu	0.749	298	142	270	279	50	133	13	24	189		0.02	0.01
Vanuatu	0.009	26,199	28,557	30,312	36,783	38,907	29,943	32,598	35,046	25,137	29,232	2.21	1.24
		0	0	0	0	0	0	0	0	0	0	0.00	0.00
		(1,414,571)			1,661,360		2,422,950			(2,787,975)		100.00	100.00

**EQ 5 - TABLE 5.3.: MERCHANDISE IMPORTS OF PACP STATES IN LOCAL CURRENCIES**

<b>COUNTRY</b>	<b>Unit</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Cook Islands	(000 NZD)	81,981	73,860	62,952	72,332	70,716	78,637	111,703	111,616	101,673	121,021
Fiji	(000 FJD)	1,209,852	1,253,834	1,384,461	1,392,664	1,434,173	1,778,713	1,756,388	1,807,860	1,953,215	2,214,578
FSM	(000 USD)	129,060	99,526	84,103	75,221	49,428	12,328	74,115	74,664	92,859	...
Kiribati	(000 AUD)	36,115	47,547	48,583	52,536	51,923	63,720	67,924	...	...	...
Nauru^	(000 AUD)	...	...	...	704	8,091	2,379	2,064	...	...	...
Niue	(000 NZD)	...	...	5,485	2,447	3,387	5,568	4,911	1,975	3,246	...
Palau^	(000 USD)	48,582	62,719	79,635	69,289	65,875	77,838	127,127	95,766	95,872	...
PNG	(million KINA)	1,336	1,620	1,996	2,129	2,231	2,760	2,779	3,165	4,197	4,231
Marshall Is	(000 USD)	70,398	75,055	72,553	60,995	67,329	68,935	54,724	...	...	...
Samoa	(000 TALA)	202,944	228,041	243,724	256,224	285,652	348,381	348,687	448,801	454,227	406,970
Solomon Is	(000 SID)	459,506	525,660	536,874	685,278	615,401	538,407	498,970	431,937	436,342	507,004
Tonga	(000 PAANGA)	91,210	98,079	91,807	92,095	102,390	116,466	123,144	155,092	195,130	201,678
Tuvalu	(000 AUD)	10,911	6,562	5,999	8,144	11,408	12,466	8,883	6,769	20,362	...
Vanuatu	(million VATU)	10,404	10,659	10,888	10,888	11,257	12,451	12,315	13,533	12,433	12,703

**EQ 5 - TABLE 5.4.: MERCHANDISE IMPORTS OF PACP STATES IN US DOLLARS**

USD '000

COUNTRY	USD/Cur Unit	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Shares (%)	
												1997	1999
Cook Islands	0.654	53,616	48,304	41,171	47,305	46,248	51,429	73,054	72,997	66,494	79,148	2.26	2.04
Fiji	0.58	701,714	727,224	802,987	807,745	831,820	1,031,654	1,018,705	1,048,559	1,132,865	1,284,455	38.61	40.88
FSM	1	129,060	99,526	84,103	75,221	49,428	12,328	74,115	74,664	92,859		3.60	0.49
Kiribati	0.749	27,050	35,613	36,389	39,349	38,890	47,726	50,875				1.88	1.89
Nauru^	0.749				527	6,060	1,782	1,546				0.03	0.07
Niue	0.654			3,587	1,600	2,215	3,641	3,212	1,292	2,123		0.08	0.14
Palau^	1	48,582	62,719	79,635	69,289	65,875	77,838	127,127	95,766	95,872		3.31	3.08
PNG	0.31	414,160	502,200	618,760	659,990	691,610	855,600	861,490	981,150	1,301,070	1,311,610	31.55	33.90
Marshall Is	1	70,398	75,055	72,553	60,995	67,329	68,935	54,724				2.92	2.73
Samoa	0.353	71,639	80,498	86,035	90,447	100,835	122,978	123,087	158,427	160,342	143,660	4.32	4.87
Solomon Is	0.131	60,195	68,861	70,330	89,771	80,618	70,531	65,365	56,584	57,161	66,418	4.29	2.79
Tonga	0.497	45,331	48,745	45,628	45,771	50,888	57,884	61,203	77,081	96,980	100,234	2.19	2.29
Tuvalu	0.749	8,172	4,915	4,493	6,100	8,545	9,337	6,653	5,070	15,251		0.29	0.37
Vanuatu	0.009	93,636	95,931	97,992	97,992	101,313	112,059	110,835	121,797	111,897	114,327	4.68	4.44
		(1,626,106)			2,092,104		2,523,722			(3,130,791)		100.00	100.00

Note: Exports FOB; Imports CIF  
n.a. = not available

Source: Local currency data from Commission Joint Annual Report, 2005.  
Exchange Rates for 31.12.03 from www.oanda.com  
Original Sources: ADB Indicators Report  
^ PRISM Website

**EQ 5 - TABLE 5.5.: GROWTH RATES OF MERCHANDISE EXPORTS**

COUNTRY	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Cook Is	-2.7	-0.2	-34.1	-6.8	40.8	12.1	196.3	-19.2	-32.2	33.5	-26.2
Fiji	19.2	5.4	20.7	-14.6	13.3	18.1	3.6	-1.6	-2.4	n.a.	-7.7
Kiribati	40.3	41.1	-32.0	23.7	10.3	45.9	-54.5	4.7	-2.2	n.a.	n.a.
Marshall Is	185.9	5.4	-18.0	-16.6	-63.4	32.7	19.1	n.a.	n.a.	n.a.	n.a.
FSM	166.0	-50.0	-72.8	-24.8	-58.5	-36.1	688.9	9.6	-21.5	n.a.	n.a.
Nauru	-25.5	-16.2	38.7	-35.7	-5.5	75.3	-13.4	-48.0	-34.1	n.a.	n.a.
Palau	-29.1	10.2	0.3	-20.2	-34.2	57.7	62.3	8.9	-58.7	5.3	n.a.
Papua New Guinea	8.2	27.5	-2.5	-7.6	20.4	35.0	16.1	5.0	4.6	22.8	3.7
Samoa	-46.1	143.5	14.5	50.9	48.2	-1.4	-18.1	17.6	-12.2	-4.3	-25.2
Solomon Is	13.7	22.5	14.5	-1.2	-6.2	-0.1	-45.5	-24.9	56.8	42.8	30.6
Tonga	-19.2	1.6	-16.5	-13.1	-13.1	75.9	-19.6	8.7	108.5	14.0	n.a.
Tuvalu	-5.2	-52.5	91.0	3.3	-82.0	164.2	-90.4	88.2	687.5	-41.7	n.a.
Vanuatu	5.5	9.0	6.1	21.3	5.8	-23.0	8.9	-20.1	-10.5	25.6	28.1

*Notes: Niue is not covered by ADB in this data.*

*Data are from external trade statistics.*

*Nauru data relates to the fiscal year.*

*n.a. = not available*

*Source: Asian Development Bank*

**EQ 5 - TABLE 5.6.: GROWTH RATES OF MERCHANDISE IMPORTS**

COUNTRY	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Cook Is	-21.7	-9.9	-14.8	14.9	-2.2	11.2	42.0	-0.1	-8.9	19.0	-7.9
Fiji	9.0	3.6	10.4	0.6	3.0	24.0	-1.3	2.9	8.0	13.4	-0.4
Kiribati	-14.8	31.7	2.2	8.1	-1.2	22.7	6.6	10.4	22.1	-12.6	n.a.
Marshall Is	15.3	6.1	-2.8	-15.9	10.4	2.4	-20.6	n.a.	n.a.	n.a.	n.a.
FSM	17.9	-22.9	-15.5	-10.6	-34.3	-75.1	766.0	6.6	-8.4	n.a.	n.a.
Nauru	-42.3	-4.1	-12.0	-39.2	-13.4	15.1	131.1	-12.8	13.3	n.a.	n.a.
Palau	15.1	29.1	27.0	-20.6	32.6	51.6	-24.8	0.7	-14.6	67.8	n.a.
Papua New Guinea	20.4	21.3	23.2	6.7	4.8	23.7	0.7	13.9	32.6	0.8	6.8
Samoa	-23.0	12.4	6.9	5.1	11.5	22.0	0.1	28.7	1.2	-10.4	15.1
Solomon Is	5.3	14.4	2.1	27.6	-10.2	-12.5	-7.3	-13.4	1.0	16.2	25.8
Tonga	7.0	7.5	-6.4	0.3	11.2	13.7	5.7	25.9	25.8	-2.1	n.a.
Tuvalu	11.7	-39.9	-8.6	35.8	40.1	9.3	-28.7	-23.8	200.8	18.1	n.a.
Vanuatu	8.6	2.5	2.1	-	3.4	10.6	-1.1	6.5	-5.2	2.2	12.6

*Notes: Niue is not covered by ADB in this data.*

*Data are from external trade statistics.*

*Nauru data relates to the fiscal year.*

*n.a. = not available*

*Source: Asian Development Bank*

**EQ 5 TABLE 5.7. DIRECTION OF MERCHANDISE EXPORTS OF PACP COUNTRIES**

Percent of total exports

From/To	Asia		Europe		North & Central America		Oceania		Rest of the World	
Country	1990	2004	1990	2004	1990	2004	1990	2004	1990	2004
Cook Is <sup>a</sup>	55.4	32.4	0.0	0.0	6.2	29.5	32.4	27.9	6.0	10.2
Fiji	11.3	26.2	46.2	27.1	10.6	23.9	29.4	22.8	2.6	0.0
Kiribati	12.7	39.8	77.8	49.0	8.8	9.1	0.0	1.4	0.7	0.7
Marshall Is <sup>b</sup>	n.a.	5.9	n.a.	62.2	n.a.	6.5	n.a.	0.0	n.a.	25.3
FSM <sup>c</sup>	88.1	18.7	0.0	0.0	10.6	25.5	0.4	11.8	0.9	44.0
Nauru	11.5	37.4	1.1	21.6	2.2	1.1	84.0	0.3	1.2	39.6
Palau <sup>b</sup>	97.8	95.7	0.0	0.4	0.0	0.0	0.0	3.1	2.2	0.9
Papua New Guinea	44.9	22.3	24.7	46.5	2.7	1.3	27.2	29.4	0.5	0.4
Samoa	12.0	23.8	19.2	3.9	6.5	4.9	62.3	67.2	0.1	0.2
Solomon Is	64.4	86.1	22.7	6.6	3.9	1.9	8.0	5.3	0.9	0.1
Tonga	30.2	58.3	1.7	1.9	26.0	25.4	40.3	10.5	1.8	3.8
Tuvalu	0.0	16.5	82.1	73.1	0.0	0.0	16.7	8.2	1.3	2.1
Vanuatu	22.8	80.4	58.1	12.1	4.0	1.2	14.2	3.9	0.6	1.9

a. Data for 1990 refer to 1993; and for 2004, data refer to 2003.

b. Based on reporting partner-country data. For Marshall Islands, data for 2004 refer to 2003.

c. Data for 1990 refer to 1991; and for 2004, data refer to 2002.

n.a. = not available

Source: Asian Development Bank: *Key Indicators of Developing Asian and Pacific Countries*.

Original sources: IMF *Direction of Trade Statistics CD-ROM*, June 2005.

For Cook Islands, Marshall Islands, and FSM: South Pacific Commission, *Pacific Regional Information Website*.

**EQ 5 TABLE 5.8. DIRECTION OF MERCHANDISE IMPORTS OF PACP COUNTRIES**

Percent of total imports

From/To Country	Asia		Europe		North & Central America		Oceania		Rest of the World	
	1990	2004	1990	2004	1990	2004	1990	2004	1990	2004
Cook Is <sup>a</sup>	1.9	2.9	32.5	0.9	5.4	2.4	51.1	89.7	9.2	5.0
Fiji	26.4	44.1	5.6	4.6	13.4	2.6	44.1	45.9	10.5	2.8
Kiribati	14.7	17.2	6.0	8.6	48.7	2.6	30.4	69.5	0.1	2.0
Marshall Is <sup>b</sup>	n.a.	27.0	n.a.	0.0	n.a.	54.1	n.a.	15.0	n.a.	4.0
FSM <sup>c</sup>	19.7	18.7	0.0	0.0	72.1	25.5	2.6	11.8	5.6	46.6
Nauru	31.1	20.9	7.4	12.1	0.6	3.4	58.5	61.6	2.4	2.1
Palau <sup>b</sup>	100.0	81.2	0.0	10.3	0.0	0.0	0.0	8.5	0.0	0.0
Papua New Guinea	29.4	38.5	7.0	3.2	11.6	3.0	50.3	53.2	1.8	2.3
Samoa	34.7	26.2	10.6	3.0	9.9	5.5	44.2	52.2	0.5	13.2
Solomon Is	41.4	51.4	6.5	5.7	6.4	2.8	45.3	39.2	0.4	0.9
Tonga	16.9	9.6	1.8	10.3	10.3	6.8	62.6	78.5	8.4	1.6
Tuvalu	31.9	24.5	33.2	13.6	0.0	1.6	34.7	57.6	0.5	2.7
Vanuatu	62.7	24.8	21.9	3.5	2.3	4.0	12.4	31.4	0.7	36.2

Notes: a. Data for 1990 refer to 1993; and for 2004, data refer to 2003.

b. Based on reporting partner-country data. For Marshall Islands, data for 2004 refer to 2003.

c. Data for 1990 refer to 1992.

n.a. = not available

Source: Asian Development Bank: Key Indicators of Developing Asian and Pacific Countries.

Original sources: IMF Direction of Trade Statistics CD-ROM, June 2005.

For Cook Islands, Marshall Islands, and FSM: South Pacific Commission, Pacific Regional Information Website.

**EQ 5 TABLE 5.9. EU IMPORTS FROM PACP COUNTRIES AND EXPORTS TO PACP COUNTRIES**

EU-Pacific <b>Regional</b> Trade	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU Imports (Bill. Euro)	545.25	541.01	672.57	710.54	746.62	995.98	983.81	942.52	940.76	1032.17	1175.95
From Pacific:											
EU Imports (Mill. Euro)	564.6	507.6	527.9	561.3	591.1	457.9	537.6	516.7	733.3	1,067.7	1,245.5
Pacific % Total EU	0.10	0.09	0.08	0.08	0.08	0.05	0.05	0.05	0.08	0.10	0.10
EU Exports (Bill. Euro)	573.28	626.29	721.13	733.43	689.43	857.78	895.85	903.60	882.88	969.28	1069.86
To Pacific:											
EU Exports (Mill. Euro)	376.1	129.5	150.3	115.7	107.8	179.3	361.4	575.6	221.7	317.9	567.9
Pacific % Total EU	0.07	0.02	0.02	0.02	0.02	0.02	0.04	0.06	0.03	0.03	0.05

Data for 1998 and preceding years refer to EU 15. Data from 1999 are for EU 25.

Sources: <http://epp.eurostat.ec.europa.eu/portal> and <http://europa.ccc.int/comm/trade/issues/bilateral/regions/acp/stats.htm>

**EQ 5 TABLE 5.10: EU TRADE BY PRODUCT GROUP WITH PACP COUNTRIES IN 2005 AND 2004.***A. EU Imports from PACP Countries 2005*

<b>EU PACIFIC TRADE BY PRODUCT 2005: IMPORTS</b>	<b>1000 EUR</b>	<b>% of Regional Import</b>	<b>% of EU Import</b>
8901 Cruise Ships, Excursion Boats, Ferry-Boats, Cargo Sh	598,248	48.0	8.2
1511 Palm Oil And Its Fractions, Whether Or Not Refined	136,484	11.0	9.8
8903 Yachts And Other Vessels For Pleasure Or Sports	116,949	9.4	3.4
1701 Cane Or Beet Sugar And Chemically Pure Sucrose, In	9,045	0.7	7.5
2603 Copper Ores And Concentrates	75,169	6.0	3.9
1513 Coconut 'Copra', Palm Kernel Or Babassu Oil And Fra	58,824	4.7	8.3
0901 Coffee, Whether Or Not Roasted Or Decaffeinated; C	57,982	4.7	1.6
1604 Prepared Or Preserved Fish; Caviar And Caviar Subst	45,283	3.6	2.7
1801 Cocoa Beans, Whole Or Broken, Raw Or Roasted	18,719	1.5	1
1203 Copra	11,607	0.9	90
TOTAL IMPORT FROM ACP PACIFIQUE	1,245,460	100.0	0.11

*B. EU Exports to PACP Countries 2005*

<b>EU PACIFIC TRADE BY PRODUCT 2005: EXPORTS</b>	<b>1000 EUR</b>	<b>% of regional export</b>	<b>% of EU Export</b>
8901 Cruise Ships, Excursion Boats, Ferry-Boats, Cargo Sh	297,953	52.5	5.5
8903 Yachts And Other Vessels For Pleasure Or Sports; R	138,386	24.4	3
3302 Mixtures Of Odoriferous Substances And Mixtures	5,387	0.9	0.1
8408 Compression-Ignition Internal Combustion Piston En	5,337	0.9	0.1
8503 Parts Suitable For Use Solely Or Principally With El	4,765	0.8	0.3
2710 Petroleum Oils And Oils Obtained From Bituminous M	4,287	0.8	0
8402 Steam Or Other Vapour Generating Boilers (Excl. Ce	4,089	0.7	0.4
3824 Prepared Binders For Foundry Moulds Or Cores; Che	3,824	0.7	0.1
8411 Turbo-Jets, Turbo-Propellers And Other Gas Turbine	2,889	0.5	0
<b>TOTAL EXPORT TO ACP PACIFIQUE</b>	<b>567,844</b>	<b>100.0</b>	<b>0.05</b>

*C. EU Imports from PACP Countries 2004*

EU PACIFIC TRADE BY PRODUCT 2004: IMPORTS	1000 EUR	% of Regional Import	% of EU Import
1511 Palm Oil And Its Fractions, Whether Or Not Refined	142,422	24.2	10.8
1701 Cane Or Beet Sugar And Chemically Pure Sucrose, In	94,489	16.1	8.1
2603 Copper Ores And Concentrates	77,780	13.2	4.7
1513 Coconut 'Copra', Palm Kernel Or Babassu Oil And Fra	52,411	8.9	8.1
0901 Coffee, Whether Or Not Roasted Or Decaffeinated; C	41,062	7.0	1.5
1604 Prepared Or Preserved Fish; Caviar And Caviar Subst	29,277	5.0	2
8903 Yachts And Other Vessels For Pleasure Or Sports; R	28,593	4.9	0.8
2709 Petroleum Oils And Oils Obtained From Bituminous M	27,811	4.7	0
8901 Cruise Ships, Excursion Boats, Ferry-Boats, Cargo Sh	17,274	2.9	0.3
1801 Cocoa Beans, Whole Or Broken, Raw Or Roasted	13,340	2.3	0.7
1203 Copra	12,865	2.2	99.2
0905 Vanilla	8,133	1.4	11.6
8802 Powered Aircraft 'E.G. Helicopters And Aeroplanes'	6,259	1.1	0
4001 Natural Rubber, Balata, Gutta-Percha, Guayule, Chi	4,204	0.7	0.3
2710 Petroleum Oils And Oils Obtained From Bituminous M	3,946	0.7	0
0902 Tea	3,182	0.5	0.7
TOTAL IMPORT FROM ACP PACIFIQUE	588,457	100.0	0.06

*D. EU Exports to PACP Countries 2004*

<b>EU PACIFIC TRADE BY PRODUCT2004: EXPORTS</b>	<b>1000 EUR</b>	<b>% of Regional Export</b>	<b>% of EU Export</b>
8901 Cruise Ships, Excursion Boats, Ferry-Boats, Cargo Sh	162495	48.8	2.8
8903 Yachts And Other Vessels For Pleasure Or Sports; R	44981	13.5	1.1
8906 Vessels, Incl. Warships And Lifeboats (Excl. Rowing B	25008	7.5	14.3
8477 Machinery For Working Rubber Or Plastics Or For T	6164	1.8	0.1
7308 Structures And Parts Of Structures 'E.G., Bridges An	4124	1.2	0.1
8802 Powered Aircraft 'E.G. Helicopters And Aeroplanes'	3795	1.1	0
8409 Parts Suitable For Use Solely Or Principally With In	3352	1.0	0.1
9026 Instruments And Apparatus For Measuring Or Check	2508	0.8	0.1
49ss Confidential Trade Of Chapter 49	1993	0.6	0.9
1507 Soya-Bean Oil And Its Fractions, Whether Or Not Refi	1981	0.6	0.7
8471 Automatic Data Processing Machines And Units Ther	1963	0.6	0
3004 Medicaments Consisting Of Mixed Or Unmixed Produ	1898	0.6	0
8472 Office Machines, E.G. Hectograph Or Stencil Duplicat	1795	0.5	0.2
1602 Prepared Or Preserved Meat, Offal Or Blood (Excl. S	1784	0.5	0.5
8517 Electrical Apparatus For Line Telephony Or Line Tel	1637	0.5	0
<b>TOTAL EXPORT TO ACP PACIFIQUE</b>	<b>333236</b>	<b>100.0</b>	<b>0.03</b>

Source : <http://europa.cec.int/comm/trade/issues/bilateral/regions/acp/stats.htm>

**EQ 5 TABLE 5.11: INTRA-REGIONAL TRADE OF PACIFIC ISLAND FORUM MEMBERS, 1998**

	<b>Merchandise Imports from Other Pacific ACP</b>	<b>Total Merchandise Imports 1998</b>	<b>Imports from Pacific ACP as Proportion of Total</b>
	<b>Own Currency Value</b>		
COOK ISLANDS	8,891,000	73,274,000	12.10%
FED STATES MICRONESIA	16,000	99,728,000	0.02%
FIJI ISLANDS	5,489,000	1,366,634,000	0.40%
KIRIBATI	12,226,000	61,025,000	20.03%
NAURU	885,000	87,885,000	1.01%
NIUE	837,000	23,530,000	3.56%
PALAU	1,095,000	12,164,000	9.00%
PAPUA NEW GUINEA	165,000,000	8,3263,000,000	0.20%
MARSHALL ISLANDS	6,000	1,529,000	0.39%
SAMOA	42,187,000	296,425,000	14.23%
SOLOMON ISLANDS	20,552,000	590,868,000	3.48%
TONGA	7,758,000	107,956,000	7.19%
TUVALU	1,426,000	6,770,000	21.06%
VANUATU	1,267,000,000	13,758,000,000	9.21%
Average (weighted)			2.18

**EQ 5 – TABLE 5.12: CHRONOLOGY OF TRADE EVENTS 1994-2007**

DATE	EVENT related to trade issues in the PACP region
1994	Melanesian Spearhead Group formed (PNG, Fiji, Solomon Islands, Vanuatu. New Caledonia is observer).
1995	Lomé IV bis signed in Mauritius. Trade provisions of Lomé IV remain in force to end 2007. WTO created. GATT ends.
1996	WTO Singapore Ministerial Meeting raises issues of investment, competition, procurement and trade facilitation.
1997	Integrated Framework (IF) introduced to promote incorporation of trade issues in policies and strategies of LDCs and in PRSPs.
1999	Protestors disrupt WTO summit in Seattle.
2000	June: Cotonou Agreement signed. Millennium Development Goals launched. Demonstrations in Washington over globalisation.
2001	Doha Development Agenda established.
2002	27 September: Launch of EPA negotiations, as scheduled in Cotonou Agreement. October: Pacific RSP/RIP signed. WB study of 'Globalisation, Growth and Poverty'. Oxfam launches 'Make Trade Fair' campaign.
2003	ACP Council of Ministers and EC Commissioners for Trade, Development and Humanitarian Aid adopt Joint Declaration and a Joint Report as basis for regional negotiations. 1 March: EC Trade Commissioner (Pascal Lamy) speaks in St Lucia on 'Small Economies in a Globalised World: A European Perspective'. April: PICTA comes into force in Pacific. 10 countries have signed up to November 2005. PACER. 11 countries have ratified up to November 2005. WTO talks in Cancun collapse over farm subsidies.
2004	10 September: Pacific EPA negotiations launched officially. Stage I: October 2004-December 2006: Substantive negotiations. June: Tuna Convention signed. EU admitted as member in December 2004. WTO rules against EU sugar subsidies. Framework Agreement in Geneva on Doha Agenda. 3 'Singapore issues' taken off the agenda.
2005	July: Negotiating session on Pacific EPAs. (Senior officials) (3 originally scheduled for year). March: Technical EPA meeting held in Port Moresby. Pacific Plan for Regional Cooperation and Integration adopted at PIF meeting. October: Melanesian Spearhead Group revised agreement, WTO compatible. WTO Ministerial Meeting in Hong Kong edges forward Doha Development Agenda. March: UK DTI and DFID indicate reservations about EPAs.

2006	March: Negotiating session on Pacific EPAs. (Senior officials)
2007	EPA Negotiations Stage II scheduled: January 2007-December 2007. Final negotiations to produce binding text.
	July: Failure in Geneva to reach agreement on advancing the Doha Development Agenda

**EQ 6**

**EQ 6. To what extent have EC interventions contributed to increase the skills, the motivation and the ability of people to respond flexibly to new challenges and opportunities? How far were outputs and results sustainable?**

JC 6.1: EC interventions have been effective in achieving regional harmonisation of policies and standards for education (EDF 8).

Commission interventions are not directly addressing the issue of regional harmonisation of standards. It is an issue that reappears in changing formulations in regional documents, for example in Commission strategy documents and in regional policy documents like the Forum Basic Education Action Plan (FBEAP) or the "Pacific Plan". The leading role in a process of harmonisation has to be taken by the national leaders in the region, but so far little action has been taken. The issue is addressed more or less on a voluntary basis, which means that member countries can apply for support in the area of developing their assessment standards, methods and tools and this may lead to more harmonisation.

Factual standards are set by the tertiary institutions (USP, FSchM) that use their own entry tests. They may vary from one faculty to the other. Also Australia and New Zealand are indirectly setting standards through the entry requirements of their tertiary institutions and they probably will do the same in the area of TVET once the "Australian Pacific Islands Technical College in the Pacific Region" is established as foreseen in the Pacific Plan.

A limited influence on the harmonisation of national policies is exercised by PRIDE through its support to national strategic planning exercises. Although the support is more at the level of methods than contents, PRIDE has developed a list of benchmarks for educational planning that translate some of the principles of the FBEAP in a way that may be considered a step towards harmonisation (e.g. gender equity as a principle). As already noted, these principles are general and already laid out in the FBEAP. The project also follows regional policy papers and in doing so makes them more likely to be considered in national policy documents such as strategic plans. As far as curriculum development and teacher training is concerned, the influence of PRIDE on standards is limited so far.

**I 6.1.1: EC interventions aimed at achieving regional harmonisation of policies.**

There have been Commission interventions at strategy level that aim to achieve regional harmonisation of policies, but they lack a clear perspective, as the following observations illustrate:

- RIP 8<sup>th</sup> EDF, 2.1.4.1 (b) first sub-point: "Support [of the Community] ... will be concentrated in the key areas of ... the development and implementation of ... **common or harmonised standards** in basic and secondary education at the national level in order to facilitate tertiary level regional modalities while enhancing the transferability of human skills" and "programmes which seek to **rationalise and harmonise tertiary level education and training**, and promote technical and vocational training and education in key social and economic sectors and industries". Under 2.1.4.2 (a) Capacity building and institutional strengthening in the areas of "developing a common approach for improving basic literacy and numeracy allowing intra regional recognition of national education standards".
- In annex 1 of the RIP under "Commitments of the Countries of the Region and/or the Mandated Regional Organisations", we find - related to the same formulation of objectives - under the heading of measures to be taken, "implement or introduce policies for reviewing and reforming educational and training systems".

- This means de facto a condition under which Commission interventions can support activities of harmonisation. Since there was no initiative of regional institutions or of national Governments in this sense, Commission did not contribute in this area. More importantly, when programmes of the 8<sup>th</sup> EDF in the HRD sector were formulated, no further reference was made to harmonisation of standards.
- The Forum Basic Education Action Plan (FBEAP) was adopted in 2001, i.e. four years after the formulation of the RIP for the 8<sup>th</sup> EDF. Harmonisation is addressed under paragraph 10, "...that it was agreed ... that Ministers of Education consider the setting up of a regional qualifications framework, covering basic, primary, secondary, TVET and tertiary education, benchmarked against appropriate international standards and qualifications."
- In the RSP/RIP 9<sup>th</sup> EDF, the issue of harmonisation is envisaged as one of the main elements of regional HRD programmes, formulated as "Establishing a regional qualifications framework for post secondary and non-formal education" (p. 35). These are different areas for harmonisation than those under the 8<sup>th</sup> EDF.
- The Pacific Plan comes back to the issue by formulating as a regional priority (pp. 8 and 15): "Harmonisation of approaches in the education sector, including: upgrading secondary curricula and examination systems (including vocational training); standardising a regional leaving certificate".
- The South Pacific Board for Educational Assessment (SPBEA) was created in 1980. One of its main achievements in 1990 was the introduction of a regional Form 6 Examination, Pacific Senior Secondary Certificate (PSSC), to replace the New Zealand based University Entrance Certificate. It is not a binding standard for national examination practice. It is the only achievement in the area of harmonisation. SPBEA can give support on demand to member countries to develop assessment tools at various levels of the education system and to develop model tools. There was never any intention to support SPBEA directly by any Commission programme activity.
- Harmonisation may also become an issue in the framework of the Pacific Island Countries Trade Agreement (PICTA). The RSP for the 9<sup>th</sup> EDF mentions that the agreement may be extended to services including education and that officials may start by undertaking an inventory of regulations in the different service sectors concerned.
- At programme level, USP and FSchM are setting the entry requirement standards for their courses. They select candidates by testing their abilities and offer upgrading courses to those who failed the standards. They refer to Fiji secondary school leaving standards in English and Mathematics. De facto, these entry requirements come to constitute regional standards. The formulation of these standards has not been supported by Commission interventions.
- SPBEA does not get direct support from the Commission. In the framework of PRIDE, countries can propose In-Country Sub-Projects. SPBEA was informed by PRIDE that they may be asked by a member country to give support to the development of assessment tools. So far no sub-project has been formulated in this area.

I 6.1.2: Number of existing and approved regulatory documents, e.g. inventories, studies, proposals for texts or texts on standards and regulations, inclusion of the issue of harmonisation into conference agendas etc. (in relation to the number of initially intended documents)

During the period of the 8<sup>th</sup> and 9<sup>th</sup> EDF no official agreements on education standards have been developed or signed. Only one earlier agreement was reached, dating from 1990.

- The South Pacific Board for Educational Assessment (SPBEA) was created in 1980. One of its main achievements in 1990 was the introduction of a regional Form 6 Examination,

Pacific Senior Secondary Certificate (PSSC), to replace the New Zealand based University Entrance Certificate. It is not a binding standard for national examination practice. It is the only achievement in the area of harmonisation. SPBEA can give support on demand to member countries to develop assessment tools at various levels of the education system and to develop model tools.

- In the framework of PRIDE, countries can propose In-Country Sub-Projects. SPBEA was informed by PRIDE that they may be asked by a member country to give support to the development of assessment tools.

I 6.1.3: Percentage of applied regulatory documents in relation to the number of approved documents.

0 %, see above (I.6.1.2)

I 6.1.4: Percentage of the applied regulatory documents that have produced (started to produce) the intended results.

0%, see above (I.6.1.2)

JC 6.2: EC interventions have been effective in improving (providing) training in specific economic key sectors (and Health) (EDF 8).

All the foreseen measures in the training area under the RIP of the 8<sup>th</sup> EDF have been implemented successfully.

As far as the success of the different projects/programmes and components is concerned, the results are as follows:

- The upgrading of FSchM has been achieved successfully, enabling it to respond better to the regional needs for trained manpower in the health sector.
- The three components of the USP-HRD are at different success levels:
  - TSP is on the way to becoming a centre of excellence in the region. The TSP was endorsed as the Department of Tourism and Hospitality in 2003. The BA Tourism and Hospitality was endorsed in 2003 and offered in 2004. Certificate courses and double major studies in Tourism Studies are available in both face to face and DFL modes. A Masters Degree in Tourism Studies and PhD in Tourism Studies are now also available. Preliminary work has commenced on developing the remaining undergraduate and postgraduate courses in DFL mode. Through DFL, progress has been made towards regionalisation of the programme.

At the time of the mid-term evaluation in 2004, the only criticism concerned the weak linkage with the private sector. The mid-term evaluation was very critical on this point, saying that “industry’s appreciation of the programme is minimal” and “the TSP fails to gain recognition and influence within industry” (page 4). The Tourism Consultative Group (TCG) was established in 2002 utilising the Commission grant. It meets regularly on a biennial basis to discuss matters of relevance to the Department and academic programme. Staff have undertaken extensive industry consultation within the region, and all students undertaking the BA Tourism and Hospitality are required to undertake an industry placement as part of their studies.

In between staff changes have affected the TSP, but they did not severely hamper its development. The component is on track.

- The MDP has had a slow start but became very efficient in the second and third year. MBA scholarships, full time for participation in USP courses in Fiji, and part time for the participation in DFL courses in the country centres of USP, are awarded to young managers from the region. The MDP also offers short training courses and regional conferences on management issues of public and private interest. The most addressed issue in short courses was Corporate Management. Feedback on the courses is positive but exact data on the appreciation of courses by participants and employers (mostly public service) are not available. The majority of the participants were male. A tracer study providing more detailed data is planned for later this year.
- The concept of the ELMS component has not been clear from the start and the component is overcharged, as the MTR stated. After downscaling the component from 9 to 3 results, ELMS started to develop a database on Regional Labour Markets as a reference for regional decision makers on training and education issues, to support research studies in key identified areas, and to develop new courses and programmes at USP related to employment and labour market studies (face to face and DFL modes). There will be basic inputs available in all the three result areas, but the products will not be finalised by the end of the Commission support period (May 2007).

Problems are mainly reported in the field of the intended database. National statistical offices were not able to deliver reliable data on employment and labour market issues. This observation led to the advertisement of part time scholarships for Official Statistics students by DFL. The databank was intended to provide information for regional planners mainly in the areas of basic education and TVET, for example, for needs assessment and curriculum development. The CSP for the 9<sup>th</sup> EDF refers to this idea when describing "Reviewing curricula" as a main measure to achieve the objectives of the HRD strategy. It states that works should "draw inter alia on the findings of the 8<sup>th</sup> EDF RIP supported ELMS unit at the USP". So far, the ELMS component has not been able to contribute to this objective.

Other studies in the area of employment, labour markets and skills needs are initiated and financed at regional level by ADB and in some of the member countries (e.g. by the World Bank in the Solomon Islands). ADB has proposed to Forum members the establishment of a Regional Statistical Office as another CROP agency. These developments seem to overtake and bypass the University based ELMS component. The ILO representative in Fiji said that the question of data collection and treatment of the labour market should not be tackled "the University way" but in a more pragmatic way. These observations suggest that the ELMS component should concentrate on providing university level training instead of seeking to play the lead role in data collection and the establishment of a databank.

A general observation concerning the Commission interventions is related to the late beginning of USP-HRD. Being part of the 8<sup>th</sup> EDF, it would be expected that the programme might have started in 1999 and lasting until 2004. However, the programme started only in March 2003 and will last until March 2007. This means it is executed almost in parallel with the PRIDE project financed under the 9<sup>th</sup> EDF, which started February 2004 and will probably end in December 2009 (if not prolonged until 2011). The reasons for the late beginning are the late ratification of the Lomé IV (bis) Convention, slow project identification and processing difficulties.

When six new Pacific States entered the ACP partnership with the Commission for the 9<sup>th</sup> EDF, activities of the 8<sup>th</sup> EDF were opened to the new members. They can now take advantage of these programmes in the same way as the eight existing ACP countries of the region.

Another field of fast progress that is partly due to Commission support is the increase in courses available in the DFL mode in the USP-centres in the member states. This is of particular importance for the small island states.

#### I 6.2.1: EC interventions aimed at improving (providing) training in specific economic key sectors and health

At strategic level:

The RIP mentions training in the health sector as well as training and technical assistance directed at the needs of the economic sectors and industry, including fisheries, agriculture, forestry, and tourism. Training in the fisheries, agriculture and forestry sectors is carried out under the programmes of these sectors (see Evaluation Questions 7 and 8). In the HRD component of the strategy of the 8<sup>th</sup> EDF, training took place in the areas of public management, tourism and health. Courses for staff of national statistical offices started recently.

Two regional projects are addressing training in economic key sectors or health:

- The Fiji School of Medicine Human Resource Development Project (FSchM-HRD) is mainly concerned with the enhancement of the capacities of the FSchM through construction of an entire new campus, comprising an academic (teaching) block with lecture spaces, tutorial rooms, laboratories, student dormitories and a kitchen/dining block. This will increase the capacity of FSchM to respond to the rising needs of the region and to develop FSchM into a centre of excellence. FSchM is also looking towards the further development of the Distance Education (DE) mode, with assistance from AusAID and NZAID. This Commission project covers the aspect of the strategy dealing with capacity building and institutional strengthening in the area of health.
- The University of the South Pacific Human Resource Development Programme (USP-HRD). This programme consists of three components: (1) a Tourism Study Programme (TSP) of USP containing several course programmes in tourism studies, a research programme, and the establishment of a resource centre, making it a centre of excellence for the region; (2) a Management Development Programme (MDP) providing short-term training in the region, a certificate course in Public Sector Management, scholarships for MBA-courses in the same area, a related research programme, and forums and conferences; (3) an Employment and Labour Market Studies unit (ELMS), to undertake research and teaching on employment and the labour market in the region, with a data basis for national decision makers. USP-HRD is addressing the element of Commission strategy concerned with "training and technical assistance directed at the needs of the economic sectors and industries" with the two components of TSP and MDP.

The first two components of USP-HRD could build on programmes of USP already supported by the 7<sup>th</sup> EDF. The initial phase of the TSP was funded as part of the EDF funded Pacific Regional Tourism Development Programme through the Tourism Council of the South Pacific (now the South Pacific Tourism Organisation). The project and the USP programme address the shortage of Pacific management expertise in Pacific tourism. The MDP component is a

successor to the EDF assisted Senior Public Sector Management Programme, which provided training for middle and senior public managers of the region. The third component was entirely new to USP.

**I 6.2.2: Additional output of FSchM and decrease in the number of expatriate health workers in the member states; output of FSchM compared to Labour market needs.**

Student population data for FSchM is as follows:

1985: 200  
1998: 550  
2001: 700  
2006: 1,200

In 2001, 30% of the students come from PACP states other than Fiji. 2005 was the first year with higher intake. Output has not yet increased to the new target levels. The additional output will be in the area of Public Health.

There is no evidence that the number of expatriate health workers is decreasing. The reason for this is complex. The labour market for FSchM graduates consists mainly of the public services of the nations. MoH in Fiji, Solomon Islands and Samoa stated that all young doctors coming from FSchM find jobs in their countries and that they are needed. In all of the mentioned countries there are vacancies. These vacancies are at the middle level of the pyramid. However, young doctors find jobs at the bottom of the pyramid. Once they have gained some years of experience they migrate to Australia, New Zealand or the United States. While the increased output of FSchM is needed, it has proved difficult to retain trained doctors in the region. Those who migrate are replaced by expatriate doctors (from Australia and New Zealand, and now increasingly from Asian countries, including India, Japan, and Korea).

**I 6.2.3: Percentage of additional training courses in relation to the needs or the overall number of training activities per key sector.**

Quantitative data on additional training courses in relation to needs and number of training activities in key sectors are not available.

USP-HRD provides (new) courses in Tourism Studies at levels where there were previously none. The definitions of needs are not very precise. Documents of the University itself state that tourism is a growing industry with demands for more trained staff at the management level and also at the level of tourism and hospitality services.

In USP-HRD MDP: 36 training courses in 9 Pacific countries (some of them regional courses) have addressed more than 800 students between 2003 and 2005, exceeding the results indicator of the logframe. Most of them were targeting public sector managers. Most of the courses were on Corporate Governance.

USP-HRD ELMS started to include staff from national statistical offices in training courses after concluding that one of the reasons for not getting appropriate data for the intended databank was lack of competence at the level of national statistical offices. There is a need for more training.

#### I 6.2.4: Percentage of participants being satisfied with the training results

The mid-term review of the USP-HRD mentions at page 5 that “student evaluation of these programmes has been positive”. The annual reports of the USP-HRD MDP component do not calculate such percentages. The Manager of the MDP component was not able to produce such figures on the spot, but he said that feedback was always very positive.

In short interviews in the classroom with MBA scholars sponsored by the Commission, they pronounced also their entire satisfaction with the MBA training course (which is a regular course of USP and not a course established by the Commission).

#### I 6.2.5: Improvements in performance.

Nothing is said about student success in the mid-term evaluation of USP-HRD. The (first and widely criticised) logframe of USP-HRD proposes to use regional HRD indicators for verification of performance. These figures usually do not cover the kind of information required for the evaluation of a project like USP-HRD. The monitoring report 2003 reports that “the implemented courses of MDP have been successful” and that the training enjoys the support of the Conference of Heads of Public service (HOPS).

Nevertheless, members of the Public Service Commission (PSC) in Fiji had difficulties in remembering details about the USP-HRD MDP courses held in Fiji. They admitted being the ones responsible for the training of the members of the public service in Fiji, but they did not follow up the results of the training. According to them this should be done at Ministry level. It was not possible to check with the different Ministries whether results were followed up. But the PSC also said that training in the public service is mainly provided by Australian and New Zealand consultants in cooperation with the training division of PSC and sometimes in cooperation with USP.

The mid-term evaluation of USP-HRD states on page 57 that the extent to which the MDP component has had a qualitative impact on management in the region has not been assessed and it “would be an advantage in undertaking studies and reviews” on this aspect in the remaining two years. “Such studies would also be valuable in planning future training and development activities and in formulating project proposals.” USP-HRD management plan a tracer study later in 2006.

#### JC 6.3: EC interventions have been (or are likely to be) effective in strengthening the regional institutions which support basic education (BE) and TVET (EDF 9).

Regional institutions supported include the USP as well as institutions at the national level of Pacific ACP member states. At the national level, institutions have benefited from the support of the PRIDE project through such activities as planning exercises and workshops. It was not possible to assess whether this has resulted in increased competency in activities. The MTR of the PRIDE project scheduled for later this year may produce such evidence. It seems likely that participants in PRIDE supported activities have gained experience in doing practical planning and that they may have gained confidence in their own capacity. The provision of regional consultancy services from one country to another is said to be much appreciated and to produce results. These inter-country consultancies can be seen as a strengthening of regional institutions in a situation where the education sector is strongly dominated by external consultants.

PRIDE has opened a very interesting process, in which the process of doing things itself is part of the result. It is not foreseeable what the actual outcomes of such processes will be at the end of the project period (in 2009 or 2011). But there is a clear possibility that many things will change and improve. This may include aspects of the Commission strategy that have not yet been directly addressed, such as curriculum development and teacher training. Regional conferences have already touched on these areas, but so far no in-country sub-projects have been formulated and existing regional institutions dealing with aspects of these areas, such as SPBEA, PATVET, and PATE have not been playing a prominent role in PRIDE activities so far.

Very little is done in the area of TVET so far. The issue is included in most of the sector strategies, but at the level of TA demanded by member states or in-country sub-projects TVET is not very prominent.

One problem relates to the hosting institution of PRIDE itself, the Institute of Education (IE) of USP. At the moment, the IE is said not to be operational. This has led to more contacts between PRIDE and the School of Education of USP. It seems to have been an informal decision to deal more with the school than with the IE, since the latter is currently experiencing difficulties. The problems need early resolution so that PRIDE has an effective partner that can learn how to provide regional services in Basic Education and TVET.

#### I 6.3.1: EC interventions aimed at strengthening the regional institutions which support basic education and TVET

The RSP/RIP for the 9<sup>th</sup> EDF refers to the Forum Basic Education Action Plan (FBEAP) and highlights the necessity to address Basic Education, as opposed to the emphasis on tertiary education under the 8<sup>th</sup> EDF, and TVET at secondary level and in non-formal education (NFE).

The RSP proposes that curricula and teacher training in particular can be revised at the regional level and “subsequently be adopted by and delivered in national institutions” (p. 31, paragraph 120). Under paragraph 139, it is formulated as one of the main measures envisaged: “Reinforcing regional institutions which support basic education and vocational work-related training, including the promotion of distance education through new technologies. EDF resources will use the existing USP telecommunication network (USPNet) infrastructure to target a qualitative improvement in courses, especially in-service and pre-service teacher training programmes.”

Consequently, USP was chosen as the regional institution to implement the programme. However, the strategy refers to regional institutions, in the plural. No other regional organisation, for example the South Pacific Board for Educational Assessment (SPBEA), the Pacific Association for Technical and Vocational Education and Training (PATVET), or the Pacific Association of Teacher Educators (PATE), was included into the programme design. They may become involved through PRIDE when necessary, but so far this has not happened. ‘Regional institutions’ may, of course, refer to institutions operating in the region, including national institutions.

The RSP/RIP of the 9<sup>th</sup> EDF led to definition of the “Pacific Regional Initiatives for the Delivery of Basic Education” (PRIDE) programme, to be implemented through USP Institute of Education.

The Financing Proposal and the Financing Agreement for PRIDE describe the objective of the project (project purpose) as “The project will improve the quality of BE by strengthening the education planning and implementation processes in each PACP. In doing so it will enhance the capacity of Pacific education agencies to effectively plan and deliver quality basic education through formal or non-formal means, providing children and youth a foundation for further education, training, personal development and employment activities in the formal or non-formal sectors” (page 2). On the next page the aspect of “improving the coordination of donor inputs to assist countries implementing their plans” is added. This formulation replaces the formulation concerning children and youth in the first version. Children and youth are now addressed in the Overall Objective which reads: To expand opportunities for children and youth to acquire values, knowledge and skills that will enable them to actively participate in the social, spiritual, economic and cultural development of their communities and to contribute positively to creating sustainable futures.” This formulation refers much more to the formulations describing the desired type of educated human resources in the FBEAP as well as to the vision of the Pacific Plan for Strengthening Regional Cooperation and Integration.

The formulations of the project purpose show that educational planning has now moved to the centre as a starting point of all other activities, which may include the described areas in the RSP which focus explicitly on Basic Education, TVET, curriculum development and teacher training. The scope of the programme becomes clearer at the results' level. Result 1 foresees that “Comprehensive Strategic Plans covering formal and non-formal education (are) developed in all Pacific ACP countries”, Result 2 is that “Implementation of Strategic Plans (will have) commenced” and the third result is achieved when “regional capacity is strengthened to assist Pacific ACP countries to support strategic planning and implementation in BE”. The shift from putting curriculum development and teacher training in the middle of the strategy to putting planning support in the centre may also have been influenced by the fact that similar projects have failed (UNDP/UNESCO in the 70s and BELS (Basic Education and Life Skills or Basic Education and Literacy Support in phase II) in the 90s had to be narrowed down. It may also be due to the fact that it was difficult to define an entry point for curriculum development and teacher training at the regional level, since these are national competency levels rather than regional.

The first result relates to the actual process of the definition of Sector Wide Approaches (SWAp) in the education sectors of the member countries, consisting of a long-term policy document and related sector investment planning, as well as mechanisms of sector steering and sector coordination, including regular meetings between Ministries and all donor agencies in the sector. Although some of the member states already had sector plans, there is still a need for such support, since most of the existing sector plans are expiring in these years, quality may have to be improved (e.g. fully budgeted plans are not yet the rule), or countries not yet having a sector plan may also need one. Centrally available documents (like a document defining benchmarks for educational planning) are developed to supply practical orientation in planning processes. Workshops at the national level can benefit from direct support through short-term TA provided by PRIDE.

The second result follows the first in the sense that the first is the precondition to be eligible for support within the frame of the second. Countries having finished their sector plans may apply for support for “country sub-projects” that can be pilot projects, action research projects or implementation projects on how to implement specific reforms intended in the national plan. Support for BE, curriculum development, teacher training or TVET is now a possible subject for in-country sub-projects. The homepage of PRIDE explains that currently seven countries (out of 15, including Tokelau) are implementing sub-projects. Two or three have

joined recently. It is also reported that some countries have difficulties in understanding the nature of sub-projects and in formulating them. In an exercise during a workshop in September 2005, five sub-projects using the sub-project application guide have been developed in group work to provide better understanding of sub-projects and how they have to be designed. The projects are on Vernacular Literacy, early childhood education, special needs, ICT and TVET. More than 50% of the envelope of PRIDE is foreseen for financing sub-projects (€ 4.2 m.), to be spent up to 2009. A key has been developed by the steering committee defining the percentages of this budget being reviewed for each country and a remaining portion of 30% is foreseen for projects of common interest.

Finally, the third result will increase the capacity of the Institute of Education of USP to support strategic planning and implementation in Basic Education. This will include a regional education online resource centre.

The regional institutions that are strengthened are mainly the national ministries of education. The programme will probably also strengthen all the institutions that participate in the design of National Sector Plans. There is a wide range of institutions involved, including different organisations and units from the education sector, but also stakeholder groups from the non-state sector. Institutions concerned with curriculum development or teacher training may also benefit either from TA or from in-country sub-projects.

I 6.3.2: Existence and quality of project identification and planning documents: Documents describe the needs in relation to national policy reforms, support needs and existing structures (as a result of a consultative process)

The relevant documents to be examined are the RSP/RIP itself, the PBEAP, the Pacific Plan, and the planning documents for PRIDE.

The RSP mentions that many Pacific ACP Country Strategies have adopted education and/or formal or non-formal TVET as a focal sector under their 9<sup>th</sup> EDF NIPs. "Pacific NAOs expect this regional strategy to complement and consolidate these efforts by addressing problems which can only be tackled, or be tackled more cost-effectively, at the regional level." Also the CROP working group on HRD incorporates members from various member states, thus assuring that national interests are taken into account.

The FBEAP defines Basic Education and TVET as priority areas. This is reflected in the Commission response strategy. FBEAP also mentions that "Ministers agreed that there is an urgent need for each country to improve basic educational planning". The design of PRIDE strongly reflects this.

The consultative process is continued by PRIDE itself when identifying precise support measures to national governments and institutions.

The Pacific Plan mentions PRIDE as a model for the support for Basic Education, which also can be seen as a sign of strong response to regional needs.

**I 6.3.3: The organisational set-up will allow optimal and equal access of National Governments to the services put in place.**

The PRIDE project operates from the USP campus in Fiji, but it has established national PRIDE coordinators as its counterparts in each country. In all of the countries, the national coordinator is a staff member of the Ministry of Education (MoE). It is his/her role to communicate the offers of PRIDE to the units of the Ministry and all institutions and groups active in Basic Education and TVET and to transfer requests for support to the PRIDE management.

Through the online resource centre, institutions from all member states are able to have access to relevant information.

The structure seems appropriate, though in practice some problems have been encountered. These problems are mainly related to comprehension and communication. Other members of the structure, even if they are on the staff of a MoE, claim not to be informed properly. This includes Commission Technical Assistants in education projects and the staff of Commission Delegations and Offices. Communications between PRIDE centre and the national coordinators seem not to be fully passed on.

National PRIDE coordinators may need more support to improve their performance in understanding and communicating the nature of PRIDE support, and in the design of in-country sub-projects. The online support service of PRIDE needs to be better publicised.

**I 6.3.4: First services (if already any) are appreciated by National stakeholders and have produced positive results, e.g. number of National Strategic Plans supported.**

Services include support for national planning exercises as well as for in-country sub-projects.

Services to planning processes are very much in demand and from written sources, mainly the quarterly Newsletter of the PRIDE project, they appear to be very much appreciated. However, these positive assessments have not been confirmed by national interview partners. The positive feedback is in part inconsistent with claims that interested persons are not properly informed about PRIDE activities.

Strategic plans supported by PRIDE are appreciated for their quality. Those looked at by the consultant have been formulated at a very general level of strategic objectives and need more translation into sector plans that can be executed. This work is in some cases, as in Fiji, done by foreign consultants. So the general framework strategy provides more of an orientation than the plan itself. But in other cases plans supported by PRIDE are said to be very precise, for example that produced in Nauru.

It is too early to assess the results of in-country sub-projects. None have been finished and most have only started recently.

As for the verification of overall results of plans and pilot projects (impacts), the logframe foresees verification through international and national statistics, reports and studies in order to verify if retention rates in educational institutions have increased, opportunities for technical vocational education and training have increased, pedagogy has improved and gender balance of students in secondary and post-secondary education has improved. It is too early to respond to these indicators.

**JC 6.4: The effectiveness of EC interventions has been substantially enhanced by complementary involvement and activities of PACP States (at regional and national level).**

In principal, Commission interventions are designed to enhance the activities of the PACP States. Whether this was the case is examined under Evaluation Question 2.

Many of the commitments formulated in the RIP of the 8<sup>th</sup> EDF have been taken into consideration in the FBEAP. For example, improvements in national development strategies and resource allocation as a target, integration of population and gender issues, the need for activities that enhance the relevance of education and training and increase access to technical and vocational training, have all been taken into account.

Governments of PACP countries have been urged to increase the allocations in their budgets to education to more than 20%. This has happened in many cases and will allow Commission interventions on strategic planning to be more efficient when it comes to implementation of the plans.

Regional training institutions were urged to continue efforts to attract appropriate funding, including in the first instance national contributions and user fees. A large proportion of the finance for both USP and FSchM derives from the contributions of the regional countries.

**I 6.4.1: Evidence of synergies of EC interventions with other activities of PACP States.**

In the HRD sector there is limited evidence of synergies. Some synergy in effort is apparent in the joint financing by the Commission and the Fiji Government of the Fiji School of Medicine. Sums involved were € 7.5 m. from the Commission and € 2.75 m. from the Fiji Government and FSchM itself.

Synergies in results and impacts are apparent in the decisions of national governments to take up the idea of improving national strategic planning in education. This is the intention of Commission support for planning exercises. Some national education ministries are progressing towards the establishment of SWAPs. This permits synergies between strategic planning support and sector coordination at national level.

**JC 6.5: Civil society was fully involved in EC interventions relating to human resources development.**

NSAs were involved in the formulation of the strategies of the 9<sup>th</sup> EDF through their representation in the CROP Working Group on HRD and in the presentation workshop of the results of the programming.

No NSAs were involved in the formulation of HRD strategies and policies under the programmes of the 8<sup>th</sup> EDF (FSchM and USP-HRD). This issue is only addressed under the PRIDE project under the 9<sup>th</sup> EDF. Coordination in the strict sense with the private sector did not happen. Participation in education and training delivery is hardly to be found at regional level, but only at the national level. The Don Bosco Training Institute in the Solomon Islands provides an example of participative education and training delivery.

PRIDE has made NSA involvement a basic principle for its interventions and support in sector planning activities and the definition of pilot projects (in-country sub-projects).

**I 6.5.1: Role and capacity of NSA in delivering BE on one hand and Management training etc. on the other hand.**

The NIP for the 8th EDF indicates (2.1.4.1) that “a special effort” will be made to involve NGOs in formulating HRD strategies and policies, to coordinate with the private sector and to assure NGO participation in education and training delivery.

In USP-HRD TSP, some contacts with private enterprises in the tourism sector have contributed to the design of a Tourism and Hospitality Course and to the formulation of some modules.

USP-HRD could not provide examples of private companies providing management training, except private consulting firms from Australia and New Zealand. It is possible that the presence of so many consultants from the neighbouring countries hinders the founding and running of private companies in the region by local businessmen.

The role of NSA in providing education is already very substantial in areas like early childhood education, TVET and all sorts of non-formal education. In the Solomon Islands, the Commission is supporting the Don Bosco Training Institute in the running of a secondary technical school and a vocational training centre in Honiara. Staff of this centre and of the NGO are very prominent in national and regional bodies in the area of TVET, for example in the Solomon Islands Association of Vocational and Rural Training Centres and the Pacific Association of Technical and Vocational Education. The Commission is not supporting or working through these roof organisations.

**I 6.5.2: Role of NSA/CS in policy formulation (PRIDE: National sector planning).**

The RSP 9th EDF indicates in its last sentence that “the involvement of non-state stakeholders (including local government) in the preparation and implementation of programmes will be sought. They may also be beneficiaries, notably in the context of capacity-building.”

The FBEAP describes (page 2) that Ministers from the member countries are committed to “promote the role of civil society in providing non-formal skills training” (page 7). It is recognised that “government funding alone will be insufficient to provide basic education for all. Greater participation by non-government partners can increase the level of resources available, and increase the relevance and effectiveness of the learning process.” It continues: “In recognition of the partnership with civil society organisations (CSOs) and the private sector already in place in all Forum Island Countries in the provision and delivery of basic education, and to enhance the achievement of national, regional and international commitments, Ministers directed the Forum Secretariat, in association with other regional organisations and UN agencies, to document and quantify the contribution of civil society in the provision and delivery of basic education with the view to developing model enabling government/CSO partnership policies.”

Major progress in the involvement of NSAs in education is being achieved through PRIDE, which seeks their involvement and participation in the process of educational planning, leading to long-term sector plans. PRIDE formulated a benchmark on civil society participation in educational planning and supported the involvement of Civil Society Organisations (CSO) in real exercises for the definition of Education Strategies in all the countries where they intervened. The participation of CSOs was always fruitful in terms of the quality of results.

### I 6.5.3: Role of NSA in the implementation of in-country sub-projects

This cannot yet be assessed since very few projects have commenced implementation.

JC 6.6: The results obtained by EC interventions have contributed to increasing the skills the motivation and the ability of people to respond flexibly to new challenges and opportunities.

The Evaluation Question and JC 6.6 derive from the Overall Objective of the HRD strategy of the 8<sup>th</sup> EDF: "to improve the region's living standards and international competitiveness by making people more skilful, and motivated and able to respond flexibly to new challenges and opportunities". The RIP of the 9<sup>th</sup> EDF describes the Specific Objective as: "Providing enhanced basic education and TVET opportunities for the acquisition of life skills so that Pacific islanders can more easily enter the workforce and gain confidence to be able to respond flexibly to new challenges and opportunities, while at the same time supporting good governance at all levels". The Overall Objective for the 9<sup>th</sup> EDF was formulated as "Human Resources better developed". For the evaluation of the two strategies, an analysis should try to answer the three questions: Are the target groups more skilful, are they better motivated and are they more flexible to respond to new challenges and opportunities?

USP-HRD: The planning documents propose to measure the outcomes for increased skills at the level of "Improved exit performance", i.e. the performance shown in end-of-course evaluations or exams. The mid-term review of the USP-HRD mentions on page 5 that "student evaluation of these programmes has been positive" but this refers more to the degree of satisfaction than to exam results. It is surprising that nothing is said about student success in the mid-term evaluation. The Monitoring Report 2003 indicates that "the implemented courses of MDP have been successful and that the training enjoys the support of the Conference of Heads of Public service (HOPS). The Director of USP-HRD MDP component explained to the consultant that in short courses "the participants are not evaluated but participants are evaluating the quality of the courses." In long courses (MBA and Tourism), participants are submitting their thesis at the end, but the results of these exams cannot be related to the level of skills on arrival on the course. Increased skills have to be evaluated at the level of increased performance at their workplace. This is not followed up either by Public Service Commissions or by client ministries or companies. USP intends to undertake a tracer study later this year.

PRIDE: The planning documents of PRIDE propose to measure outcomes at the level of "Improved exit performance", i.e. the performance shown in end-of-course evaluations or exams. The logframe for PRIDE foresees verification of its success through international and national statistics, reports and studies in order to verify if retention rates in educational institutions have increased, opportunities for technical vocational education and training have increased, pedagogy has improved and gender balance of students in secondary and post-secondary education has improved. So far there are no results in these areas since project activities only commenced in 2004.

With regard to increased skills, activities supported by PRIDE may one day be measured by better performances of pupils and students, as measured by exam pass rates in all the 14 States.

More difficult for both programmes will be the measurement of motivation. Retention rates (see above) may be taken as an indicator for motivation in formal education. The criterion 'being more flexible to new challenges' has to be translated into indicators. So far, no indicator has been formulated in this area. It is possible that USP will try to incorporate such a criterion in the design for its intended tracer study.

The second level of analysis in the RSP concerns the expected “improved living standards” and “increased competitiveness”. The logframes of both projects propose to verify this by using the Human Development Index of the United Nations Development Programme (UNDP-HDI) and other macro-economic statistics. There are two problems. First, for most of the Pacific States, HDI data is not available. There are figures for Fiji, PNG, and Samoa showing clear positive trends for Fiji and Samoa, and a positive trend for PNG until 2000, with a slight fall-back in 2003. For Solomon Islands, Vanuatu and Tonga, the HDI was established in 2003 for the first time. All the figures are from the period before the projects FSchM-HRD and USP-HRD started. Data on HDI for PACP countries is shown in Table 6.1 below.

**TABLE 6.1: HDI FOR PACIFIC ACP STATES**

	1975	1980	1985	1990	1995	2000	2003
Fiji	0.663	0.686	0.702	0.724	0.741	..	0.752
PNG	0.425	0.445	0.467	0.481	0.515	0.529	0.523
Samoa	..	..	0.723	0.732	0.742	0.763	0.776
Solomon Islands	..	..	..	..	..	..	0.594
Tonga	..	..	..	..	..	..	0.810
Vanuatu	..	..	..	..	..	..	0.659

*Source: UNDP. Human Development Index.*

The second problem concerns the establishment of a relationship between Commission-funded projects and HDI development. It is widely accepted that education/HRD contribute to economic and social development. Many correlations show this relation. But it has not been possible to establish the precise impact of education/HRD interventions on economic and social development. The HDI is too broad a measure to provide an indicator for the effectiveness of Commission interventions in HRD.

The first problem, regarding availability of data, can be partially overcome by the construction of HDI indices for the PACP states not covered by the UNDP data. HDI data for PACP states derived from estimates in the CSPs for EDF 9 are shown in Annex 5.

**I 6.6.1: Evolution in unemployment rate**

No information available; ILO LABORSTA has been checked.

**I 6.6.2: Evolution of unfilled positions in private enterprises**

No information available.

**I 6.6.3: Evolution of the level of qualification**

No information available.

**I 6.6.4: Evolution of emigrant by level of diploma (in % of level of diploma in the population)**

No information available.

JC 6.7: EC interventions for HRD were designed as to be and were sustainable.

The Financial Agreements of all programmes address the issue of sustainability and measures were taken to increase ownership.

FSchM-HRD finished in 2004 and FSchM has shown since that it is able to sustain the new level of operations. The other programmes have not yet finished, so it is too early to make definitive statements. The prospects, however, are good. Sustainable improvements in health indicators have not yet been identified. Data for 2005 and later are not yet available.

For USP-HRD, sustainability can be defined at two levels:

- Will those courses newly established with Commission support be continued by USP and FSchM once the financial support ends? and
- Are the results of the courses, i.e. the improved skills, sustainable and contributing to improvements in long term performance?

The second question cannot be answered. The improvement of skills and performance has never been evaluated (see Justification Criterion 6.6). There is no follow-up study (tracer study) of course participants and Commission scholars so far. But since most of the participants are sent from organisations working in the region, the probability of a sustainable use of the new competencies is rather high.

With regard to the first level, the prognoses are different for each component. TSP is regarded as very likely to be sustainable, since it is integrated into the USP degree programmes and the Fiji Government, like other regional governments, is committed to contribute financially to it. The Head of Department (and project manager) has submitted a budgeted plan for TSP for the period after the end of Commission support (2007-2009). USP will have to assure continuation by its own means. It is likely that USP will be able to afford the continuation costs.

For MDP, the sustainability of regional or in-country courses of short duration is not discussed in any of the reports. They will probably disappear with the end of the project. After the end of the Commission provision other suppliers may step in (e.g. Australian and New Zealand consulting firms). On the other hand, short courses must seek sustainability in their impact. This means that participants' performance must show increases in the short, medium and long run, thus representing a sustainable impact. But, as noted above, this second level cannot be evaluated at present.

In the third component (ELMS) some newly created courses will survive the end of the project. However, the database will not be sufficiently well established as to be sustainable and provide a basis for regional decision making in the long run.

The sustainability of PRIDE should also be measured at the impact level. A sustainable impact is to be expected when national plans will be executed (with the support of donors) and when in-country sub-projects lead to more efficient ways of teaching and learning.

The sustainability of PRIDE may be affected by the relationship between PRIDE and the Institute of Education (IE) at USP. It is intended that the IE will continue the support to member countries once the PRIDE project comes to an end. At the moment, IE is not operational and the project deals more with the School of Education of USP. This issue needs early attention to ensure the sustainability of the programme.

Most programmes supported by the Commission in HRD show good prospects of being sustainable.

**I 6.7.1: Evidence that Commission interventions have taken into account the sustainability issue (development of capacity, phasing out, measures enhancing ownership)**

Annex B of the technical and administrative provisions for implementation of the Financing Agreement for FSchM, defines the factors ensuring sustainability. Ownership in the case of FSchM is increased by a co-financing agreement. The Commission provides € 7.5 m, and the Fiji Government and FSchM are providing € 2.75 m. All the appropriate Government departments have been involved in most of the phases of the development of this project.

The USP-HRD FA (page 7) indicates that: "The USP will provide a written commitment to sustain all programme components after project completion." This commitment has been made.

"The economic and financial analysis of the project has shown that revenues from fees and contributions from member countries will suffice for the proper operation and maintenance of these facilities." (Technical Annex of the Financing Agreement, page 3).

Ownership was increased by asking USP to contribute from its own means. The Commission contributed € 5 m. and USP € 3.05 m. Close consultation with member countries financing USP on the design of USP-HRD have contributed to assure ownership. "All programme components have received regional endorsements and are supported at the national levels by member states" (page 9). At page 10, the chapter on Economic and Financial Sustainability repeats the high expectation of sustainability.

For PRIDE, the high level of ownership by national governments and NSAs is expected to ensure sustainability. Their participation is expected to lead to a long term commitment, so that results will be sustainable.

**I 6.7.2: Evidence that measures ensuring sustainability have materialized at the termination of the intervention**

With the exception of FSchM-HRD, no programmes have yet terminated. FSchM will be able to receive more students than before from now on. The result is likely to be sustainable, since the FSchM will be financed mainly by the Fiji Government, with contributions from other countries and user fees. The FSchM has already managed to meet costs of increased electricity consumption and high internet access fees from its own means.

## EQ 7

### **EQ 7. To what extent have EC interventions contributed to enhancement of equitable national shares in sustainable regional fisheries? How far were outputs and results sustainable?**

JC 7.1: EC interventions were effective in promoting the sustainable management and exploitation of regional oceanic fish stocks.

Performance indicators of the three principal EC-supported regional fishery projects PROCFISH, CO-FISH and DEV-FISH were found to be high. Project outputs leading to advice on the sustainable management and exploitation of regional tuna fisheries and associated species at the regional and national level were produced in time and at high quality. PROCFISH is divided into two distinct components. While the Coastal Component PROCFISH/C targets coastal fishery issues, it is PROCFISH's Oceanic Component PROCFISH/O and the DEV-FISH Project that target the oceanic PACP fishery sector. PROCFISH/O has produced among others 10 full Regional Fishery Assessments. Based on these assessments, significant scientific advice was given to the Pacific Islands Forum Fisheries Committee (FFC) and to the Western and Central Pacific Fisheries Commission (WCPFC) to devise regional and national fisheries management action. As clear evidence of the projects high acceptance level, PROCFISH/O, which is embedded in the larger SPC Oceanic Fishery Programme (OFP), has recently received a request to provide regional stock assessments to WCPFC over the next 3-5 years. At national levels and between 2003 and 2006, nine comprehensive National Tuna Fisheries Status Reports (NTFSR) and numerous national Tuna Management Plans (TMP) were produced. The NTFSRs are starting to have clear impact on regional and national fishery management policies, although in some cases their effectiveness is limited by slow implementation of TMPs. As for the regional stock assessment requests, here again the high number of requests for NTFSR from countries in the region has to be seen as clear evidence of the effectiveness of the project.

PROCFISH/O and PROCFISH/C are both highly effective in providing 1. Scientific support to, or on behalf of, PICTs during regional and international meetings and negotiations; 2. Development of practical scientific methodologies and models to develop the capacity of PICTs to carry out scientific assessments and to promote the use of comparable methodologies; 3. Functional fishery and fishery-related databases in use by all PICTs; and 4. Up-to-date information and data appropriate levels of resolution to national fishery departments and research agencies of PICT countries, and other regional and global fisheries agencies. PROCFISH/O is particularly successful in 5. The enhancement of national statistical capabilities in maintaining oceanic fisheries databases and linkages to regional databases and 6. In its installation and maintenance of network of national tuna fishery port sampling stations as a result of improved national and regional capacity. Findings regarding additional indicators can be found in the ANNEX.

The second EC-supported regional oceanic fishery project is DEV-FISH, aiming at the development of national tuna fishery industries in all PACP countries. DEV-FISH was initiated in July 2005 and has just finished its first year of operations. Project effectiveness to date is satisfactory to high based on intermediate results after year one for the performance indicators 'Improved Information for Policy Making available and used' and 'New and Improved Strategies for regionally coordinated national Tuna Fisheries Development are identified'. Main indicative achievements are for example 1. Assessments of past and recent changes in national tuna fishery economic performances in all PACP countries; 2. Analyses of economics of different forms of national tuna fishing and processing ventures; 3. The preparation of detailed GDP contribution estimations for Tonga, Samoa, Niue and Cook Islands; 4. Identification of potential comparative case studies in the Cook Islands and Samoa; 5. The Development of a singular tuna-fishery economic model for use in Fiji and PNG; and 6. The collection and processing of data in relation to impact of currency movements, fuel prices, and airfreight costs on individual national fishing industries. A SWOT analysis of alternative fisheries development strategies is currently undertaken. Case studies have been identified and are being monitored regarding licensing of locally based foreign long-liners in various PACP countries and the development of export regulations based on the model legislation obtained from FAO has been identified as priority intermediate target.

**I 7.1.1: Number of DEV-FISH, PROCFISH and CO-FISH project activities promoting the sustainable management and exploitation of regional oceanic fish stocks (and assessing respective training needs)**

Commission regional and national fishery-sector development projects active between 1997 and 2006 are shown in the following table.

Project Number	Region/Country	Project Title	Planned	Contracts	Paid	Start	End
8 ACP RPA 4	Region	Pacific Regional Oceanic And Coastal Fisheries (PROCFISH)	8,100,000	8,053,465	5,426,508	2002	1/03/2007
9 ACP RPA 8	Region	Development Of Tuna Fisheries in the Pacific ACP Countries (DEV-FISH)	3,000,000	2,810,000	490,400	2004	31/12/2010
9 ACP RPA 4	Region,	Pacific Regional Coastal Fisheries Development Programme (CO-FISH)	1,997,476	1,965,476	542,151	2003	31/12/2009
8 ACP PNG 17	PNG	Rural Coastal Fisheries Development Project (PIS)	6,000,000	5,130,645	3,205,273	2000	31/12/2008
7 ACP RPR 271	Region	South Pacific Regional Tuna Resources Assessment & Monitoring (SPRTRAMP)	5,037,534	5,037,534	5,037,534	1994	15/01/2003
7 ACP RPR 273	Region	Integrated Fisheries Surveillance And Management Programme	44,255	44,255	44,255	1993	29/05/1997
7 ACP FIJ 23	Fiji	Natadola Marine Resort Study	630,00	63,090	63,090	1998	31/12/1999
7 ACP SOL 46	Solomon Islands	Rural Fishing Enterprises Project Phase III	1,900,000	1,558,526	1,510,925	2000	31/03/2004
7 ACP SOL 20	Solomon Islands	Rural Fishing Enterprises Project Phase II	1,446,997	1,446,997	1,446,997	1993	1999
7 ACP VA 29	Vanuatu	Fisheries Extension Service Training Centre	148,371	148,371	148,371	1992	1999
8 ACP VA 11	Vanuatu	Strengthening of the Vanuatu Maritime College	663,000	663,000	663,000	2000	12/31/2004
7 ACP PNG 57	PNG	Feasibility Study: Rural Coastal Fisheries Development Project	136,048	136,048	136,048	2000	28/08/2001

**Central Findings:**

1. The Oceanic Component of PROCFISH is providing:
  - Technical assistance in the establishing of the regional Tuna Commission,
  - Catch statistics and fishing quota advice to WCPFC and individual member countries, and
  - Capacity building in national fishery management (Tuna Management Plans).
2. The Coastal Component of PROCFISH as well as CO-FISH are assisting PACP countries in national integrated coastal fisheries management regarding ecological, socio-economic, technical, ethnic and gender-related management aspects.
3. DEV-FISH is assisting PACP countries in an integrative approach of support to
  - The National Fishing Industries;
  - National Private Sector (development); and
  - Flanking assistance to National Government Agencies in various fishery-related development sectors.
4. The Project is efficiently embedded into the respected Regional Fisheries Organisation, FFA, and favourable synergy effects to other ongoing fishery programmes are generated.

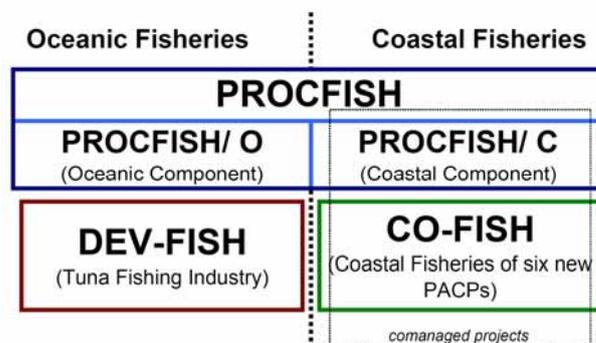
5. FFA has recently adopted a new central development objective of regional and national capacity build-up in 'Fishery Management' very much consistent with the objectives of DEV-FISH.

The findings towards this particular indicator are based on the evaluation of the Oceanic Component of PROCFISH (PROCFISH/ O) and CO-FISH:

The Commission's support from the 8th and 9th EDF RIP to the development of the PACP fisheries sector is entirely regional. The Commission RIP continues to support two Regional Fisheries Organisations (RFO) implementing three major regional fisheries projects, which are the 'Development Of Tuna Fisheries in the Pacific ACP Countries (DEV-FISH, 9th EDF)' project implemented by FFA, and the 'Pacific Regional Oceanic And Coastal Fisheries (PROCFISH, 8th EDF)' project and attached 'Pacific Regional Coastal Fisheries Development Programme (CO-FISH, 9th EDF)' extending PROCFISH to the six new ACP member countries after Cotonou. The latter two projects are implemented by SPC-MRD. Commission support based on NIPs and deriving from the 8th EDF was limited to Papua New Guinea (ongoing Rural Coastal Development Project PIS; € 6,000,000; 8 ACP PNG 17) and the 'Strengthening of the Vanuatu Maritime College project (€ 663,000; 8 ACP VA 11). Between 1997 and today, one regional and six national fishery sector projects, with a combined funding of € 8,387,223.60, were supported from the 7th EDF.

Among the three large EC-supported regional fishery projects, the principal project to promote the sustainable management and exploitation of **oceanic** fish stocks in the PACP region in particular is the Pacific Regional Oceanic and Coastal Fisheries Management and Development Project (PROCFISH, 8 ACP RPA 4), more specifically its **Oceanic Component** (PROCFISH/O). Targeting the development of national fishing industries, the FFA-based Development Of **Tuna Fisheries** in the Pacific ACP Countries (DEV-FISH, 9 ACP RPA 8) project is the second pillar of the Commission's ongoing oceanic fishery support to the region.

The third EC-supported project is the SPC-based Pacific Regional Coastal Fisheries Development Programme (CO-FISH, 9 ACP RPA 4), focusing on national coastal fisheries development of the six new PACP member countries after Cotonou. This project is closely associated with the Coastal Component of PROCFISH or PROCFISH/C, which covers the 'old' PACP member countries, and which is to a large extent merged and co-managed with the latter in project-administration and intervention.



<b>PROCFish I (03 / 02 to 03 / 07)</b>
Fiji
Kiribati
New Caledonia
PNG
French Polynesia
Samoa
Solomon Islands
Tonga
Tuvalu
Vanuatu
Wallis & Futuna

<b>PROCFish II (CoFish) (05 / 04 to 03 / 07)</b>
Cook Islands
Federated States of Micronesia
Marshall Islands
Nauru
Niue
Palau

## 1. PROCFISH/ O

Performance Indicators for targeted Outputs of PROCFISH project activities between 2003 and 2006 **promoting the sustainable management and exploitation of regional oceanic fish stocks** are given in the table below. Respective evaluation findings are based on document evidence and interviews conducted during the Consultant's field visits to SPC, FFA, Vanuatu and the Solomon Islands:

<b>Performance Indicators</b>	<b>Activities and Results</b>
1. Overviews, reports and assessments leading to advice on the status and prospects of tuna fisheries and associated species at the regional level	<ul style="list-style-type: none"> <li>▪ <b>10 full regional assessments produced;</b></li> <li>▪ Regional assessments accepted and scientific advice based on the assessments produced by OFP<sup>1</sup> Scientific Committee;</li> <li>▪ <b>Regional and national management action</b> as a result of the assessments currently being formulated;</li> <li>▪ OFP requested to provide regional stock assessments to WCPFC<sup>2</sup> over the next 3–5 years.</li> </ul>
2. Overviews, reports and assessments leading to advice on the status and prospects of tuna fisheries and associated species at the national level.	<ul style="list-style-type: none"> <li>▪ <b>9 comprehensive NTFSRs<sup>3</sup> produced</b></li> <li>▪ NTFSRs contribute to TMPs<sup>4</sup>;</li> <li>▪ NTFSRs are starting to have clear <b>impact on regional and national fishery management policies;</b></li> <li>▪ Effectiveness limited in some cases by <b>slow implementation</b> of TMPs;</li> <li>▪ NTFSRs continue to be highly sought after by PICTs.</li> </ul>
3. Scientific support to, or on behalf of, PICTs during regional and international meetings and negotiations.	<ul style="list-style-type: none"> <li>▪ <b>Significant Support</b> to FFC<sup>5</sup> caucus during Preparatory Conferences towards WCPFC and US Fisheries Treaty;</li> <li>▪ In cooperation with FFA provided scientific <b>inputs</b> to the Palau Arrangement on Vessel Days</li> </ul>

<sup>1</sup> OFP: SPC Oceanic Fisheries Programme.

<sup>2</sup> WCPFC: Western and Central Pacific Fisheries Commission.

<sup>3</sup> NTFSR: National Tuna Fisheries Status Report.

<sup>4</sup> TMP: Tuna Management Plan.

<sup>5</sup> FFC: Forum Fisheries Committee.

		<p>Schemes;</p> <ul style="list-style-type: none"> <li>▪ Assessments are regarded by PICTs as <b>useful</b> in helping them achieve their <b>fishery management goals</b>;</li> <li>▪ Assessments are regarded as scientifically excellent by eminent peers (reviews; requests for assessments; scientific publications).</li> </ul>
4. Development of practical scientific methodologies and models to help address output 1.1, to help develop the capacity of PICTs to carry out scientific assessments and to promote the use of comparable methodologies by all States exploiting regional migratory resources.		<ul style="list-style-type: none"> <li>▪ Rights procured to allow distribution of MULTIFAN-CL software<sup>6</sup>;</li> <li>▪ Numerous software developments that allowed enhancement of assessments;</li> <li>▪ Greater international use of methodology (USA National Marine Fisheries Service (NMFS), Inter-American Tropical Tuna Commission (IATTC), International Commission for the Conservation of Atlantic Tunas (ICCAT), Japan);</li> <li>▪ MULTIFAN-CL website established but uptake limited due to limited resources for maintenance.</li> </ul>
5. Regional tuna fishery and related databases maintained and improved in content and functionality.		<ul style="list-style-type: none"> <li>▪ Coverage of total EEZ catches by log sheet data have increased to <b>&gt;90%</b> for each year since 1997;</li> <li>▪ Aggregated catch and effort data provided by major distant water fishing nations at <b>~100%</b> coverage.</li> </ul>
6. Data disseminated at appropriate levels of resolution to national fishery departments and research agencies of PICT countries, other regional and global fisheries agencies.		<ul style="list-style-type: none"> <li>▪ All data dissemination schedules were met;</li> <li>▪ Annual <i>Tuna Yearbook</i> and biannual <i>Tuna Bulletin</i> published on schedule;</li> <li>▪ PROCFISH significantly contributes to the fact that OFP is authoritative and sole source of composite tuna fishery data for western and central Pacific;</li> <li>▪ OFP requested to provide data management services to WCPFC</li> </ul>
7. National oceanic fisheries databases and statistical capability enhanced and linkages to regional databases maintained or enhanced.		<ul style="list-style-type: none"> <li>▪ All PICTs with significant fishing activity in their EEZs have national tuna databases customised to their needs;</li> <li>▪ Data systems are used by PICTs in day-to-day management of tuna fisheries;</li> <li>▪ All databases updated at least quarterly;</li> <li>▪ All countries visited at least once during 2003–2006 for system maintenance/enhancement and staff training</li> </ul>
8. Enhanced information resulting from tuna fishery port samplers and observers as a result of improved national and regional capacity.		<ul style="list-style-type: none"> <li>▪ Observer programmes developing gradually as HR resources allow;</li> <li>▪ Observer and port sampling coverage generally <b>do not meet accepted standards</b> in most countries (some notable exceptions such as PNG);</li> <li>▪ Due to low salary levels, PICTs have difficulties in retaining good observers resulting in <b>limited human resources</b> for debriefing and data quality control.</li> </ul>

<sup>6</sup> Sonar-based device to quantify local fish stocks.

## 2. DEV-FISH

Performance Indicators for Targeted Outputs of DEV-FISH project activities between 2005 and 2006 **promoting the sustainable management and exploitation of regional oceanic fish stocks** are given in the table below. Respective evaluation findings are based on document evidence and interviews conducted during the Consultant's field visits to FFA, SPC, Vanuatu and the Solomon Islands. With respect to the rather limited achievement level of some results, it has to be kept in mind that DEV-FISH has just finished its first year. Funding was made available in July 2005, and all project personnel were in place by 15<sup>th</sup> September. The planned project duration is four years:

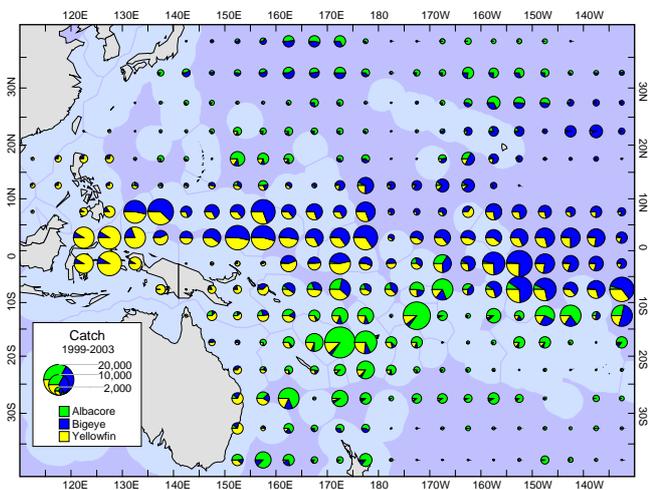
Performance Indicators	Findings: Activities and Results
1. Improved Information for Policy Making available and used	<ul style="list-style-type: none"> <li>▪ Tuna fishery economic performances are currently assessed in all PACP countries;</li> <li>▪ Economics of different forms of national tuna fishing and processing ventures in PACP countries are currently analysed;</li> <li>▪ Historic and recent changes affecting economic viability of tuna operations in PACP countries are analysed.</li> <li>▪ 2004 GDP contribution estimates for Tonga, Samoa, Niue and Cook Islands have been prepared;</li> <li>▪ Potential comparative case studies have been identified in the Cook Islands and Samoa;</li> <li>▪ Existing tuna stock management models developed by FFA and other organisations are appraised and integrative development of new model has started;</li> <li>▪ Economic assessment of small/medium long-lining in Niue has been prepared;</li> <li>▪ A singular model has been developed for use in Fiji and PNG in early 2006;</li> <li>▪ Data in relation to impact of currency movements, fuel prices, and airfreight costs and availability has been collected for Tonga, Samoa, Niue and Cook Islands and is subject to further analysis.</li> </ul>
2. New and Improved Strategies for regionally coordinated national Tuna Fisheries Development are identified	<ul style="list-style-type: none"> <li>▪ Performance levels of different strategies for promoting national tuna fishery development have been evaluated;</li> <li>▪ New approaches to fisheries management promoting domestic development of the sector are currently assessed;</li> <li>▪ A SWOT Analysis of alternative fisheries development strategies is currently undertaken;</li> <li>▪ Case study has been identified and is being monitored regarding licensing of locally based foreign long-liners in various PACP countries;</li> <li>▪ The development of export regulations based on the model legislation obtained from FAO has been identified as priority intermediate target;</li> <li>▪ Data from Tonga, Samoa, Niue and Cook Islands have been obtained;</li> </ul>

- A first sub-regional workshop was conducted in April 2006 in Samoa.

**I 7.1.2: Evolution of status of standing tuna stocks in the national and combined PACP EEZs, OCTs and neighbouring open seas**

Total catches (tonnes) of albacore, bigeye, skipjack and yellowfin in the WCPFC Statistical Area

YEAR	ALBACORE		BIGEYE		SKIPJACK		YELLOWFIN		TOTAL TONNES
	TONNES	%	TONNES	%	TONNES	%	TONNES	%	
1990	86,562	6	100,445	7	880,363	62	358,055	25	1,425,425
1991	62,550	4	84,717	5	1,106,474	67	400,900	24	1,654,641
1992	84,081	5	104,027	6	1,037,618	63	419,596	26	1,645,322
1993	76,060	5	87,649	6	915,159	62	389,531	27	1,468,399
1994	101,105	6	95,751	6	1,014,400	63	399,044	25	1,610,300
1995	94,346	6	86,066	5	1,056,119	65	378,106	23	1,614,637
1996	94,124	6	86,306	6	1,026,991	67	314,720	21	1,522,141
1997	116,757	7	114,957	7	976,448	60	431,589	26	1,639,751
1998	117,255	6	122,037	6	1,304,383	65	467,001	23	2,010,676
1999	134,897	7	125,144	7	1,156,929	63	421,393	23	1,838,363
2000	100,181	5	120,380	6	1,237,177	65	433,051	23	1,890,789
2001	115,587	6	117,177	7	1,136,105	63	427,008	24	1,795,877
2002	144,773	7	134,485	7	1,284,166	65	418,864	21	1,982,288
2003	122,481	6	122,354	6	1,295,065	65	446,674	22	1,986,574
2004	119,628	6	129,499	6	1,370,252	67	412,731	20	2,032,110



Tuna Longline catches, 1999–2003.

With significant support from the PROCFISH/ O Component, SPC routinely conducts stock assessments for the four tuna species in the PICT Region. Recent assessments show that:

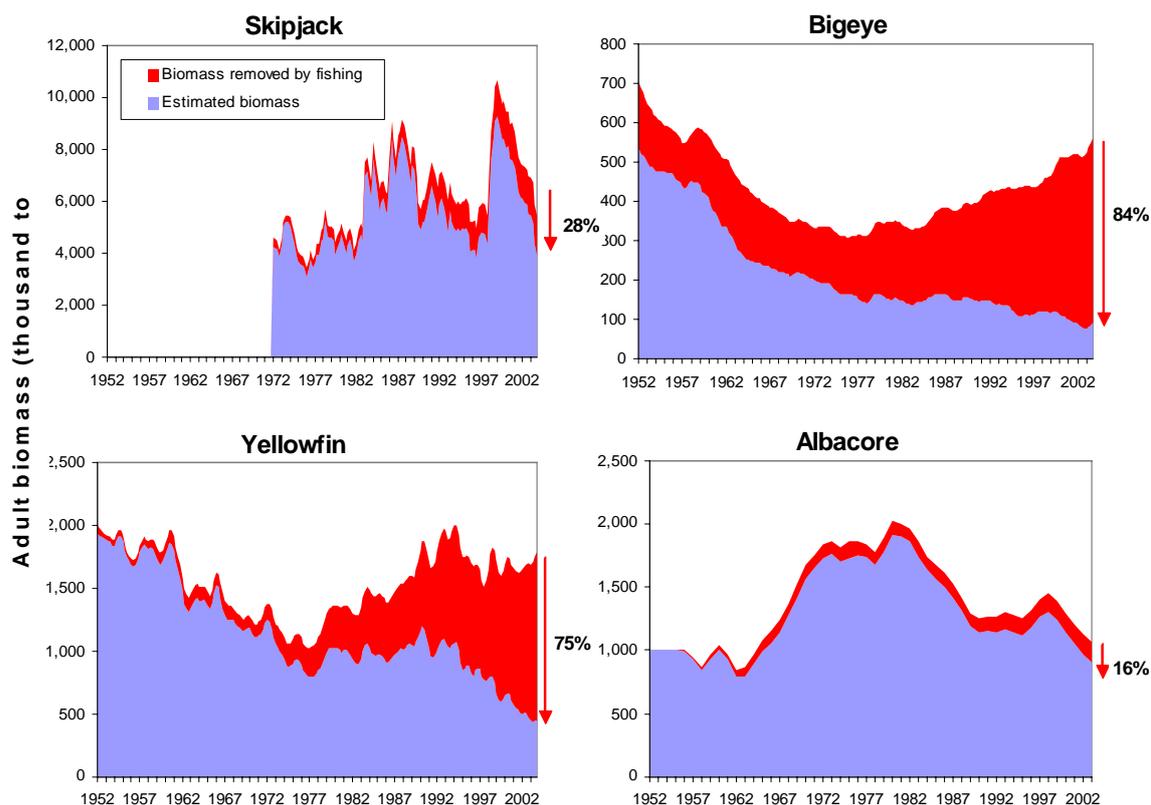
**Skipjack** tuna has high resilience to fishing and can easily withstand catches at the current level (around 1.2 million tonnes per year). The majority of exploitation occurs on fish that have reached reproductive maturity (around age 1). Most skipjack therefore have the opportunity to reproduce before they are exposed to fishing. The current impact of the fishery represents a depletion of adult biomass of ~30% from unexploited levels (Figure below).

**Yellowfin** tuna begin spawning at around 1.5–2 years of age (or 20kg). However, a large amount of exploitation of juveniles occurs, primarily in the purse seine fishery setting on floating objects (logs and Fish Aggregation Devices) and in the domestic fisheries of the Philippines and Indonesia. These juvenile catches have high impact on the subsequent adult population. Recent biomass levels have declined sharply over the past ten years and are now estimated to be approaching overfishing benchmarks. Continuation of recent annual catch levels of 450,000–500,000 tonnes may result in further stock declines. Partially based on PROCFISH and SPC-OFP advice, the WCPFC Scientific Committee has recommended that fishing mortality be reduced below 2001–2003 average levels. The current impact of the fishery represents a depletion of adult biomass of ~75% from unexploited levels. The majority of this impact is attributable to the Indonesian/Philippines

domestic fisheries and the purse seine fishery. The longline fishery has relatively low impact on the yellowfin stock.

**Bigeye** tuna begin spawning at around 3–4 years of age (or 30kg). However, as with yellowfin, significant exploitation of juveniles occurs in the purse seine fishery setting on floating objects and in the domestic fisheries of Philippines and Indonesia. These juvenile catches have high impact on the subsequent adult population. While recent biomass levels are estimated to be above overfishing benchmarks (due to recent above-average recruitment), the current catch and effort levels probably represent overfishing. The WCPFC Scientific Committee has recommended that fishing mortality be reduced below 2001–2003 average levels. The current impact of the fishery represents a depletion of adult biomass of ~84% from unexploited levels (Figure below). This impact is roughly equally shared by the longline fishery and those remaining fisheries targeting juvenile bigeye tuna.

**Albacore** tuna begin spawning at around 5 years of age (or 10kg). Apart from a minor troll fishery targeting juvenile albacore, most of the catch is by longline, which catches few juvenile albacore. As is the case with skipjack, most albacore have the opportunity to reproduce before they are exposed to significant fishing pressure. This provides a measure of protection to the reproductive capacity of the stock. The current impact of the fishery represents a depletion of adult biomass of ~16% from unexploited levels (Figure below). However, because the longline fishery targets the oldest albacore in the population, the fishery impact on this older and less abundant segment of the population is larger, possibly now approaching 30%. While this does not pose any concerns for biological sustainability, it does have economic implications for the longline fishery, because average catch-per-unit-effort will have been reduced by a similar amount. In areas of locally intense fishing activity, depletion may be significantly higher.



Note: Biomass of regional tuna stocks (blue). The red area represents the impact fishery had on the adult **biomass**. The arrows and percentages on the right of each figure indicate the extent of adult biomass reduction in the most recent year.

**I 7.1.3: Number of PACP countries that have identified oceanic fishery as focal or non-focal sector in their NIPs and or CSPs**

The number of PACP countries having identified fisheries as one of their focal sectors in their 8<sup>th</sup> or 9<sup>th</sup> EDF NIPs is zero.

Country	Fishery as Focal Development Sector?	Focal Development Sector (9th EDF CSP/NIP)
CI	NO	Outer island social development
FIJ	NO	Rural education
FSM	NO	Energy
Kiribati	NO	Health facilities, and improving basic living conditions
Nauru	NO	New and renewable sources of energy
Niue	NO	New and renewable sources of energy
Palau	NO	Renewable energy
PNG	NO	Education, Training, and Human Resources Development / Rural Communities Water Supply and Sanitation
RMI	NO	Energy sector 65 percent / human resource development and capacity building in the outer islands 20 percent
Samoa	NO	Public health sector
SI	NO	Sustainable Rural Development and Community Development
Tonga	NO	Social sector support programme, based on investment in education and health
Tuvalu	NO	Social Sector Development
Vanuatu	NO	Education

### I 7.1.4: Evolution of regional and national tuna catches and tuna fishery revenues generated

Selected long-line tuna catch statistics (combined Albacore, Bigeye, Yellowfin) / tonnes [CpUE = Catch per Unit of Effort (number of fish per 100 hooks)].

Yr	Region	Fiji	CpUE	Sol. Isl.	CpUE	Vanuatu	CpUE	Tonga	CpUE	Samoa	CpUE	Cook Isl.	CpUE
97	1,639,751	4,248	2.6	1,792	2.1	538	3.6	800	3.3	149	11.5	-	-
98	2,010,676	4,772	3.0	1,865	1.3	105	3.1	1,000	3.1	205	10.6	-	-
99	1,838,363	5,025	2.4	1,212	0.8	-	-	1,300	2.5	160	7.5	-	-
00	1,890,789	11,441	2.9	1,197	2.0	-	-	1,400	2.4	116	12.9	-	-
01	1,795,877	12,219	2.5	409	1.4	-	-	1,988	2.4	-	-	7	-
02	1,982,288	16,472	2.3	949	1.9	4,904	2.8	1,940	1.7	-	-	1,139	3.7
03	1,986,574	12,205	1.9	1,474	-	5,788	2.4	1,295	1.6	-	-	2,341	2.3
04	2,032,110	19,617	2.3	1,174	-	1,655	2.5	522	1.7	-	-	3,004	2.4

Source: SPC. Western and Central Pacific Fisheries Commission Tuna Fishery Yearbook 2004. WCPFC.

Fishery sector performance as percentage of GDP in PACP region and selected PACP countries in 2002 (\* agricultural sector including fisheries; \*\* forestry and fishery sector combined; <sup>1</sup> from fishing licenses to DWFN<sup>7</sup>):

Cook Islands*	22.0 %	RMI	2.0-5.0 %	Samoa	4.0 %	Vanuatu*	1.8 %
Fiji	1.8 %	Nauru	10.0 %	Solomon Islands	5.0 %	PNG	1.0 %
FSM	1.5 %	Niue**	35.0 %	Tonga	2.8 %		
Kiribati <sup>1</sup>	81.0 %	Palau	2.8 %	Tuvalu	13.0 %		

### JC 7.2: EC interventions were effective in supporting coordinate regional fisheries management policies.

Through a variety of project measures and activities, all Commission supported regional fishery projects are **highly effective** in providing information and guidance to regional and national fishery-policy making bodies and stakeholders towards coordinated regional fisheries management. Essential and highly visible EC-support is provided through the significant input from PROCFISH/O to the regional fishery regulatory bodies WCPFC and FFC in terms of regular monitoring and the provision of scientific advice for the development of permanent or annual standards for combined and individual PICTs fishing sectors.

As an additional source of up-to-date **information** for PACP countries, PROCFISH and CO-FISH have developed additional Web-based Information Processing and Networking Systems such as for example the Reef Fisheries Integrated Database (RFID), which is linked with a geographic information system (GIS). Additional general information is provided by FFA and SPC alike through their monthly 'Tuna Market News' and 'Tuna Fishery' websites, respectively (for details see ANNEX).

Currently several mechanisms for the **harmonisation** of national fishing policies between PACP countries are in place, all of them **supported by EC interventions and effective** within their individual scopes of coverage, e.g. 1. International Fishing Conventions(see I.7.3.3); 2. International Trade Conventions (see EQs 1, 2, 5); 3. WCPFC (tuna fisheries management); 4. FFC (tuna fisheries management); 5. FFA (tuna fishing industry development); SPC-OFP (oceanic fisheries management); and the 7. SPC Heads of Fisheries (HoF) Meetings (coastal fisheries management, aquaculture and development and living marine resource science).

<sup>7</sup> DWFN: Distant-water Fishing Nation.

### I 7.2.1: Consistency of EC fishing activities in the PACP region with established regional/national fishing regulations

The Consultant's findings are based on documentation evaluated during the desk phase. Additional findings were acquired during the Consultant's visit to the FFA, which hosts the Fishing Vessel Monitoring System (VMS) for the WCP Region. The VMS has become fully operational in 2005 and has so far outperformed expectations, according to its staff in Honiara.

Representatives from the VMS reported during interviews that the compliance rate of EU fishing vessels remains very satisfactory. In general, during 2005 and 2006, the number of instances when catch declarations forms are limited in content or do not provide the full data required have decreased. No uniform procedure for the collection of data from the ship owners exists in the countries visited. Catch declarations are submitted either directly to the Member States via the EC Delegation to DG Fish or to the coastal states' authorities.

Vessels fishing under bilateral Fishing Agreements (FA) are obliged to complete catch documentation reports and submit them within specific time frames. Vessels are required to transmit entry, exit and daily reports while operating in EEZs of the coastal states. Data collected from the vessels constitute crucial information for accurate stock assessment owing to limited or non-existent scientific capacity on the part of coastal states. These data have to be processed and possibly completed with the results of scientific research (observer data and/or shore sampling data). However, scientific assessments are in practice under the coastal states' responsibility and are constrained by lack of means and poor effectiveness.

In view of the deficient data collection and processing, the "Written Evaluation of the Expiring Protocol", one of the reference documents on which the DG Fish negotiates the (next) FA with the coastal state, is often incomplete, unavailable or does not include information on the state of the resource (European Parliament Reports).

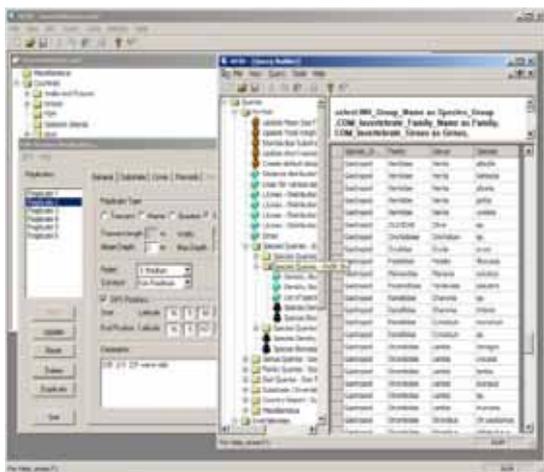
### I 7.2.2: Availability of advisory information and guidance for national Fishery Policy Making and Fishery Management

#### **1. Provision of Information and Guidance for national Fishery Policy Making and Fishery Management**

Information and guidance is provided to national fishery policy makers and stakeholders through a variety of project measures and activities in all three EC-supported regional fishery projects. For details, please refer to I.7.1.1 tables. Additional guidance is indirectly provided through the significant input from PROCFISH/O towards the regional fishery regulatory bodies setting permanent and annual standards for the PICTs fishing sectors.

#### **2. Additional Web-based Information Processing and Networking**

One of the main objectives of the EC-funded PROCFISH/C project implemented by the Reef Fisheries Observatory (Secretariat of the Pacific Community, Marine Resource Division) is to conduct a regional comparative assessment of reef fisheries in the Pacific and for that purpose a large amount of socioeconomic and ecological data has been collected during the last 4 years and is currently being analysed. To support this large dataset, a special database has been established, coupled with a customized data entry and retrieval application called RFID (Reef Fisheries Integrated Database) and linked with a geographic information system (GIS).



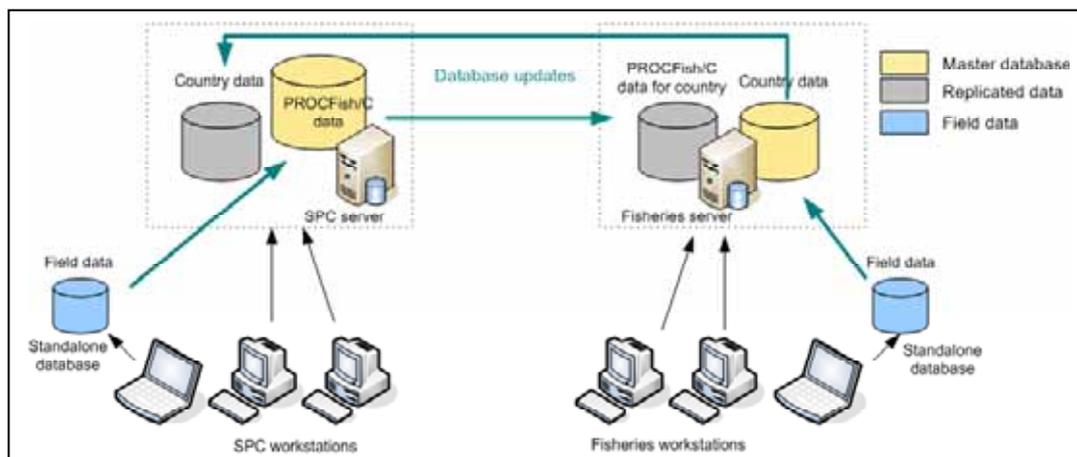
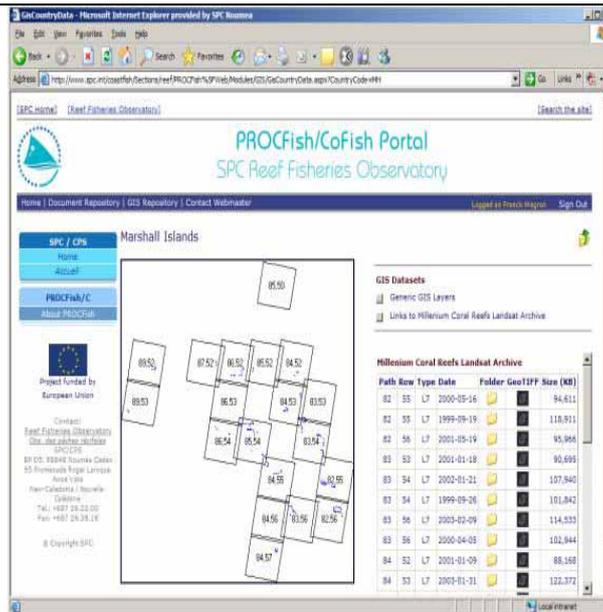
While this central database is hosted at SPC, a standalone version is routinely used in the field and by national attachments to enter and extract data for their own country. The purpose is to provide Pacific countries with a standardized system for assessment of reef fisheries using PROCFISH/C or similar methodology, which can be used to extend the initial baseline assessment to other areas of interest with a comparable analysis. The use of a standardized system ensures that countries can benefit from future improvements of the SPC software, and eases exchanges of data between countries and the RFO. Moreover the system can be extended and customized to a certain extent to accommodate the special needs of the country, such as additional types of surveys and historical data.

The replication of Fisheries data at SPC has several objectives: it is an additional backup in case the master database is destroyed (hardware failure, natural disaster, human mistake...), but it is also an opportunity for SPC and in-country scientists to study together national Fisheries data in conjunction with PROCFISH/C data for a more thorough analysis and better **advice to resource managers**.

A typical setting like the one depicted has recently been installed in Tonga, containing the data collected under PROCFISH/C in Tonga and the master copy of Tonga Fisheries own data. The database is accessed through the local network by fisheries workstations and is installed as a local standalone database on fieldwork laptops and on a remote workstation. Data is synchronized with SPC using an import/export tool, which produces a file that can be transmitted by email. A similar system was installed in Fiji in January 2006.

Maintaining consistency between remote databases and software is a challenging issue in the Pacific especially because on-line updates through Internet are often not possible. PROCFISH/C and CO-FISH are tackling this problem by developing asynchronous tools that can use any available medium for updates, improving gradually the system according to users' feedback.

While the PROCFISH/C project is innovative and ambitious in its scope (17 countries and territories are directly targeted), it is recognised that a lot of other work has already been done, and previous or parallel studies are still important for a better understanding of Pacific fisheries. PROCFISH/C and CO-FISH have therefore begun an inventory of available papers and reports, creating an electronic repository that can be redistributed.



The PROCFISH web portal provides an interface to search and retrieve the documents already digitised. They can be searched by metadata fields and/or in full text as all documents are searchable. The digital library contains at the moment mainly documents produced by SPC Coastal Fisheries Programme, but it is intended to extend soon the pool of documents through collaborations and authorizations of copyright holders.

The portal provides also GIS data, either as ready to use MapInfo files or indirectly through links to other repositories. For example, LandSat 7 satellite images released under the Millennium Coral Reef Mapping project are indexed by country on the portal and a direct download link is given for each image to the raw GeoTIFF image, that can be re-imported in most GIS and remote sensing software.

PROCFISH/C and CO-FISH are gradually building a regional reef fisheries repository containing reports and documents for the benefit of Pacific Fisheries plus a large dataset of information necessary for fishery

management. Through the dissemination of standardized databases and software the sustainability and use of equally standardised fishery management methodologies proposed by PROCFISH/C is enhanced.

### **3. Additional Forum Fisheries MCS Newsletter (<http://www.ffa.int/>)**

MCS News is a quarterly newsletter that:

- Keeps readers informed of changes and upgrades to the FFA VMS;
- Tracks recent prosecutions and boardings of fishing vessels;
- Notes upcoming meetings and events; and details the latest information on observer training and participation.

### **4. Additional Forum Fisheries Tuna Market News**

Released monthly, and reviewed both quarterly and annually, the Tuna Market Newsletter keeps recipients informed of price and volume trends in world and regional tuna markets. Tuna fishing and processing is big business by any standard, but its profitability is notoriously erratic from year to year. Market prices are strongly affected by the volume of tuna available from the Western and Central Pacific, which in turn depends on weather and oceanic conditions, and the economic conditions of consumer countries. It is the Tuna Market News that monitors these changing conditions on prices.

### **5. Additional Website: SPC-MRD Oceanic Fisheries Programme (<http://www.spc.int/oceanfish/>):**

1. Tuna Fisheries Statistics
  - Tuna statistics
  - Statistics & Monitoring Overview
  - In-Country Area
  - Tuna Fishery Data Catalogue
  - Public Domain Data
  - Regional Data Forms
2. Tuna Ecology and Biology
  - Tuna Ecology and Biology
  - Tuna Biology and Behaviour
  - Environmental Relationship & Modelling
  - Billfish & By-catch
  - Ecosystem Research
  - Tuna Tagging
3. Stock Assessment and Modelling
4. Publications and Articles
  - Statistics Publications
  - Research Publications
  - Technical Reports
  - Other Reports

### I 7.2.3: Harmonisation of national fishing policies between PACP countries

Currently several mechanisms for the harmonisation of national fishing policies between PACP countries are in place. All of them are effective within their individual scopes of coverage and genuinely supported by all PICTs:

1. International Fishing Conventions  
*(see I.7.3.3)*
2. Western and Central Pacific Fisheries Commission
  - Primary *emphasis on tuna fisheries management*
3. Pacific Islands Forum Fisheries Committee
  - Primary *emphasis on tuna fisheries management*
4. Pacific Islands Forum Fisheries Agency
  - Primary emphasis on tuna fisheries management
  - Secondary emphasis on tuna fishing industry development and management
  - Secondary emphasis on tuna fishery monitoring
5. Secretariat of the Pacific Community
  - Primary emphasis on oceanic fisheries management through scientific advice and data provision to regional and national decision making bodies
  - Secondary emphasis on coastal fisheries management
6. SPC Heads of Fisheries (HoF) Meetings
  - Primary *emphasis on coastal fisheries management, aquaculture and development and living marine resource science*

Following the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (the "Tuna Convention") in June 2004, The **Western and Central Pacific Fisheries Commission (WCPFC)** was established in December 2004 to ensure, through effective management, the long-term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean. Through the Convention and respective Implementation Agreements, WCPFC provides mechanisms for the coordination of conservation measures for highly migratory fish stocks throughout their range. The EC was granted full membership status in the WCPFC.

The Commission functions with inputs from a scientific committee and a technical and compliance committee supported by a small secretariat. The functions of the Commission include determining the total allowable catch and level of fishing effort, adopting standards for the collection and exchange of data on fishing, ensuring compatibility of conservation and management measures between high seas and EEZs, and establishing appropriate compliance and enforcement mechanisms. These functions are currently in large part significantly sustained by fishery advisory functions from SPC, including its EC-supported PROCFISH project.

The EC-supported **Forum Fisheries Agency (FFA)** initiated its region-wide programme of cooperation in the harmonization of fisheries access regimes and surveillance and enforcement in 1981, through the adoption of a Regional Research and Development Programme (RRDP). The FAA RRDP listed harmonization of fishery access regimes high among priority activities in the region. Under the Nauru Agreement in 1982, and the Implementing Arrangement drawn up later in the year, the member countries agreed to coordinate generally their policies toward foreign fishing in their zones. More specifically, they agreed to adopt uniform terms and conditions of access, including uniform marking requirements, reporting and logbook requirements, observer provisions and flag state responsibility provisions.

The recommendations of the Suva Workshop on the Harmonization and Coordination of Fisheries Regimes and Access Agreements (1982) focused on four main types of action, which have been successfully

implemented and are still in force today.

- 1) Establishment and functioning of the regional register of foreign fishing vessels to be maintained by FFA.
- 2) Harmonized minimum standards for foreign fishing vessel access including uniform vessel marking, based on the International Radio Call Sign, reporting requirements on zone entry and departure and periodic radioed position and catch reports, maintenance of standard regional tuna catch and effort log sheets, placement of observers, standard stowage of gear requirements for unlicensed foreign vessels transiting zones and standard provisions on flag state responsibility for compliance control to be included in future access agreements.
- 3) Establishment of the basis for future regional cooperation in surveillance and enforcement including such measures as formulating and adopting uniform boarding procedures, the sharing of information on illegal fishing activity, investigation of the possibilities for reciprocal enforcement of member countries' fisheries laws and techniques for acquiring jurisdiction over fugitive vessels, and an examination of the feasibility of collecting landing catch data for distant water fleets operating in the region.
- 4) Identification of common-interest fisheries, agreements on methods of calculating access fee payments and on minimum uniform access fee levels, and a recommendation that member countries involved in such common interest fisheries should get together to negotiate joint licensing arrangements with the foreign fishing fleets.

The **SPC Heads of Fisheries (HoF) Meetings** provide an example of the numerous ongoing regional harmonisation activities related to national fishing policies between PACP countries. The most recent meeting was held in April 2006 in Noumea. The SPC HoF meetings are regional meetings of PICTs covering the entire range of interests under the purview of national and territorial fisheries services. As such they play a unique role in promoting dialogue and experience sharing between island nations and territories, as well as guiding the work of the SPC's fisheries programmes. They complements the role of the Forum Fisheries Committee and the Western and Central Pacific Fisheries Commission, which have a primary emphasis on tuna fisheries management, whilst HoF covers aquaculture, coastal fisheries management and development, and living marine resource science, and has a broad-ranging and relatively informal remit for discussion that can cover any arising issue of interest or significance to participants.

Selected Outputs of the 5th SPC HoF Meeting (April 2006):

- Strategic Plan for Fisheries Management and Sustainable Coastal Fisheries in the Pacific Islands;
- Assistance to SPC members with the implementation of the Ecosystem Approach to Fisheries (EAF) by 2010, concentrating on coastal fisheries and aquaculture;
- Regional Aquatic Biosecurity Proposal;
- Linkages between sectors and fisheries ecosystem services;
- Improved mechanisms for Fisheries Management Information-sharing;
- Improved coverage of economic components to national scientific reports on tuna fisheries (FFA-SPC Cooperation);
- Improved mechanisms for capacity building in regionally harmonised national fishery management;
- Endorsement of the University of the South Pacific's "Fisheries Training Program";
- Discussion and comments on the 2005 PROCFISH and CO-FISH Mid-term-reviews;
- Discussion and comments on PROCFISH/C Coastal Fishery Country Reports;
- The Pacific Community expressed strong support for SCI-FISH, a project planned for continued EC funding support that will continue several PROCFISH/Oceanic activities.

#### I 7.2.4: Number of joint bilateral enforcement activities related to regional and harmonised national fishery policies

Reliable data on the number of joint enforcement activities in reaction to unauthorised fishing within EEZ waters or illegal poaching in restricted areas is very limited and held confidential by the individual national fishery line agencies as well as by FFA, which hosts the Vessel Monitoring System (VMS) as the region's central fishery surveillance tool. During interviews, VMS staff commented on a high compliance of among others EU, US, Australian and New Zealand vessels with regional and national fishing access regulations, while compliance levels of certain Asian fleets have greatly improved, though further improvement remains 'desirable'.

#### JC 7.3: The effectiveness of EC regional fisheries interventions has been enhanced by full participation and co-operation of PACP national fisheries authorities in regionally coordinated fisheries management.

Receiving significant support from the EC, the principal regulatory fishery bodies in the PACP region are the Western and Central Pacific Fisheries Commission (WCPFC) and the Pacific Islands Forum Fisheries Committee (FFC). The PIF-mandated Regional Fisheries Organisations (RFO) are SPC and FFA. As members of these RFOs and within their current individual ranges capacity, all PACP countries are actively participating in coordinative fishery management activities.

With minor regional limitations (US-Treaty), all PACP countries are signatory parties of all fundamental international fishing conventions and treaties such as the WCPFC Convention, the Agreement on the Implementation of UNCLOS, the FSM Arrangement for Regional Fisheries Access, the Niue Treaty, the United Nations Convention on the Law of the Sea (UNCLOS); the Nauru Agreement, and the FFA Convention.

#### I 7.3.1: Membership of individual PACP countries to the Regional Fisheries Organisations FFA and SPC

##### **FFA (16)**

Members of the FFA are: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu.

##### **SPC (22)**

Members of SPC are: American Samoa, Cook Islands, Federated States of Micronesia (FSM), Fiji Islands, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Mariana Islands (CNMI), Palau, Papua New Guinea (PNG), Pitcairn Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna, Australia, France, New Zealand, and the United States of America

#### I 7.3.2: Staffing statistics to the Regional Fisheries Organisations FFA and SPC-MRD

##### **FFA**

FFA currently employs professional staff from Australia, Cook Islands, Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, the United Kingdom, South Africa, with staff attachments from Japan and the United States of America.

##### **SPC**

FFA currently employs professional staff from Australia, Cook Islands, France, French Polynesia, Fiji, Germany, Kiribati, Netherlands, New Caledonia, the United States of America, Papua New Guinea, Samoa, Solomon Islands, South Korea, the United Kingdom, and Vanuatu.

I 7.3.3: Number of PACP countries as signatories to international fishery agreements

Convention, Agreement, Treaty	Principal Objectives	Signatory PACP member states
<p>Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean; Honolulu, United States, 5 September 2000, in force since June 2004</p>	<p>To ensure, through effective management, the long-term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean, in accordance with the 1982 UNCLOS and the 1995 UN Fish Stocks Agreement.</p>	<p><u>PACP</u>: Cook Is, Fiji, FSM, RMI, Niue, Palau, PNG, Samoa, Solomon Is, Tonga, Tuvalu, Vanuatu <u>Others</u>: Australia, Canada, China, <b>EC</b>, France, Indonesia, Japan, New Zealand, Philippines, United Kingdom (in respect of Pitcairn, Henderson, Ducie and Oeno Islands)</p>
<p>Agreement on the Implementation of the Provisions of the United Nations Convention on the Law of the Sea relating to the Conservation and Management of Straddling and Highly Migratory Fish Stocks; New York, 4 December 1995 Not in force (the Agreement requires 30 ratifications to enter into force)</p>	<p>The United Nations Fish Stocks Agreement seeks to lay down a comprehensive regime for the conservation and management of straddling and highly migratory fish stocks. The Agreement breaks down into four parts: general principles; measures for strengthening regional and subregional cooperation; measures for monitoring, surveillance and enforcement; and the settlement of disputes.</p>	<p>Kiribati, Marshall Is, Cook Is, FSM, Solomon Is, Nauru, Fiji, Samoa, Tonga</p>
<p>Federated States of Micronesia Arrangement for Regional Fisheries Access; Honiara, Solomon Islands, 30 November 1994; In force: 23 September 1995</p>	<p>To cooperate to secure, for the mutual benefit of the Parties, the maximum sustainable economic benefits from the exploitation of the tuna resources of the Central and Western Pacific; to promote greater participation by nationals of the Parties in fisheries and assist in the development of national fisheries industries of the Parties; to establish a licensing regime under which fishing vessels of the Parties may gain access to the waters within the Arrangement Area on terms and conditions no less favourable than those granted by the Parties to foreign fishing vessels under bilateral and multilateral access arrangements; to establish and enforce agreed criteria to ensure that only those fishing operations which are capable of providing genuine and quantifiable economic benefits to the Parties are eligible for licences pursuant to this Arrangement; to allow access to the exclusive economic and fisheries zones of the Parties by purse seine fishing vessels on terms and conditions which are consistent with the provisions of the Palau Arrangement for the Management</p>	<p>FSM, Kiribati, Marshall Is, Nauru, Palau, PNG, Solomon Is.</p>

	of the Western Pacific Purse Seine Fishery; and to further the objectives of the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest.	
Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement in the South Pacific Region; Honiara, Solomon Islands, 9 July 1992; In force 20 May 1993	To promote cooperation in the enforcement of the fisheries laws and regulations of Parties and in developing regionally agreed procedures for the conduct of fisheries surveillance and law enforcement. The Director of the Pacific Islands Forum Fisheries Agency may, at the request of any three or more Parties, convene a meeting to discuss any matter arising out of the application of the Treaty.	All PACP countries
Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States of America; Port Moresby, 2 April 1987 In force: 15 June 1988 – 2003; Extended 2003-2013	To maximize benefits flowing from the development of the fisheries resources within the exclusive economic zones or fisheries zones of the Pacific Island parties; and, in particular, to regulate the fisheries of United States' vessels within and beyond the national jurisdiction of Pacific Island State parties. Inter-governmental consultations may be held at the request of a party with any other party. [Article 6.1] (The Forum Fisheries Agency also plays an important supporting role).	The United States, Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Samoa.
United Nations Convention on the Law of the Sea (UNCLOS); Montego Bay, Jamaica, 10 December 1982; In force: 16 November 1994	The Convention attempts to lay down a comprehensive regime for almost every aspect of ocean use.	Kiribati, Vanuatu, Tuvalu, Solomon Is, PNG, Palau, Nauru, Samoa, Tonga, Marshall Is, FSM, Fiji
Nauru Agreement concerning Cooperation in the Management of Fisheries of Common Interest; Nauru, 11 February 1982; In force: 4 December 1982	To coordinate and harmonize the management of fisheries with regard to common stocks within the Fisheries Zones of the contracting Parties, for the benefit of their people. To this end, the parties undertake to establish a coordinated approach to the fishing of the common stocks in the Fisheries Zones by foreign fishing vessels, and in particular: (a) to establish principles for the granting of priority to applications by fishing vessels of the Parties to fish within the Fisheries Zones over other foreign fishing vessels; (b) to establish, as a minimum, uniform terms and conditions under which the Parties may license foreign fishing vessels to fish within the Fisheries Zones; and (c) to establish other uniform terms and conditions under which the Parties may license foreign fishing vessels to fish within the Fisheries Zones. [Articles I & II].	FSM, Kiribati, Marshall Is, Nauru, Palau, PNG, Solomon Is, Tuvalu
South Pacific Forum Fisheries Agency Convention; Honiara, Solomon Islands, 10	The Convention established the Forum Fisheries Agency, with the following objectives: the conservation and optimum	All PACP countries

<p>July 1979                  In force: 9 August 1979</p>	<p>utilization of the species covered by the Convention; the promotion of regional cooperation and coordination in respect of fisheries policies; securing of maximum benefits from the living resources of the region for their peoples and for the region as a whole and in particular the developing countries; and facilitating the collection, analysis, evaluation and dissemination of relevant statistical scientific and economic information about the resources covered by the Convention.</p>	
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**JC 7.4: Civil society was fully involved in EC interventions relating to fisheries development.**

EC-supported fishery sector interventions duly consider the integration of the civil society in programming, planning and implementation. PROCFISH/ C and the associated CO-FISH project have strong participatory approaches including women and youth groups to enhance rural food security. The Rural Coastal Fisheries Development Project (PIS) in Papua New Guinea is entirely based on a comprehensive approach encompassing all civil groups in the development of stronger coastal fisheries in PNG where such fisheries have not played any significant role in the past. The Solomon Islands Rural Fishing Enterprises Projects Phase II (closed 1999) and Phase III (closed 31/03/2004) were entirely based on the participation of all civil groups and in particular associations of fishing people to establish rural fishing centres in the outer islands.

EC-supported fishery sector initiatives include national and individual rural associations of fishing people or co-operatives whenever possible and take due consideration of socio-economic differences between country centres and outer islands or remote coastal regions in project purpose, targeted results and the design of project activities. Ethnic differences between different groups of society, in particular those related to large in-country distances and migration processes are observed and as much as possible taken into account.

**I 7.4.1: Participation of civil society groups in fishery project activities**

Examples:

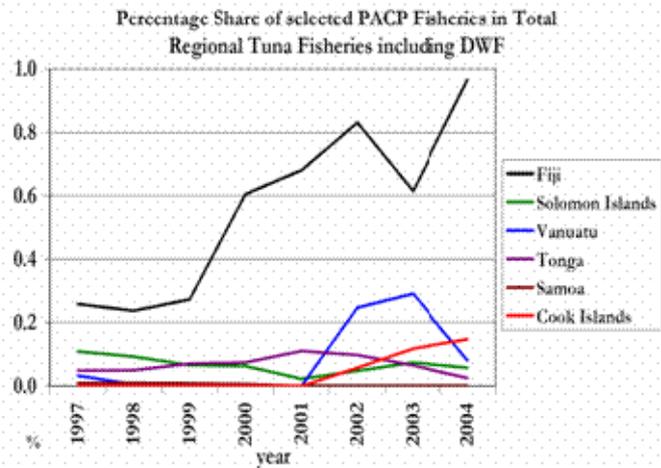
- The ongoing Coastal Component of PROCFISH (PROCFISH/ C) and the associated CO-FISH project have strong participatory approaches including women and youth to enhance rural coastal food security (8 ACP RPA 4 & 9 ACP RPA 4);
- The ongoing Rural Coastal Fisheries Development Project (PIS) in Papua New Guinea is based on a comprehensive approach encompassing all civil groups in the development of stronger coastal fisheries in Papua New Guinea where such fisheries have not played any significant role in the past (8 ACP PNG 17);
- The 'Strengthening of the Vanuatu Maritime College' project (closed 12/31/2004) targeted the enhancement of training of existing crewmen aboard national and international fishing vessels but had also a strong component for training several hundred new crew, thus significantly reducing the situation of widespread unemployment in the country (8 ACP VA 11);
- The Solomon Islands Rural Fishing Enterprises Projects Phase II (closed 1999) and Phase III (closed 31/03/2004) were entirely based on the participation of all civil groups and in particular fisherfolk associations to establish rural fishing centres in the outer islands (7 ACP SOL 20 & 46).

**I 7.4.2: Recognition and reflection of different civil society groups in fishery policy making and management**

- EC-supported fishery sector initiatives try to include national and individual rural fisherfolk associations or co-operatives whenever possible (PROCFISH, DEV-FISH, PIS, Solomon Islands [7 ACP SOL 20, 7 ACP SOL 46]; Vanuatu [7 ACP VA 29]; PNG [7 ACP PNG 57]).
- EC-supported fishery sector initiatives take into account socio-economic differences between country centres and outer islands or remote coastal regions in project purposes, targeted results and the design of project activities (PROCFISH, Solomon Islands [7 ACP SOL 20, 7 ACP SOL 46, FMO 1998 SOL 1]; PNG [7 ACP PNG 57]).
- Ethnic differences between different groups of society, in particular those related to large in-country distances and migration processes are observed and as much as possible considered in project purposes, targeted results and the design of EC-supported project activities in the PACP region (PROCFISH, Solomon Islands [7 ACP SOL 20, 7 ACP SOL 46]; PNG [7 ACP PNG 57]).

**JC 7.5: The results obtained in terms of sustainable management and exploitation of regional oceanic fish stocks and in regional coordination of fisheries management policies have contributed to enhancing equitable national shares in sustainable regional fisheries.**

Due to limited data, and other factors, this evaluation could not conclusively establish that gross shares have in fact increased yet. In combination, the two figures on the right, which are based on SPC and FFA data, suggest that the overall slight increase of shares (lower Figure) are only deriving from an increase in national shares of Fiji (upper Figure) while all other PACPs are more or less stagnant in their shares.



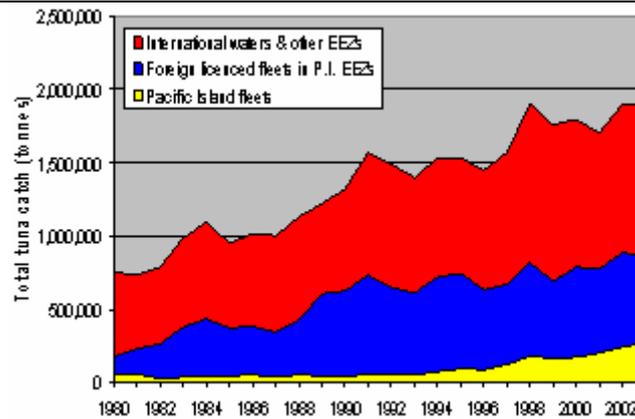
Source: WCPFC Tuna Fisheries Yearbook, 2004

Fishing access fees rather than domestic fishing are still the principal source of national fishing revenues in the PACP region. Since 1990, fishing access fees to FFA members have increased from 4% to 5-6% of catch value, but have remained stable at this ratio since 1998. According to FAO and ADB assessments, annual regional fishing access fees for foreign fishing activity in the region accrued by FFA members have accumulated to approximately € 45 million over the past 5 years, with Micronesian and more western Melanesian countries receiving highest shares. For the Micronesian countries fishing licence fees represent a significant proportion of government revenues – 81% in the case of Kiribati.

If a move from individual Fishing Access Agreements (FAA) and Fishing Partnership Agreements (FPA) to Regional Fishing Access Agreements (RFAA) is made, as recently discussed during the 2006 Trade Ministers' Meeting in Fiji, Fishing Access Fees might see broad re-negotiation and further increase.

**Tuna catches in the western and central Pacific**

Only limited information is available on the development of the third potential source of national revenues generated from fishing, which is domestic fish processing industries. The main reason behind this is the fact that large parts of national fish processing industries are bilaterally subsidised by DWFNs or through direct commercial joint ventures. Data are kept confidential in accordance with contracts. The Consultant was not able to collect any reliable additional information during his country visits to Vanuatu and the Solomon Islands.



Source: WCPFC Tuna Fisheries Yearbook, 2004.

### I 7.5.1: Evolution of individual national oceanic fish catch

- Table: Percentage Share of selected PACP Fisheries in Total Regional Tuna Fisheries including DWF

Year	Region [catch/tonnes]	Fiji	Solomon Islands	Vanuatu	Tonga	Samoa	Cook Islands
1997	1,639,751	0.26	0.11	0.03	0.05	0.01	0.00
1998	2,010,676	0.24	0.09	0.01	0.05	0.01	0.00
1999	1,838,363	0.27	0.07	0.00	0.07	0.01	0.00
2000	1,890,789	0.61	0.06	0.00	0.07	0.01	0.00
2001	1,795,877	0.68	0.02	0.00	0.11	0.00	0.00
2002	1,982,288	0.83	0.05	0.25	0.10	0.00	0.06
2003	1,986,574	0.61	0.07	0.29	0.07	0.00	0.12
2004	2,032,110	0.97	0.06	0.08	0.03	0.00	0.15

- There have been significant changes in fleet operations and composition during the past two decades. During the 1990s, there was a gradual increase in the number of Pacific islands domestic vessels, such as those from American Samoa, Cook Islands, Fiji, French Polynesia, New Caledonia, Samoa and Solomon Islands; these fleets operate in subtropical waters, with albacore the main species taken. This component of the fleet now accounts for over 16% of the total WCP longline catch.
- The Solomon Islands fleet (10,797 mt) continues to recover from low catch levels following the ethnic tensions of 2000.
- The domestic Kiribati fishing fleet no longer exists.
- Other findings correspond to Judgement Criteria 7.2 and 7.4.

### I 7.5.2: Evolution of revenue generated by national fish processing industry

At present, only limited information is available on the development of revenues generated by national fish processing industries. The main reason behind this is the fact that large parts of national fish processing industries are bilaterally subsidised by DWFNs or through direct commercial joint ventures. Data are kept confidential following respective clauses in contracts.

The Consultant was not able to collect any reliable additional information during his country visits to Vanuatu and the Solomon Islands.

### I 7.5.3: Evolution of revenues generated from issuing fishing licenses to DWFN

- Since 1990, fishing access fees to FFA members have increased from 4% to 5-6% of catch value. FFA members continue individually to pursue an increase in the share of the monetary benefits from their tuna resources. If a move from individual Fishing Access Agreements (FAA) and Fishing Partnership Agreements (FPA) to Regional Fishing Access Agreements (RFAA) were agreed, as was recently discussed at the 2006 Trade Ministers' Meeting in Fiji, Fishing Access Fees might see broad renegotiation and further increase.
- According to FAO and ADB assessments, annual regional fishing access fees for foreign fishing activity in the region accrued by FFA members have remained relatively stable at approximately € 45 million over the past 5 years.
- Micronesian and the more westerly Melanesian countries received the highest revenues.
- For the Micronesian countries fishing licence fees represent a significant proportion of government revenues – 81% in the case of Kiribati.

JC: 7.6. EC fishery interventions in the Pacific region have been designed so as to ensure that their outputs and results are sustainable in the longer term.

Through a clear and defined focus on development of regional and national fishery management capacity as well as through the integration of adequate phase-out procedures and specific measures enhancing ownership among regional and national stakeholders in the PACP region, sustainability aspects have been duly considered in all regional EC fishery-sector interventions. At project-scale, the sustainability issue has been adequately addressed and individual project implementation modes are in place (examples in ANNEX).

Convincing intermediate evidence for the sustainability of regional EC-supported fishery-sector projects is manifold and includes at the regional level 1. Membership and (pro-)active participation of all PACP countries in international and regional fishery management bodies; 2. The ratification of all international and regional conventions and treaties related to oceanic fisheries in the PACP region; and 3. Proactive and constructive participation in the Pacific Islands Forum Fisheries Committee (FFC) and in activities implemented by the mandated Regional Fisheries Organisations SPC and FFA.

Evidence of consideration of sustainability in project design at national fishery management levels includes among others 1. The development of National Tuna Fisheries Status Reports (NTFSR); 2. The development of National Tuna Management Plans (TMP); 3. Excellent stakeholder performance in national training activities in fishery management; 4. Frequent and productive use of the web-based SPC and FFA information portals and fishery databases by national fishery line agencies.

I 7.6.1: Evidence that Commission interventions have taken into account the sustainability issue (development of capacity, phasing out, measures enhancing ownership)

Sustainability, for example in terms of development of regional and national capacity, supporting phase-out procedures and specific measures, and enhancing ownership among regional and national stakeholders in the PACP region have been duly considered in the Commission's 8<sup>th</sup> and 9<sup>th</sup> EDF Regional Indicative Programmes at a general strategic level. At project level, the sustainability issue has been adequately addressed and individual project implementation modes are in place. Some examples:

PROCFISH FA/GA:

- The **overall objective** of the programme **is** to contribute to the long-term **sustainable management** of the fisheries resources of the Western and Central Pacific Ocean;
- 'The results of both components will provide invaluable scientific advice to the governments and

agencies responsible for the **sustainable management** of the region's fisheries resources and will constitute a "reference case study" on fisheries resource management for other ACP regions.';

- Objective: increased **capacity** at the national level to monitor tuna fisheries and contribute to the regional management process.

#### CO-FISH FA/CA:

- The **overall objective** of the programme is to contribute to the long-term **sustainable management** of the fisheries resources of the Western and Central Pacific Ocean;
- Special Conditions: '... SPC commits in providing the required technical advice, leadership and continuous support - beyond the project life – to sustain the project outputs successfully. Pacific ACP member states undertake to implement the necessary legislative measures to ensure maximum effectiveness and sustainability of the Project. Participating governments will sign an MoU agreeing to the objectives, results and activities of the national projects as well as responsibilities and inputs to be provided by beneficiaries.'

#### DEV-FISH FA/CA:

- 'The **overall objective** of the project is to increase the contribution from the **sustainable** use of marine resources to the poverty alleviation in PACPs. The project will contribute to this objective through a focus on the **sustainable development** of highly migratory oceanic resources, particularly tuna fisheries.'
- Through the support to the development of national tuna fishing industries in PACP countries, DEV-FISH is in itself a **capacity-building project** aiming at the establishment of stakeholder **ownership**.

#### **Examples of recent developments and current project activities with particular relevance to sustainability issues:**

1. Being a member of the concerned Commission since December 2004, European Commission fishery-sector interventions are now additionally governed by the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. The Convention aims to ensure the long-term conservation and **sustainable** use of principally Tuna, in both the EEZs and high sea areas.
2. The ten-year Pacific Plan, in which fisheries play an important economic role, addresses economic growth, development, good governance and security. In each of these areas, it identifies a wide range of regional initiatives (i) for implementation in the first three years (2006-08); (ii) which require the development and approval of a full proposal; and (iii) which require further analysis to establish whether a regional approach is appropriate.
3. PROCFISH and CO-FISH AWP are guided by the recently approved SPC Strategic Plan for 2006-2008, which notes that the goal of the OFP is that fisheries exploiting the region's resources of tuna, billfish and related species are managed for **economic and ecological sustainability** using the best available scientific information.
4. The combined PROCFISH/C and CO-FISH Programme's overall objective is to promote the **sustainability** of lagoon and reef fisheries resources in the Pacific Islands. More precisely, this involves providing the basic information needed to adopt more appropriate management measures, plans and regulations and so indirectly involves improving food security prospects and income levels in rural areas.
5. PROCFISH/ C & CO-FISH  
In their activities, both projects have involved national long-term (up to 6 months) personnel in attachments to their programme and shorter-term engagements for participation in all aspects of fieldwork. Fisheries personnel from Tuvalu, Nauru, Samoa, Wallis and Futuna and Niue benefited

from full-time, fully paid attachment to the project team and participation in all aspects of field work and in undertaking additional data gathering such as market and creel surveys.

In-country training is undertaken during the course of field work, providing hands-on training in underwater visual census techniques, distant sampling technique, enhancing skills on habitat and fish identification, invertebrate surveys and also in the use of project Reef Fisheries Integrated Database (RFID) software:

- 5 staff in Nauru (all Fisheries Officers),
- 4 staff in Samoa (3 Fisheries Officers, 1 Environment Officer),
- 4 staff in Tuvalu (3 Fisheries Officers, 1 NGO),
- 3 staff in Wallis & Futuna (2 Fisheries Officers, 1 Environment Officer),
- 5 staff in Niue (2 Fisheries Officers, 1 Quarantine and 2 IWP Officers), and
- 10 staff in Nauru (7 Fisheries Officers and 3 Environment Officers).

Training on the RFID is provided in Tonga, Fiji and French Polynesia. The standalone version of the RFID system as well as all GIS layers were installed on all research unit computers and training was provided to IT officers on the installation and use of both standalone and network versions of RFID.

The PROCFISH/C team will also provide training on the standardised methodologies to participants of the 2006 SPC-Nelson Training Course for officers of national Fisheries Departments. This 5-month course covers aspects of seamanship and also related fisheries management skills.

Several training workshops targeting national capacity build-up and training are currently organized for 2006 and 2007. A workshop is also planned in the area of data analysis and interpretation of data, and the Cook Islands has offered to host this workshop.

The Socioeconomic Assessment and Monitoring Manual is in final preparation stages to accompany the UVC Manual. Accompanying software is under development.

These manuals and accompanying software will be made available to Fisheries Departments and other organizations in the region. Training in the use of these tool-kits and in survey implementation is an ongoing activity during in-country work and will also be the focus of targeted workshops in 2006/07.

6. FFA is committed to work on a **sustainable** tuna development framework. It is recognized that there are very great differences in the resources, economic circumstances, and aspirations of the countries in the region and that 'one size does not fit all'. As a first step this could build on principles from the FAO Code of Conduct for Responsible Fisheries to develop some common broad policy commitments. The Framework could also identify areas in which regional cooperation could advance the development process for all members, whether through networking of private sector interests or more ambitious ideas such as branding or eco-labelling Tuna from the region, and sub-regional access arrangements. The latter was identified as a priority by private sector interests from four longline fishing countries at the recent meeting in Apia.

#### I 7.6.2: Evidence that measures ensuring sustainability have materialized at the termination of the intervention

Convincing intermediate evidence for the sustainability of the Commission's regional interventions in fisheries is manifold and described under Justification Criteria 7.1 to 7.5. Some examples to be restated here are:

**Regional Fishery Level**

- Unanimous membership and active participation of all PACP countries in international and regional fishery management bodies;
- Almost unanimous ratification of all international and regional conventions and treaties related to oceanic fisheries in the PACP region;
- Proactive and constructive participation of all PICT in the Pacific Islands Forum Fisheries Committee (FCC).

**National Fishery Level**

- Development of National Tuna Fisheries Status Reports (NTFSR);
- Development of National Tuna Management Plans (TMP);
- Excellent performances in national training activities; and
- Frequent and intensive use of the web-based SPC and FFA information portals and fishery databases.

## EQ 8

### EQ 8. To what extent have EC interventions contributed to a sustainable exploitation and conservation of natural resources in the region? How far were outputs and results sustainable?

JC 8.1: EC interventions have been effective in advancing the sustainable management of natural resources through improved planning and policy formulation.

In the period of implementation of the Commission support to sustainable management of natural resources and as result of its strategy for the Pacific region, several policies and strategic frameworks have been elaborated and adopted, making the Commission's support relevant and effective.

#### I 8.1.1: EC interventions aimed at advancing the sustainable management of natural resources through improved planning and policy formulation

Within the Commission regional cooperation strategy in the Pacific ACP region, several regional programmes have supported and/or are linked to the regional Sustainable Development (SD) planning and policy process. In particular, the following are important:

The 8th and 9th EDF “Reducing **Vulnerability of Pacific ACP States**” programme is directly connected to the WSSD process and responds to the concerns and commitments defined in the Barbados Programme of Action (BPoA) for sustainable development of small island developing states (SIDS). The purpose of this programme is to strengthen the capacity of PACP states in order to (a) identify alternative sources of aggregates for integrated coastal zone management (ICZM), (b) plan safe and adequate water supplies and sanitation systems, (c) develop comprehensive hazard and risk management tools for safeguarding coastal ecosystems and communities, and (d) establish Island Systems Management (ISM) infrastructure and capacity. Under the programme several surveys were carried out in various socio-environmental settings, policy and decision support methodologies and tools were developed, and training for management of data and processes was organised. The programme also supported SOPAC as a regional “centre of excellence”, enhancing its capacity to service the island countries in line with regional institutional and HRD strategies.

The 7th EDF “**Pacific Regional Waste Awareness & Education Programme**” encouraged regional sensitisation in the field and promoted the implementation of national projects contributing to the formulation process of regional and national policies, action plans and management models through the region. Major national 9th EDF resources have been allocated in the water & sanitation sector in PNG, Samoa and Tonga.

Several generations of regional **agriculture** Programmes have been carried out since the 6th EDF up to the current 9th EDF. The regional Commission strategy in this field moved from crop-research-oriented programmes (PRAP I and II) to 8th and 9th EDF “**Plant Protection - PPP**” and “**Development of Sustainable Agriculture - DSAP**” programmes. PPP addresses trade-related issues (pest control, quarantine services, WTO-compliance), developing the necessary knowledge base in the region, adequate infrastructure and the legal and legislative framework. DSAP is complementary to PPP and to past PRAP programmes and constitutes the core of the agriculture regional strategy and approach of SPC. It focuses on farming households' production and productivity based on farmers' needs, participatory rural development, HRD and dissemination of technologies and best practices. The role of SPC as a regional centre of excellence, policy advice and service provider for the PICs has also been enhanced.

The SOPAC regional **energy** programmes helped develop alternative and renewable energy resources of particular relevance for the region, in particular for the numerous outer islands. Various solutions were investigated and tested. These included solar, hydro-power and other ocean-based technologies. Important 8th and 9th EDF resources (up to 90% of NIPs) have been allocated in Kiribati, the Marshall Islands, the Federate States of Micronesia, Niue, Nauru, and Palau, and the results will feed into the elaboration of the regional policy and strategy building process in this field, as envisaged in the Pacific Plan.

#### I 8.1.2: Planning and Policy orientation mechanisms adopted

As a result of regional cooperation initiatives, including those supported by the Commission, the following planning and policy orientation mechanisms have been established/elaborated and adopted (with relevance to Sustainable Development and NRM sectors):

- The **Pacific Plan for Strengthening Regional Cooperation and Integration** and the related **Kalibobo Roadmap** were adopted by the 36th Pacific Island Forum (PIF) in PNG in October 2005. They include among their Sustainable Development priorities: (i) Waste/pollution control, (ii) Hazards and Disaster Risk management, (iii) Climate Change and (iv) Biodiversity. The Pacific Plan has a general timeframe of ten years. It provides a mechanism for discussing and shaping the regional longer-term future. Implementation of the Pacific Plan will be reviewed annually by Forum leaders, establishing a regional institutional framework (CROP) with coordinating role by PIF Secretariat.
- **The Action Plan for Managing the Environment** of the Pacific islands region for the period 2005-2009 was elaborated by SPREP in consultation with the member countries and followed the review of the Action Plan 2001-2004. Annual SPREP meetings endorsed the analysis of issues and the planning process. SPREP member countries acknowledged their responsibility for implementing this Environment Action Plan for the benefit of peoples of the Pacific region.
- In 2003 the Pacific islands reviewed the **Barbados Programme of Action for the Sustainable Development of Small Island Developing States** (BPoA) (Meeting in Apia, Samoa in August 2003) in preparation for the International SIDS Meeting held in Mauritius in January 2005 (BPoA+10). The Apia regional meeting was attended by 12 PACP and several CROP and international organisations. The Pacific leaders reiterated the need to pursue the formulation and implementation of national sustainable development strategies, integrating actions across the three pillars of economic development, social development and environment protection, and introducing targets and regular monitoring and evaluation procedures. Capacity building for sustainable development in SIDS remains a high priority, including strengthening legal and legislative framework. The importance of capacity building at national level, including NSA, was highlighted, as well as the importance of utilising CROP organisations as support mechanisms and “centres of excellence” for SD.
- The **Pacific Islands Regional Ocean Framework for Integrated Strategic Action** was launched at the Mauritius International SIDS Meeting in January 2005. Leaders endorsed regional organisations providing assistance to member countries as an integral part of their national sustainable development strategy process.
- **Pacific islands Energy Policies and associated Strategic Action Plans** are expected to be implemented by the end of 2008 as part of the Pacific Plan. This policy framework should provide available, reliable, affordable and environmentally sound energy sources for PICs.
- **Pacific Regional Framework on Climate Change 2005-2015** and the **Pacific Disaster Risk Reduction and Disaster Management Framework for Action 2005-2015** have

been developed and approved in 2005 as part of the Pacific Plan process and will require continued development of adaptation and mitigation measures.

- Other sectoral strategic frameworks were adopted during the year **2005** and included:
  - The **Pacific Regional Framework on Agriculture,**
  - The **Pacific Regional Action Plan on Sustainable Water Management,**
  - The **Pacific Solid Waste Management Strategy.**

JC 8.2: EC interventions have been effective in improving social and economic benefits deriving from improved exploitation of natural resources.

The impacts of Commission interventions at policy level are not yet fully apparent with regard to social and economic benefits for the populations. However, most regional programmes have national components working closely with national and local stakeholders where the impacts on livelihood are considerable. National projects with tangible targets (water supply, micro-projects) strongly improve direct benefits and visibility.

I 8.2.1: EC interventions aimed at in improving social and economic benefits deriving from improved exploitation of natural resources

Several NRM programmes in the region are oriented to bringing economic and social benefits to rural stakeholders and to the PICs from improved management of land and marine resources. In particular:

- The DSAP programme aims at improving productivity and economic viability of farming systems and increasing food security and resilience of rural economies.
- The PPP programme aims at facilitating food safety and access to international markets and, at the same time, at protecting the regional/country biodiversity from invasive species.
- The COFISH programme aims at safeguarding and valorising the regional coastal fisheries and marine ecosystems through improved knowledge of available resources and development of sustainable exploitation patterns (carrying capacity) with improved return to local communities and national economies.
- Eco-Forestry projects in Melanesian countries aim at developing community-based environmentally-friendly initiatives, improving product certification and access to specific ecologically sensible market channels, and better sharing of income for land-owning communities and countries of origin.
- Regional and national renewable energy policies and programmes should highly improve the PICs energy trade balances, decreasing their dependence on external fossil sources, with clear benefits for their livelihoods.
- Several community-based initiatives led by regional and international NGOs such as the “Coral gardens initiative” by FSPI, the “Marine and coastal biodiversity of the Bismarck Solomon Seas” by WWF-SP and the “Sustainable management of sites globally important for biodiversity in the Pacific” by Birdlife International aimed at improving livelihoods and empowerment of Pacific communities through locally-managed and sustainable management of natural resources and heritage sites.

In addition to the socio-economic benefits mentioned above, the Pacific islands countries and populations should see their quality of life improved in the following fields:

- Improved water supply and sanitation in rural and urban areas with consequent benefits to health and food security;

- Available hazard and risk management plans and tools for safeguarding coastal communities' reliance on natural ecosystems;
- Enhanced awareness of civil society, participation in local development plans and improved advocacy platforms and benefits for the quality of education and HRD opportunities;
- Increased quantity and quality of land and marine protected areas and consequent benefits for local subsistence rural economies, empowerment of community resources and valorisation of traditional and customary knowledge and values.

#### I. 8.2.2: Evolution of agriculture, forestry, fisheries and marine resources production and value at regional and national levels

**Agriculture** development in PICs over the last decade has been strongly affected by the evolution of international trade agreements and by the influence of market integration in semi-subsistence rural economies. The international market for agricultural commodities produced by PICs turned towards innovative and added-value processed products and/or towards “niche markets” (for example, kava for herbal medicine in Germany – see Sector Note on Samoa trade at Annex 10). Diversification of PIC's economies, including the expansion of tourism, provides growing opportunities for local markets and demand for food and non-food products. The past focus on food security has to take account of the needs for income generation and access to social services. The diversity of agro-ecological environments and the strong link with land tenure and community livelihood make agricultural production, extension and land use “national and local issues”. At the same time, the physical, technical and financial limitations of most PICs favour the adoption of regional approaches and strategies with regard to international agricultural trade, agricultural research and information networks.

**Forestry** resources in the Pacific region are mostly limited to bigger volcanic islands (PNG, Solomon Islands, Vanuatu, Samoa), although with various degrees of land coverage and social and economic value. These resources are severely depleted by years of unsustainable exploitation, including illegal logging by foreign companies. Despite important contribution to GDPs (for example in the Solomon islands) through export and donors' contributions (e.g. STABEX), poor governance has jeopardised the efforts towards sustainable management and limited the return of forest revenues to Pacific economies and societies. However, growing awareness at all levels of the societies and donors' support have allowed the implementation of valuable community-based initiatives, thus reducing the impact on the environment (e.g. watershed management in Samoa) and providing alternative development and income opportunities for the populations (e.g. eco-tourism in Vanuatu). Forest management is strongly perceived as a national issue depending on land tenure and governance practices, although regional or multi-country initiatives show the value of information and experience sharing among concerned countries and stakeholders.

**Off-shore fisheries and oceanic marine resources** are the most recognised and consolidated common resources for the Pacific region, with a diverse range of national land/sea ratios and contributions to national GDPs. Fisheries is the most consolidated cooperation sector in the Commission regional strategy and has been addressed in multiple forms (marine boundaries, assessment and monitoring of fish stocks, management policies and regulatory frameworks). The attention of the regional and international communities is currently focused on ensuring the maximum return to PIC economies and societies, in the enforcement of Multilateral Agreements and in the establishment of efficient management systems.

The **coastal fisheries and environments** are perceived as national and local issues, as a consequence of their strong links with coastal ecosystems, coastal communities and land-based activities and impacts. Threats to coastal habitats by urban development, pollution, sea level rise and over-exploitation of coastal resources are of increasing concern, not only for all the coastal communities, which constitute the majority of the populations in most Pacific countries, but for people throughout the region. The Commission contributed to the development of regional awareness and strategic frameworks to address integrated coastal management from a regional perspective, providing valuable methodologies, management tools and response strategies. There are now strong expectations regarding the implementation of mitigation and protection measures, nationally and locally.

#### I 8.2.3: Evolution of diversity of NR exploitation and incomes

See Indicator box above (I.8.2.2).

#### I 8.2.4: Evolution of trade balance share in NR sectors

No data available on natural resources trade balances from official sources, except aggregated trade data for individual countries. (Sources: Asian Development Bank, Pacific Islands Forum Secretariat)

#### I 8.2.5: Evolution of quantity and quality of land and marine protected areas

Project documents and websites of NGO and CROP agencies provide qualitative information on the establishment of terrestrial and marine protected areas.

There is increasing attention to supporting management and enforcement of protected areas and a trend towards community-based and decentralised management practices. The Commission contributed to this evolution by funding several NGO projects through the Environment and Forest budget lines. Specific Commission projects contributing to the quality and quantity of protected areas include:

- Coral Gardens Initiative: Poverty alleviation through capacity building in community-based fisheries management and coral reef restoration. Marine Protected areas (MPAs) were established and supported in Solomon Islands and Vanuatu.
- Sustainable management of sites globally important for biodiversity in the Pacific; Bird sanctuaries as indicators of biological diversity were established and supported in Fiji, Palau, New Caledonia and French Polynesia.

The Locally-Managed Marine Area Network (<http://www.lmmanetwork.org/>) was established in the 90s as a result of conservation initiatives in the Asia-Pacific region. Its members are regional and international NGOs, and research and academic institutes and practitioners. The network operates in Fiji, PNG, the Solomon Islands, Palau, FSM and in other Pacific-Asian countries.

#### JC 8.3: The effectiveness of EC interventions has been substantially enhanced by involvement and complementary activities of Regional authorities and PACP States

Natural resources management (including Fisheries) has been the major area of EC-Pacific cooperation over the last two decades with changing proportions and focus. Agriculture and Fisheries have been addressed in regional and national programmes since the early 1990s. Since the 8th EDF the areas of cooperation have been widened to respond to emerging issues and to growing partnership opportunities.

In countries where the national strategy complements the regional strategy (e.g. Samoa for the water sector), the partnership opportunities and the effectiveness of the interventions have improved, as well as the sustainability of the results. However, the programming and prioritisation process and the allocation of resources do not always allow for an optimum national-regional complementarity, as national priorities and the reduced focal areas in NIP (limited to one sector/project for PICs) do not always correspond to common regional needs.

Despite increased involvement of PACPs in regional programming and enhanced dialogue and interaction between CROP agencies and national institutions, there is scope for further improvement in national-regional effectiveness and complementarity.

### I 8.3.1: Evolution of regional/national commitment in respect to SMNR

The situation of primary commitments in NRM sub-sectors is as follows:

<b>EC regional NRM commitments during the last decade</b>				
<b>Sub-sector</b>	<b>8<sup>th</sup> EDF</b>	<b>9<sup>th</sup> EDF</b>	<b>Budget lines</b>	<b>TOTAL</b>
Agriculture	5,335,000	3,493,000		<b>8,828,000</b>
Environment	7,612,390	3,110,000	1,836,072	<b>12,558,462</b>
Energy		11,410,000		<b>11,410,000</b>
Forestry			1,955,279	<b>1,955,279</b>
Fisheries	8,100,000	4,997,476		<b>13,097,476</b>
<b>TOTAL</b>	<b>25,047,390</b>	<b>23,010,476</b>	<b>3,791,351</b>	<b>47,849,217</b>

<b>EC national NRM commitments during the last decade</b>				
<b>Sub-sector</b>	<b>8<sup>th</sup> EDF</b>	<b>9<sup>th</sup> EDF</b>	<b>Budget lines</b>	<b>TOTAL</b>
Agriculture	2,900,000		784,856	<b>3,684,856</b>
Energy	4,007,426	11,410,000		<b>15,417,426</b>
Environment	12,400,000		498,521	<b>12,898,521</b>
Fisheries	6,785,514			<b>6,785,514</b>
Forestry	7,590,131		863,645	<b>8,453,776</b>
Mining	50,500,000			<b>50,500,000</b>
Rural development	60,911,397	5,900,000		<b>66,811,397</b>
Water sector	32,367,661	32,367,661		<b>64,735,322</b>
<b>TOTAL</b>	<b>177,462,129</b>	<b>49,677,661</b>	<b>2,147,022</b>	<b>229,286,812</b>

The above data are based on CRIS database. Comparison with OLAS figures and project documents suggests that they may not be wholly accurate and comprehensive. Data for all the budget line funded initiatives could not be retrieved through the above mentioned sources. However, they clearly show the evolution of sectoral funding and the diversity of funding instruments.

In addition to EDF and budget lines, STABEX/FLEX funds should also be considered, for an approximate amount of € 33 m. with diversified destination according to country's priorities.

JC 8.4: EC interventions relating to Sustainable Management of Natural Resources were designed and implemented in close cooperation with civil society.

The involvement of civil society representatives was more evident in project implementation than in programme design. Commission and the donors usually rely on the regional and national platforms of dialogue and consultation. There has been progress in public/private partnership at regional and national levels, although influenced by governance achievements in the individual countries. The NGOs and associations have improved their development skills as shown by the achievements of initiatives funded by budget lines and by the success of and satisfaction with micro-project programmes in several Pacific countries.

I 8.4.1: Evidence of involvement of civil society in the design and the implementation of EC interventions (consultations, steering committees)

The following Regional NRM programmes included components with involvement of civil society:

- **Development of Sustainable Agriculture in the Pacific – DSAP (8th-9th EDF):** Promotion and application of participatory approach with farmers and rural communities for identification and adaptation of technologies according to stakeholders' needs. Involvement of NARES, NGOs, farmers groups and the private sector. Extensive use of communication approaches and tools. Strong focus on food security and rural families' livelihood and on building capacity at all levels of the implementing bodies, particularly for those ensuring liaison between regional and national levels.
- **Plant Protection in the Pacific – PPP (8th – 9th EDF):** Involvement of all stakeholders participating in the food production and trade chain. Engender community ownership of sustainably managed pest control systems in rural ecosystems. Participation of national extension services, NGOs, rural community leaders, schools and colleges.
- **Reducing Vulnerability of Pacific ACP States (8th – 9th EDF):** Involvement of civil society at all levels of coastal zone management, including coastal communities and private sector operators. Information and communication activities for the benefit of the whole civil society.
- **Pacific Environmental Information Network – PEIN (8th – 9th EDF):** The project envisages strengthening of a regional Information Resource centre in Apia, Samoa, and the creation or strengthening of national information antenna (Clearing Houses) including workshops, equipment and in-country training in each of the participating countries. The target groups and project beneficiaries are regional and national institutions and Non-State Actors (NSA), including NGOs, schools, private sector operators and development practitioners.
- **Regional Coastal Fisheries Development Programme – CoFish (9th EDF):** Comprehensive comparative assessment of reef fisheries in the PIC, including social aspects. The programme will involve and benefit planners, managers and users of coral reefs.
- Several regional and national NRM programmes/projects were/are funded by the Commission's **Forest, Environment and NGO budget lines** with increasing focus on community-based management of Natural Resources. Most of these programmes are implemented by international and/or regional NGOs (**Birdlife, WWF**).

The 8th and 9th EDF National Indicative Programmes (NIP) allocate considerable resources to Non-State Actors (NSA), to community development and micro-project schemes with important shares of resources invested in NRM, and to productive sectors in rural areas (agriculture, fisheries, eco-forestry, tourism, etc.). Direct financing of civil society and private sector through call for proposal mechanisms has been on the increase.

#### I 8.4.2: EC interventions have enhanced awareness and ownership of NRM issues in the region

The following information appeared on the SPREP website (April 2006):

- Hundreds of young people around the Pacific have sent messages to current leaders about their values, hopes and vision for a sustainable future. The postcards will be presented to world leaders, policymakers and donor bodies at various high-level events and community-focused dialogues. Postcards from the Future is an initiative of Island Life, an information campaign coordinated by SPREP to promote the rich and unique Pacific islands biodiversity. Island Life focuses on promoting the capacity, willingness and commitment of Pacific Islanders to conserve their rich and unique environment.

The SPREP web site is part of an awareness campaign promoted by SPREP and partially supported by the Information Resource Centre and Pacific Environmental Information Network (IRC-PEIN) funded by the Commission.

Refer to I.3.1 above in relation to other capacity building, awareness and information management programmes

#### JC 8.5: The results obtained in terms of planning and policy for sustainable management and improved exploitation of natural resources have contributed to a sustainable exploitation and conservation of natural resources in the region.

The policy and planning process for sustainable management of natural resources has been intensified over the last decade with variable achievements in the countries due to critical factors such as good governance (especially significant, for example, in Solomon Islands), institutional capacity and human resources capital.

There is no measurable and standardised evidence regarding the direct impacts of Commission interventions on the quality and quantity of natural resources management in the region.

However, there is a qualitative appreciation of the Commission's contribution at national and community levels where sustainable development policies and plans were translated into tangible social and economic benefits to the final beneficiaries.

#### I 8.5.1: Evolution of Natural Resources status

The Commission has recently carried out Country Environmental Profiles in some countries as part of the Joint Annual reports and/or in preparation for the 10th EDF programming exercises. The picture emerging from these documents shows an evolution in the status of natural resources in specific countries, echoing the areas of environmental concern at regional level.

There are no consolidated data and environmental indicators for the region.

Project evaluation reports provide impact indicators for specific areas of intervention.

#### I 8.5.2: SMNR policies and legislative framework is enforced

See Annex 8: Status as at June 2005 of the Pacific Regional Environment Conventions.

JC 8.6: EC interventions relating to Sustainable Management of Natural Resources were designed as to be and were sustainable.

Most Commission interventions in the NRM sector were built on previous achievements and lessons. Sustainability of results was usually considered in project design and reviewed during project evaluation thanks to monitoring and evaluation reports. The introduction of Contribution Agreements in project financing enhanced sustainability of the interventions through better ownership and empowerment of regional and national organisations.

The inclusion of capacity building and training in nearly all projects and programmes indicates that post-project capacity was taken into account. The continuity of Commission regional and national interventions, often financed through different RIPs and NIPs, shows that the long-term development process was considered and supported.

I 8.6.1: Evidence that interventions designed had taken into account the sustainability issue (development of capacity, phasing out, measures enhancing ownership)

Most regional and national projects in the NRM sector have components and actions dedicated to capacity building of national recipient and partner institutions and to enhancement of human resources in the public and private sectors.

Supporting CROP agencies as programme implementers aims at strengthening their role as regional centres of excellence and optimisation in the provision of regional services.

Despite limited skilled personnel, there have been attempts to integrate trained project staff in national and local institutions, such as the integration of DSAP national staff in national advisory and extension services.

Other projects such as PPP, PEIN and RVP are working with national line institutions and appropriate national relays, transferring skills and instruments to permanent entities.

In some cases (e.g. RVP or the water sector project in Samoa), the involvement of private sector operators was aimed at ensuring dissemination of best practices in private companies and adequate follow-up in technology and services supply and maintenance.

I 8.6.2: Evidence that measures ensuring sustainability have materialized at the termination of the intervention

Most regional programmes analysed during the evaluation were due to end during the period 2006-2008.

Recent project mid-term reviews suggested exit strategies and follow-up measures, as well as continued donor support. Suggested actions and responses include:

- Provision in the national budget for operational and maintenance costs of equipment and services provided by projects (RVP): but there is no evidence of this;
- Adoption of improved NRM practices by national stakeholders: this was partly verified by the MTR of DSAP;
- Integration of good practices into national legislation: land use restrictions were introduced in Fiji law following DSAP activities;
- Enforcement of a new legislative framework: this is difficult to assess;

- Ensuring continuation of financial support from countries and donors: there is little evidence of sustained funding most projects continuing to depend on donors. SPREP has ensured financial support from UNESCO for continuing support to PEIN in particular to enable specific countries to integrate the PEIN system;
- Ensuring that developed skills and knowledge remain within the line agencies after project termination: limited evidence in project reports.

## EQ 9

### F. CROSS-CUTTING ISSUES

**EQ 9. Were EC gender, environment, human rights and conflict prevention strategies clearly formulated and taken into account in strategy and programme formulation and in implementation? How far have these cross-cutting issues been advanced through EC interventions?**

JC 9.1: EC commitments relating to issues of gender and the role of women have been taken into account in the formulation of the strategy and all EC interventions and as a result progress has been made in advancing gender related issues and the role of women in society.

I 9.1.1: Explicit references to gender aspects in the RSP and the CSPs

RIP EDF 8 gives limited coverage to issues of gender and the advancement of women. On page 1 the parties to the RIP affirm that their cooperation at regional level is based on priorities which include: 'Sustainable socio-economic development with particular emphasis on human resources development, gender issues and environmental management and protection...'

On page 6: 'In formulating such strategies and policies, special consideration will be given to the disadvantaged groups including women and youth.'

There are also other minor references to gender and the advancement of women.

Coverage of gender issues in RSP/RIP EDF 9 is also fairly limited. On page 7: 'Furthermore, as laid down in Article 20 of the Agreement, systematic account must be taken in mainstreaming into all areas of cooperation the following thematic or cross-cutting themes: gender issues, environmental issues and institutional development and capacity-building.'

Similar reference is made to gender equality in the context of general listings of EC commitments. The disadvantage of women with regard to educational access and employment is noted on page 22: 'Women are also disadvantaged in the job market. Although their numbers have grown over the past decade, women workers are at a general disadvantage through their lesser access to vocational and higher formal education and because they are usually lower paid, lower ranked and less often promoted than men.'

No specific objectives or activities are defined relating to gender equality.

All the CSPs for the 8<sup>th</sup> and 9<sup>th</sup> EDF mention systematically gender when recalling provisions relating to cross-cutting issues of the general agreements.

CSPs 8<sup>th</sup> EDF - General Framework of Cooperation:

"The representatives of country X and the European Commission underline that their cooperation is based on the following priorities: - the development and consolidation of democracy, and of rule of law as well as respect for human rights and fundamental freedoms; (...) ; sustainable economic and social development: particular stress is given to the development of human resources, in particular questions of gender and to environmental protection; (...)."

CSPs 9<sup>th</sup> EDF have three standard sections on cross-cutting issues:

- Under the section EC Cooperation Agreement : “Furthermore, as laid down in Article 20 of the Agreement, systematic account shall be taken in mainstreaming into all areas of co-operation the following thematic or cross-cutting themes: gender issues, environmental issues and institutional development and capacity building”.
- Under the section Objectives of the future cooperation: “The future cooperation between country X and the EC in the context of the Cotonou Agreement has been designed to contribute in particular: - to ensure that EC funded projects have a positive impact on living conditions of all beneficiaries on the outer islands, without a distinction according to social, ethnic, political, religious or gender criteria; (...) - to ensure that gender, environment, institutional development and capacity building are fully taken into account during implementation.”
- Under the section Coherence and complementarity: “Coherence with cross-cutting issues referring to gender mainstreaming, environmental considerations and principles of good governance will be observed in all future projects.”

All CSP have a section where the role of women in the country is described. The situation in each country is very different. In some of them, like the Cook Islands, Kiribati or the Marshall Islands, women benefit from an important traditional role (matrilineal societies, traditional leaders, women’s organisations) which ensure them an important social status and equal opportunities in education and access to health. In other countries like Micronesia and Papua New Guinea they are clearly disadvantaged and suffer more from poverty. In the whole region women are underrepresented in Parliament and in formal decision-making bodies. Equality in the labour market is an exception (Palau, Samoa).

The EC response strategy, for the 8<sup>th</sup> and the 9<sup>th</sup> EDF, mentions in a few cases that gender-related aspects should be taken into account during implementation. This is generally linked to interventions like MPP and in education to facilitate the enrolment of girls (specific scholar infrastructure). Half of the 8<sup>th</sup> EDF CSP foresee specific actions for women in development outside the area of concentration but part of a list.

**MENTION OF GENDER AND ROLE OF WOMEN IN CSPs**

	8 <sup>th</sup> EDF	9 <sup>th</sup> EDF
Cook Islands	_	A1, 2, 3 _ B ++ _ CC – NSA
Fiji	A1 _ NPA enrolment in education - S	A1, 2, 3 _ B + _ NPA
Kiribati*	A1 _ CC _ MPP _ S	A1, 2, 3 _ B +
Marshall Islands	_	A1, 2, 3 _ B + _ CCAC2
Micronesia	_	A1, 2 _ B -
Nauru	_	A1, 2, 3 _ B -
Niue	_	A1, 2, 3
Palau	_	A1, 2, 3 _ B ++
Papua New Guinea	A1 _ PNA _ CCAC1 _ CC	A1, 2, 3 _ B-- _ CCAC1 _ CC
Samoa*	A1 _ CC-MPP	A1 _ B++ _ PNA _ CC
Solomon Islands*	A1 _ CC	A1, 2, 3 _ B - _ CC
Tonga	A1 _ CC _ S	A1, 2, 3 _ B + _ PNA
Tuvalu*	A1 _ CC-MPP	A1 _ PNA
Vanuatu*	A1 _ SAC1 _ S	A1 _ B -- _ CCAC1

A+ 123: Reminder of the provisions of the general **A**greement. 123 : number of the provision  
B + --; -; +; ++: **B**ackground of gender in the country. -- Very negative situation; - Negative; + Positive; ++ Very Positive  
NPA: Priority in the **N**ational **P**olitical **A**genda  
S: **S**pecific actions in the PIN  
SAC: **S**pecific actions in the PIN as an **A**rea of **C**oncentration  
CC: To take into account as a **C**ross-**C**utting issue in non-specific interventions  
CCAC: To take into account as a **C**ross-**C**utting issue in non-specific interventions part of an **A**rea of **C**oncentration

I.9.1 NEW – Specific interventions have been directly dedicated to enhance gender balance and the role of women

Specific interventions have not been implemented

For other interventions not covered under previous indicator -I 9.1.2: Explicit references to gender aspects to be taken into account during the implementation of the interventions

There are several regional and national initiatives where gender approaches have been announced in the programming documents for their specific relevance to project objectives. The following examples can be mentioned:

FMS-HRD:

“Gender aspects of the proposed interventions have been fully considered” Consultation with female beneficiaries in the school revealed a number of specific concerns that need to be addressed and are reflected in the physical plans (for construction of dormitories etc.). These needs were endorsed and elaborated by meetings with the Ministry of Women, who provided a gender perspective on the building works.” (Technical annex of the Financing Agreement, page 3)

PRIDE:

Annex II of the FA for PRIDE: “Educating girls correlates with lowering fertility rates and the participation of females in political and economical arenas.” (page 5) This is the only reference to gender. The logframe does not have gender-specific activities or indicators. A later version includes the activity “develop planning methodology including gender strategy, sex aggregated data collection and analysis.”

In the NRM sector initiatives with clear community components have planned increasingly to apply a participatory assessment methodology, emphasising the role of community groups, including women, in social and economic life.

The MPP in Samoa provided direct funding opportunities to a wide range of stakeholders for investments in the social and productive sectors. In developing its funding guidelines, the project included women’s groups and sectors where women are mostly active (food production, health, family welfare and other community social services) in the eligible and target activities.

PROCFISH/C and CO-FISH planning documents integrated gender issues.

No special attention to gender balance has been envisaged in the provision of training for trade negotiators under the PACREIP.

For other interventions not covered under previous indicators - I 9.1.3: Evidence that the gender aspects have been taken into account by the interventions (for example internal monitoring systems takes into account gender aspects, specific studies have been carried out, specific actions)

USP-HRD:

For the TSP component, the mid-term evaluation states: Gender related issues are addressed on an ongoing basis, with no concerns being evident. For the other components no information on gender is available. Until now, the ELMS component that should have followed the figures on employment has not been effective and has not produced results.

During the mission it was observed that no gender specific figures were available. Although there are female students with EU-scholarships, gender balance among the beneficiaries is not recorded.

PRIDE:

The initial logframe of PRIDE did not foresee gender specific activities or indicators. The actual logframe does so: at the level of overall objective the indicator is *improved gender balance* (but at that level it is far from the project management level). At the activity level gender is included in activity 1.4: develop planning methodology including gender strategy and sex aggregated data collection.

Amongst the benchmarks for Educational Sector Planning developed by PRIDE, equity in terms of gender is not mentioned, equity being only mentioned for students with special needs "Access and equity for students with special needs".

No In-Country Sub-Project on gender issues such as promotion of girls education exist, but is also important to consider that figures for girls' enrolment and gender equity in formal schooling are quite good in the Pacific.

FSchM:

No enrolment figures were available during the mission.

PACREIP:

No special attention has been given to gender balance in the provision of training for trade negotiators.

Several NRM regional programmes such as DSAP, RVP and COFISH started their national operations with participative assessment of resource user groups and development needs. Although not specifically gender-oriented, these assessments and the related responses have taken into account all sectors of society and economic life, including the role of women, as members of households or as productive and social operators. These interventions had a direct or indirect impact on female livelihoods.

For example DSAP promotes community-based projects through targeting farmers associations including women and youth groups identified by the community leaders through participative assessment methodologies. In Vanuatu, in particular, women are the majority of farmers in some areas. DSAP supported their adoption of improved farming systems providing a considerable contribution to food security and to the generation of income for the rural households, enhancing their role as lead farmers and extensionists and improving their access to markets.

PROCFISH/C and CO-FISH evaluation and monitoring documents provide clear evidence of the integration and effective coverage of gender strategies. SPC publishes a 'SPC Women in Fisheries Information Bulletin'. SPC and FFA project staff interviewed during the field mission made clear reference to the integration and effective coverage of cross-cutting issues within their EC-supported projects.

**I 9.1.4: Evidence of progress been made in advancing gender related issues and the role of women in society**

Apart from the effective actions undertaken with or for women's groups no information is provided in project monitoring & evaluation reports on the impact on gender issues on society. In general women's status has not improved, particularly in recent years (according to the diagnosis of the country strategy paper).

The integration of gender-related issues into some regional declarations and national policies indicates their institutional advancing. For example the Forum Basic Education Action Plan in 2001 mentions equity as a goal of improving Basic Education; it also confirms the EFA goal of "special emphasis on girls" and on the improvement of literacy "especially for women". The Action Plan more specifically formulated: "Eliminating gender disparities in primary and secondary education by 2005, and achieving full gender equality in education by 2015".

**JC 9.2: EC commitments relating to environmental impact have been taken into account in the formulation of all EC interventions and as a result environmental protection has been improved.**

**I 9.2.1: Explicit references to environmental aspects in the RSP and the CSPs**

RIP EDF 8: On page 7: 'The overall aim of the natural resources development and environment management strategy is to achieve the optimum balance between the Pacific ACP Region's economic aspirations and the need to preserve the resources and environment for the benefit of future generations, embracing the social and cultural dimensions of development.'

On page 8: 'The need to ensure long-term sustainability is particularly important given the fact that one of the Region's most important assets, its environment, is very fragile and is being threatened by the increasing pressure put on it by new consumption requirements and trade imperatives, by population increases and by global factors such as climate change.'

Environmental protection is a major theme of the RIP for EDF 8, reflecting the importance of minerals, timber, fisheries and other natural resources in the economy of the region.

RSP EDF 9: on page 15: 'The high degree of economic and cultural dependence on the natural environment has given rise to a series of key environmental issues that must be addressed in conjunction with economic development.'

The RSP for EDF 9 has a strong theme of environmental protection, reflecting well-expressed concerns of the island states, as well as EC concerns.

Environmental concerns and potential impact of EC interventions is increasingly embedded in programme design. The share of resources allocated to the sustainable management of natural resources demonstrates the level of priority given by the EC and Pacific Island States.

At country level, sustainable development of natural marine and terrestrial resources is constantly presented as a major global objective in the EC strategy documents.

All the CSPs for the 8<sup>th</sup> and 9<sup>th</sup> EDFs mention environment systematically when recalling provisions relating to cross-cutting issues of the general agreements. There are three standard sections where this issue is mentioned: 1) EC Cooperation Agreement, 2) Objectives of future cooperation, 3) Coherence and complementarity (for full text reference please refer to I 9.1.1).

In all 9<sup>th</sup> EDF CSP, in the chapter Analysis of Political, Economic and Social Situation the Environment has an important position. The majority of the countries have a fragile environment threatened by human pressure. Major issues are:

- Urban waste management provoked by migration from rural zones and outer islands;
- The necessity of environmental sustainability of economic development, often mentioned in relation to tourism;
- Climate change and global warming and the long term impact these will have on the Atolls.

In some countries like PNG and Solomon Islands, the unsustainable exploitation of natural resources represents a real but avoidable threat to these delicate systems: abusive logging (in certain cases perpetrated by foreign logging companies that do not follow recommended harvesting practices), unsustainable fishing... Although policy makers usually adhere in words to the principles of equitable and sustainable exploitation, the reality is often different.

All national policy agendas are explicitly concerned with environmental issues. They all face the necessity of finding a reasonable balance between the promotion of economic growth and environmental considerations.

The EC response strategy at country level envisages many specific actions in relation to environmental issues. In some cases the focal areas are dedicated to these issues; the amounts dedicated to them are considerable.

Outside these specific interventions, rare are the cases where the CSP mentions that environment-related aspects should be taken into account during the implementation of non-specific interventions.

**MENTION OF ENVIRONEMENT IN THE CSP**

	8 <sup>th</sup> EDF	9 <sup>th</sup> EDF
Cook Islands	_	A1, 2, 3 _ B - _ CC
Fiji	A1 _ B - _ NPA _ SAC2	A1, 2, 3 _ B - _ NPA
Kiribati*	A1 _ B - _ NPA _ SAC2	A1, 2, 3 - _ B - _ NPA _ S
Marshall Islands	_	A1, 2, 3 _ B- _ NPA _ SAC
Micronesia	_	A1, 2, 3 _ B - _ NPA _ S _ SAC
Nauru	_	A1, 2, 3 _ B - _ SAC
Niue	_	A1, 2, 3 _ B - _ SAC
Palau	_	A1, 2, 3 _ NPA_ B + _ SAC
Papua New Guinea	A1 _ CCAC1_ SAC2 _ S	A1, 2, 3 _ B -- _ SAC2

Samoa*	A1 _ SAC	A1 _ PNA _ SAC
Solomon Islands*		A1, 2, 3 _ B --
Tonga	A1 _ SAC1 _ S	A1, 2, 3 _ B - _ PNA
Tuvalu*	A1 _ SAC2	A1 _ PNA _ SAC
Vanuatu*	A1 _ S	A1 _ B - _ S

A+ 123 : Reminder of the provisions of the general **A**greement. 123 : number of the provision  
 B + --; -; +; ++: **B**ackground of environment in the country. -- Very negative situation; -  
 Negative; + Positive; ++ Very Positive

NPA: Priority in the **N**ational **P**olitical **A**genda

S: **S**pecific actions in the PIN

SAC: **S**pecific actions in the PIN as an **A**rea of **C**oncentration

CC: To take into account as a **C**ross-**C**utting issue in non-specific interventions

CCAC: To take into account as a **C**ross-**C**utting issue in non-specific interventions part of an  
**A**rea of **C**oncentration

**I 9.2-NEW Specific interventions have been directly dedicated to environmental protection and management**

Numerous specific interventions have been implemented as planned in the RIP and the NIP :

- in agriculture DSAP, PP,
- in fisheries PROCFISH, COFISH, DEVFISH,
- in environmental management RVP, PEIN.

Further other specific interventions where financed under the Forest and Environment Budget Lines.

In total 191.4 M € have been committed from 1997 to 2005 to environmental specific interventions at regional and at country level: natural resources management, energy and fisheries development. This corresponds to more than 30% of the total funds committed.

**For other interventions no covered under previous indicator - I 9.2.2: Explicit references to environmental aspects to be taken into account during the implementation of the interventions**

The main EC regional project in support of trade development (PACREIP) includes a component for assistance in drafting of biosecurity bills and for environmental impact assessments relating to new trade arrangements. The biosecurity work will be undertaken through a Contribution Agreement (EUR816,000) with the SPC and the environmental impact assessments through a Contribution Agreement (EUR81,000) with the SPREP.

Provision is made for environmental impact assessments for new trade developments in PACREIP. For both PICTA and Pacific trade with the EU the volumes of trade are small and consequently environmental impact is likely to be small.

The USP-HRD “will allow a clearer understanding of the environmental considerations by enhancing understanding of the environmental implications, the implications of tourism on the environment and environmental impact of labour and employment policies.” (FA, page 9)

For other interventions no covered under previous indicator - I 9.2.3: Evidence that the environmental aspects have been taken into account by the interventions (for example internal monitoring systems takes into account environmental aspects, specialised studies have been carried out)

With regard to regional integration and trade, EC interventions relating to biosecurity and environmental impact assessments of new trade arrangements had only recently commenced and no environmental impact assessments have yet been carried out under PACREIP.

USP-HRD TSP includes environmental aspects of tourism in its courses.

#### I 9.2.4: Evidence of progress been made in advancing environmental protection.

Most programmes in the NRM and fisheries sectors include resources assessment or are based on previous resources assessment initiatives and on their policy orientations.

Monitoring of marine and land resources has been the subject of extensive programmes during past EDF periods, by regional organizations and other donors.

Current 8<sup>th</sup> and 9<sup>th</sup> EDF programmes have consolidated assessment and monitoring systems and developed regional and national response strategies, strengthening national capacity and regional coordination and harmonization, adapting the tools and methodologies to the emerging issues.

For example, the vulnerability studies and mapping developed in the PICs within the RVP programme is an adaptation of a common approach to national issues and priorities.

The update of the agriculture pest database in PICs aim at building the countries and the region capacity to respond effectively to potential threats arising in the region.

Agriculture programmes such as DSAP and PPP (refer to MTRs) contributed to the development and adoption of more environmental-friendly farming systems, Integrated Pest Management Practices, as well as conservation and restoration of biological diversity. Other projects had specific contributions on water resources management, coastal protection (RVP) and on establishment and management of marine and terrestrial protected areas (see Budget line projects). PEIN and other projects were effective in raising awareness and facilitating access to environmental information and education.

Energy programmes in Small PICs improved efficiency of energy systems and promoted the adoption of renewable sources, thus reducing pollution and dependence on imported oil.

JC 9.3: Consideration of human rights and conflict prevention has been incorporated in all EC interventions, where relevant, and clear and appropriate arrangements have been made to ensure that human rights are protected and risks of conflict are avoided.

I 9.3.1: Explicit references to human rights and conflict prevention aspects in the RSP and the CSPs

For RIP :

#### A) HUMAN RIGHTS

RIP EDF 8. Priorities listed include a priority relating to human rights (p2) : 'Continued observance and consolidation of the principles of democracy, good governance as well as respect for the rule of law, human rights and fundamental freedoms;'

RSP EDF 9: On page 35 human rights are mentioned in the context of curriculum development.

The RSP appends the Biketawa Declaration (Annex 10). This establishes as a principle of Pacific Island Forum members (p. 56) : 'Belief in the liberty of the individual under the law, in equal rights for all citizens regardless of gender, race, colour, creed or political belief and in the individual's inalienable right to participate by means of free and democratic political process in framing the society in which he or she lives.'

## B) CONFLICT

There is no mention of physical conflict in the RIP EDF 8.

Conflict is mentioned in RSP EDF 9, in the context of the Biketawa Declaration (p.12) : '*...Biketawa Declaration* which lays the basis for regional Political Cooperation and creates a mechanism for regional conflict prevention and resolution (see Annex 10).'

The RSP for EDF 9 also notes some causes and consequences of conflict (p. 16) 'However, the main situations that have involved overt conflict in the Pacific in the past twenty years all involve at least four common elements: ethnic differences; land disputes; disparity of economic opportunities; and a lack of confidence in the government's ability to resolve differences fairly or satisfactorily. Recent political instability and civil unrest in Melanesian countries has seen a worsening of their environment for investment.'

At regional level, no specific interventions are planned on this issue.

All the CSPs for the 8<sup>th</sup> and the 9<sup>th</sup> EDF, mention systematically human rights under the section 'Coherence and Complementarity' when recalling provisions relating to general agreements (for full text reference please refer to I 9.1.1).

The political situation is described in all the CSP justifying the different intensities of response to this issue. Fiji, Solomon Islands and Papua New Guinea polarize attention on this issue.

Fiji's political instabilities and the coup of May 2000 led to a strong response from the Commission which committed itself to aiding reconciliation and conflict reduction. Fiji was selected by the Commission as a focus country for the European Initiative for Democracy and Human Rights (EIDHR) for the period 2002-2004. The identification of Fiji as a focus country for EIDHR entails that a stable allocation will be attributed to the country during the period (averaging € 1,3mn per year).

The Solomon Islands face political instabilities rooted in racial tensions and ethnic conflict. This situation is described in the CSP that based its response strategy on a post-conflict rehabilitation programme.

The Papua New Guinea conflict in Bougainville is also a hot spot in the region. To support the peace process, the CSP 9<sup>th</sup> EDF planned to dedicate a substantial share of the education and rural water supplies programmes (area of concentration) to this region. Outside the areas of concentration funds are planned to foster good governance: voters education, support to elections and in the context of the integrated approach to conflict prevention including reintegration and rehabilitation of ex-combatants.

Kiribati began to experience social problems rooted in a combination of rural migration and youth unemployment.

In these countries all the operations are destined to contribute to political stability – recognized as a pre-condition for future development and a framework for social progress. Actions such as the enhancement of human resources through better education and training, the improvement of social and economic infrastructures are seen as means to stem flow of migrants to capitals and to potentially contribute to conflict prevention.

Other countries like Tonga, Tuvalu or Vanuatu had a stable political environment, combined with the principles of good governance, and rule of law. No abuses of human rights are denounced. The potential for violent conflict is described as minimal and nothing is foreseen in the CSP either as a specific action or as a cross-cutting issue.

### **MENTION OF HUMAN RIGHTS AND CONFLICT PREVENTION IN THE CSP**

	8 <sup>th</sup> EDF	9 <sup>th</sup> EDF
Cook Islands	_	A3 _ B ++ _ CC
Fiji	A1 _ B-- _ S	A1 _ B -- _ NPA _ S _ EBDHR
Kiribati*	A1 _ B+	A1 _ B - _ NPA _ CC
Marshall Islands	_	BL
Micronesia	_	A3
Nauru	_	A3
Niue	_	A3
Palau	_	A3
Papua New Guinea	A1 _ S	A3 _ B -- _ S _ CC
Samoa*	A1	B + _ PNA _ CC _ B
Solomon Islands*	A1 _ S	A3 _ B -- _ SAC _ BL
Tonga	A1 _ S	A3 _ B ++ _ BL
Tuvalu*	A1	B ++ _ BL
Vanuatu*	A1	A1 _ B++

A+ 123 : Reminder of the provisions of the general **A**greement. 123 : number of the provision  
B + --; -; +; ++: **B**ackground of environment in the country. -- Very negative situation; - Negative; + Positive; ++ Very Positive

NPA: Priority in the **N**ational **P**olitical **A**genda

S: **S**pecific actions in the PIN

SAC: **S**pecific actions in the PIN as an **A**rea of **C**oncentration

CC: To take into account as a **C**ross-**C**utting issue in non-specific interventions

CCAC: To take into account as a **C**ross-**C**utting issue in non-specific interventions part of an **A**rea of **C**oncentration

EIDHR: Stable allocation within the EIDHR during the period 2002-2004

BL: Mention of the possibility to benefit from budgetary lines

**I 9.3 NEW – Specific interventions have been directly dedicated to promote human rights and conflict prevention aspects**

At regional level, the Commission is seeking to promote good governance and democracy in the region through the following intervention: 'Transforming our Communities through Good Governance' that will be implemented by the University of the South Pacific. The grant contract was signed in April 2003.

The Commission has intervened to provide support for human rights protection and conflict prevention at a national level where circumstances require it. Fiji has suffered from racial conflicts in recent decades. The Commission is providing support to the Fiji Human Rights Commission for 'Capacity Building for the Fiji Human Rights Commission'. The grant contract was signed in July 2003. The Commission is also providing support to the Citizens' Constitutional Forum of Fiji for Democratisation, Human Rights and Ethnic Group Reconciliation in the Fiji Islands'. The grant contract was signed in January 2004. The Commission is also providing support to Live and Learn Environmental Educational for 'Imagining Tomorrow: Towards a Peace Building Education for Children in Fiji Islands'. The grant contract was signed in December 2005.

In Solomon Islands the Commission provided in 2000 a € 0.5 million programme for assistance to the displaced persons under the Rehabilitation Budget Line.

Displaced persons will receive further assistance through a € 12.6 million Post-Conflict Rehabilitation package, agreed in July 2001 and funded from existing NIP and Stabex resources, which also includes emergency assistance to the education sector and the December 2001 elections.

**For other interventions no covered under previous indicator - I 9.3.2: Explicit references to human rights and conflict prevention aspects to be taken into account during the implementation of the interventions**

HRD interventions: no references have been found in project documents, except on Good Governance which should be one of the issues addressed by PRIDE.

A coordinated regional management of the most important regional commodity e.g. oceanic fisheries, which is unfortunately straddling by nature, is seen as highly significant in terms of regional conflict prevention. Fishery management does cover biological and ecological aspects, but also requires national and international political dialogue.

For the other interventions no mentions has been found.

**For other interventions no covered under previous indicator - I 9.3.3: Evidence that human rights and conflict prevention aspects have been taken into account by the interventions (for example specific studies have been take into account)**

PRIDE: Nothing has been found on this issue.  
For fisheries, start of the VMS to restrict unauthorised intrusions into EEZs.

#### I 9.3.4: Evidence of progress been made in advancing human rights and conflict prevention aspects

The Biketawa Declaration of Pacific Island Forum members in 2000 can already be understood as an advance in conflict prevention and human rights. It makes commitments on conflict prevention: 'Recognising the importance of averting the causes of conflict and of reducing, containing and resolving all conflicts by peaceful means including by customary practices. The Forum must constructively address difficult and sensitive issues including underlying causes of tensions and conflict (ethnic tension, socio-economic disparities, and lack of good governance, land disputes and erosion of cultural values).'

But at country levels, the situation has not progressed. The situation is still delicate in Solomon Islands, Papua New Guinea and to a less important extent in Fiji. Although political stability has been achieved in recent years Fiji's Indigenous inhabitants and Indo-Fijians continue to seek improved social relations and a sustainable power-sharing arrangement that can effectively address inter-group tensions. In Papua New Guinea (PNG), after Bougainville conflict period is characterised by persistent instability elsewhere in the country rooted by inter-group conflict, high crime rate and the loss of State control over certain provinces, some awash with illicit arms. Solomon Islands is since July 2003 assisted by an Australia-led regional intervention force of more than 2,000 police and military personnel. Further Economic crisis now grips Nauru, while considerable political uncertainty exists in Samoa, Tonga and Vanuatu. Small size, isolation, limited resources, poor infrastructure, rapid population growth, high unemployment, increasing urbanization, and environmental degradation make Pacific Island countries particularly vulnerable to internal dynamics and global economic trends.

It has to be notice that in fisheries, less unauthorised intrusions into EEZs have been noticed since start of the VMS. All countries are signatories to regional fishing conventions defining and standardising fishery regulatory enforcements thus preventing enforcement conflicts between nations as well as inter-country loop-holes to seek by offenders

## EQ 10

### G. 3 C's

**EQ 10. To what extent did instruments of EC support and other EU policies contribute to the realisation of overall and sector objectives and to what extent was the EC support coordinated with the work of other donors so as to achieve complementarity and donor harmonisation?**

**A. To what extent were other European policies coherent with the different aspects of the EC interventions?**

**B. To what extent were the EC regional interventions coordinated and complementary with those of other donors?**

***JC 10.1: EC policies not directly concerned with ACP States or the Pacific region have reinforced the achievement of overall designated impacts of interventions in the Pacific region and were taken into account when designing specific sector strategies so as to ensure internal coherence.***

Four EC policies have had an impact on the EC development strategy for the Pacific region:

1° The Common Agricultural Policy (CAP) and the Sugar Common Market Organisation (CMO)

CAP approaches have been used with success in EC interventions in the Pacific aiming at rural development. These best practices are: bottom-up approaches, promotion of self determination of rural development, decentralised information and communication. On the other hand, the CAP is widely regarded as a major impediment to the development of agricultural trade in developing countries. In the Pacific, the CAP has a very limited effect on trade due to the high unit costs of production and delivery of agricultural products relative to other countries.

The Fiji sugar industry has benefited through the Sugar Protocol from the high prices fixed by the Sugar Common Market Organisation.

2° The Common Fisheries Policy (CFP)

The CFP was formulated to accord with Commission commitments to developing countries. The Cotonou Agreement includes a commitment of the Commission to ensure that any fishery agreement between the Commission and the ACP states takes account of regional strategies.

3° The environmental policy

In accordance with its environmental policies, several EU member states provide direct support to developing countries for ratification and enforcement of various UN conventions on the environment.

4° EC policy regarding the 5 Pacific Overseas Countries and Territories (OCTs)

This policy reflects the main objectives of the European Community's development policy and consequently are in close accord with the commitments of the Cotonou Agreement for the partnership with ACP states. Part of the Commission support to OCTs is devoted to their participation in ACP Regional Programmes, thus enhancing the links between Commission interventions for OCTs and interventions for ACP countries.

### I.10.1.1: Regional Strategies take into account the potential impacts and risks of other European Policies on Development Policies

The following elements illustrate the awareness by the Commission of the need for coherence between the objectives of the regional strategies and its willingness to strengthen this coherence to offset the negative impacts or the risks of some of its policies.

#### 1° Common Fishery policy

The 9th EDF RIP covers the implications for the region of the Common Fishery Policy and the conclusion of bilateral tuna fishing agreements with PACP countries. Article. 23 of the Cotonou Agreement states that: "any fishery agreement that may be negotiated between the Community and the ACP States shall pay due consideration to the consistency with the development strategies in this area". Agreements fix the rules of access of European vessels to the fishery resources of the Region and take account of the following elements set out in the Resolution of the European Council of Ministers of State:

- scientific knowledge of the fishery resources and determination of the allowable catch;
- flexible adjustment of fishing possibilities;
- application of the precautionary principle as laid down in the Code of Conduct for Responsible Fisheries;
- implementation of protective measures for small-scale fishing and for subsistence fishing;
- observance of the principles of good governance, with financial compensation to be paid and used in accordance with sound budgetary management practice, and national Poverty Reduction plan;
- guarantee that the development and management of fisheries agreements be based on a functioning Monitoring-System of their environmental, economic and social impacts in Partner Countries.

Two fisheries agreements have been signed over the last years with countries of the region:

The agreement with Kiribati (period 16/9/2003-15/9/2006, € 1.4 million) includes provisions of 18% (first year) to 24% (following years) dedicated for actions to promote conservation of resources and sustainable development: participation in regional and international fisheries meetings, institutional support and contributions to regional and international organisations.

The agreement with Solomon Islands (period 1/1/2005-31/12/2007, €1.2 million) includes similar provisions to promote sustainable fisheries. This takes the form of a multi-annual sector programme agreed mutually in the context of a political dialogue and aiming at establishing responsible fishing in the EEZ of the Solomon Islands.

Finally, the ratification by the European Community of the WCPFC, that entered into force in June 2004, is an additional commitment to support, through effective management, the long-term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean.

#### 2° Trade policy

The Commission's Everything But Arms (EBA) initiative applies to several countries of the region: Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu. This provides unrestricted access for these countries to EU markets for all products except arms, with the exception of bananas, rice and sugar, on which duties are being phased out.

### 3° Sugar protocol

The RSP mentions also the benefits derived by Fiji from the Sugar Protocol. Under the Protocol, Fiji is able to export a quota of sugar to the EU at prices that have been historically much above the world price for sugar. It is estimated that the value of the concession to the Fiji sugar industry is about €50 million per year. Fiji is the second largest beneficiary of the Sugar Protocol, after Mauritius. The RSP recognises the consequences to Fiji of the reductions in preferential prices that will be made in the next few years. The Commission is assisting in the restructuring of the Fiji sugar industry. (see also 10.1.3 below)

#### I 10.1.2: Evidence that the other European Policies induced benefits in line with the regional strategies

The Community has played an active part in the preparation of three international instruments which supplement and spell out the measures taken within the framework of the **Law of the Sea Convention**, namely:

- The agreement promoting compliance by fishing vessels on the high seas with international conservation and management measures adopted by the FAO in 1993;
- The Code of conduct on responsible fishing, adopted by the FAO Conference in November 1995 following the 1992 Cancún declaration;
- The agreement applying the provisions of the United Nations Convention on the Law of the Sea for the conservation and management of fish stocks moving within and beyond the exclusive economic zones (straddling stocks) and the main migratory fish stocks, known as the New York Agreement, which was adopted in 1995.

With the ratification of the latter Convention, the Community is now a party to all these instruments. The benefits for the Pacific Countries is non negligible for, on the one hand, the participation of Community increases the credibility of the Convention, and on the other hand it creates a forum for the formulation of coherent policies encompassing the economic objectives of all the participants, together with the developmental constraints of some of them, and the global challenge of sustainability of the resources common to all.

The **Common Fisheries Policy (CFP)** is the European Union's internal instrument for the common management of fisheries and aquaculture, as required by the EU Treaty. The first measures date from 1970 when rules for access to fishing grounds, markets and structures were set. However, it was only in 1983 that the CFP was born, when Member States decided that the Community would manage fisheries in the waters under their jurisdiction and represent their interests in international negotiations.

The CFP can be divided into four main components dealing with:

- Conservation of fish stocks by fixing TACs and national quotas as well as adopting technical rules such as minimum mesh size, gear regulation, minimum fish sizes, and the utilization of log books;
- Structures such as vessels, port facilities and fish processing plants are dealt through measures such as funding for fleet modernization or fleet reduction projects. Given the reduction of marine resources in EU waters, each MS plans the restructuring of its fleet within a multi-annual guidance programme (MAGP) which sets out objectives and the means to achieve them;

- Common organisation of the market, with the objective of matching demand and supply, creation of a single market and the incentive of international trade;
- External relations, which include negotiations on international organisations and fishing agreements with non-Community members that give EU vessels the possibility of fishing in non-Community waters.

The Member States must ensure that CFP regulations are respected. The CFP was revised in 1992. This first revision concluded that technical measures and controls of catches were not preventing over-fishing effectively enough and that fishing effort had also to be regulated. The structural component therefore became very important and, additionally, the link between the different components was reinforced. For instance, without the existence of Fisheries Agreements with third countries, the main instrument of the external component of the CFP, structural measures reducing European fishing capacity would have been more severe. In spite of the measures taken, the situation did not improve as expected and a second revision of the CFP was undertaken in 2000.

**EU Common Agriculture Policy (CAP)** over the last decade influenced EC cooperation strategy in the field of agriculture and natural resources. The key aspects of this reform found in **EC-PACP cooperation** are the following:

- Emphasis on bottom-up development in rural areas with active involvement of different stakeholders and empowerment by local actors such as NGOs, producers associations, service providers and civil society; the so-called LEADER approach is promoted in programmes like the “Development of Sustainable Agriculture in the Pacific – DSAP” and “Coastal Fisheries Development –CoFish” where stakeholders’ resources and social assessment are the basis for resource use planning, and investment promotion.
- The promotion of self-determination of rural development through the support and direct financing of sustainable natural resources management initiatives. The micro-project mechanisms and call for proposals schemes have been increasingly applied in the Pacific region as well as the role of Non-State actors in socio-economic development.
- The growing success and influence of decentralised information and communication relays in EU territories (ref. Carrefour infocentres, now renamed EuropeDirect information relays network) can be seen as a best practice which approach and objectives is found in the Pacific Environmental Information Network (PEIN).

### **Sugar Common Market Organisation (CMO)**

Commission agricultural price support measures have had some beneficial effects in the Pacific region. The Sugar Protocol benefiting from the Sugar CMO prices has formed the basis of the sugar industry in Fiji. For many years sugar has provided incomes for farmers that are considerably higher than would otherwise have been achieved. (For CAP and sugar CMO negative effects see below I 10.1.3)

In line with its **Environmental Policy**, the EU and several Member States provide direct support to third countries for the ratification and enforcement of UN Conventions related to the World Summit on Sustainable Development (WSSD) process, in particular for the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, the Convention on Biological Diversity (CBD), the Ramsar Convention on Wetlands, the UNESCO world heritage sites network and other global initiatives.

For other NRM fields such as sustainable forest management, marketing of eco-timber, preservation and trade of protected species (CITES), the participation of EU and the Member States in international Commissions and Fora, as well as in relation to the WTO regulations have an indirect positive effect on the EC strategies and approaches in these fields.

### **Overseas Countries and Territories (OCT)**

Part Four of the EEC Treaty created "the association of the overseas countries and territories,". meaning the association dates back to 1957. The objectives of this association were laid down in Articles 131 - 135 of the Treaty of Rome, now Articles 182 - 188 of the Treaty establishing the European Community. The purpose of this association, according to Article 182, is "to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole."

5 OCTs are situated in the Pacific in proximity to the PACP countries. Pitcairn, French Polynesia, New Caledonia and its dependencies, Wallis and Futuna.

The specific objectives of the association arrangements reflect the main objectives of the European Community's development policy as within other development frameworks such as the Cotonou Agreement:

- reduction, prevention and eventual eradication of poverty;
- sustainable development;
- gradual integration of the OCTs into the regional and world economies.

As with other cooperation agreements, the association of the OCTs with the EC is also based on the principles of freedom, democracy, and respect for human rights and fundamental freedoms. There must be no discrimination based on sex, racial origin, religion, age, etc.

If one compares Programming documents of the Pacific Overseas Countries and Territories (OCT) with EC cooperation strategies with the PACP, ones finds the same or similar priorities and focus areas of EC cooperation, as shown in the table below.

OCT	8 <sup>th</sup> EDF	9 <sup>th</sup> EDF
French Polynesia	Environment: Water & Sanitation Fisheries & Marine Resources	Environment: water & sanitation (75%) Outer islands social development (housing)
New Caledonia	Economic, health & social infrastructure (71%) Support to economic diversification (24%)	Continuous vocational training
Pitcairn	Budgetary support for: maritime and airline infrastructure, public buildings & modern communications	
Wallis and Futuna	Maritime infrastructure & fisheries (50%) Environment protection, biodiversity and forestry	School infrastructure. Ports & maritime infrastrure.

OCTs participated in the region as members of many regional organisations or groups such as New Caledonia in the Melanesian Spearhead Group. Part of EC support (non-programmable envelope) to OCTs is devoted to participation in ACP Regional programmes or sub-regional programmes in the following sectors: sustainable agriculture (DSAP), Plant Protection (PPP), Fisheries (PROCFISH-COFISH), Tourism and Energy initiatives, increasing the relevance and the effects of the programmes.

### I 10.1.3: Evidence that the other European Policies induced negative effects on the regional strategies

The main Commission policy impacting on trade is the **Common Agricultural Policy (CAP)**. The CAP is one of the cornerstones on which the process of European integration was built. In the context of international trade development, however, it raises significant issues of coherence and complementarity.

This is recognised in the Commission document 'Trade and Development: assisting the developing countries to benefit from trade.'<sup>1</sup> It is noted (p. 21) that: 'Greater policy coherence between different EU policies with an external dimension is necessary.' The recent Commission communication entitled 'Towards a Global Partnership for Sustainable Development' stresses the need to improve the coherence of EU policies and remarks: 'To that end the EU should continue the process of adapting key policies, including the Common Agricultural Policy, the Common Fisheries Policy, and EU policies on trade, energy, transport and industry to the internal and external objectives of sustainable development. At the World Summit on Sustainable Development, developing countries put considerable emphasis on these reform issues, further underlining the need to make early and significant progress on the WTO track<sup>2</sup>.'

The same document notes that (p.11): 'However, developing countries still face considerable barriers to their exports to both developed and other developing countries. Since most of the world's poor work primarily in agriculture and labour-intensive industries, further liberalisation of international trade in these sectors remains key to poverty reduction. Yet, in high-income countries the average tariff rate on agriculture is almost double the tariff for manufactures.' On page 17 it is noted that: 'In agriculture, an area of particular interest to developing countries, members have declared that "Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support".

The CAP is difficult to reconcile with policies relating to the liberalisation of trade and encouragement of developing countries to expand their exports in accordance with their comparative advantage. Many developing countries have, *prima facie*, a comparative advantage in agriculture.

The CAP is widely regarded as a major impediment to the development of the international trade of developing countries, but it is much less of an obstacle to Pacific trade. The EU market is too distant to be a major market for Pacific agricultural products, except for those

<sup>1</sup> European Commission. Trade and Development: assisting the developing countries to benefit from trade.' (COM (2002) 513 Final)

<sup>2</sup> European Commission. Towards a Global Partnership for Sustainable Development.' (COM (2002) 82 Final)

such as sugar which are the subject of special preferences. Furthermore, Pacific countries are not strongly competitive internationally in agricultural products since most lack availability of land for large scale production. One trade specialist working in the region doubted if the CAP 'had any bearing whatsoever' on Pacific trade. For the five PACP states that are LDCs the CAP is of even lesser significance since they have access to EU markets under EBA arrangements.

While the CAP may not impinge directly on Pacific trade with any force, it is probable that the trade of the Pacific region would have benefited from the faster growth in international trade that would probably have occurred if agricultural protection policies established in Europe and in other developed countries had been rapidly eliminated. As it is, they have inhibited moves for the liberalisation of world trade.

### **Sugar Common Market Organisation (OCM)**

Agricultural price support measures have been positive in developing certain industries, notably the Fiji sugar industry. For many years preferential prices for sugar have provided higher incomes to farmers than would otherwise have been achieved. However, the WTO recently ruled that sugar price support arrangements were contrary to WTO regulations and had to be dismantled. As noted under I 10.1.1 above, preferential prices are being phased out and the Commission is providing support for restructuring of the Fiji sugar industry.

The relatively high returns from cane farming resulted in some cultivation of marginal lands in Fiji, with adverse environmental effects. The Sugar Adaptation Strategy for Fiji, currently in preparation, is likely to include measures to ensure environmental protection in any future configuration of the industry.

### ***JC 10.2: EC support has been well coordinated with and complementary to the work of other donors in the Pacific region.***

The main mechanism for regional coordination of aid is the CROP Working Groups (CROP WGs), coordinated by the PIFS. These operate on a sectoral basis. Donors generally look to the CROP WGs for coordination of regional aid. Donors are not normally participants in the CROP WGs, though in some cases they are invited to participate. The CROP WG for education is regarded as being more open to donor participation than others. The CROP WGs have played an important role in ensuring that aid, including that of the Commission, is coordinated.

There are also informal aid coordination processes which are of considerable importance in preventing duplication of activities at operational level. The Commission is active in informal processes of aid coordination. The arrangements have ensured that the Commission programme is generally well coordinated and complementary to the work of other donors.

<sup>3</sup> A. V. Hughes. Strengthening Regional Management: A Review of the Architecture for Regional Co-operation in the Pacific. (Report to the Pacific Islands Forum.) August 2005.

<sup>4</sup> Pacific Islands Forum Secretariat. A Pacific Plan for Strengthening Regional Cooperation and Integration. October 2005. p. 11.

<sup>5</sup> European Centre for Development Policy Management (Instituto Complutense de Estudios Internacionales, Overseas Development Institute. Assessment of the EC Development Policy: DPS Study Report. February 2005)

The scope for co-financing is constrained by lack of harmonisation of donor practices and disparities in levels of funding available from different donors. The constraints arising from disparities in financial procedures are significant obstacles to cooperation between agencies. Nevertheless some cooperative engagements have been undertaken and more are envisaged. CA offer the flexibility that permits co-financing arrangements.

#### I 10.2.1: Evidence of donor coordination mechanisms set up

Mechanisms for donor coordination were established for the Pacific region early in the EDF 8 period. The Pacific Region Annual Review of December 1999 records that (p. 3): 'Donor consultation with Australia is particularly developed. The Commission participated in the Pacific Donors' Conference initiated by AusAID in Sydney in 1997 aimed at providing a first step towards achieving a fuller integration of donor programmes in the region. After the second Consultation held beginning July 1998 in New Zealand the Delegation of the Commission in Fiji hosted the third meeting on 7th July 1999 in Suva.'

The RSP for the 9th EDF mentions:

- The formal exchange of views between donors and national and regional representatives following the Forum Economic Ministers meeting (FEM).
- The subsequent separate meeting of donors.
- Informal meetings on the basis of common interest.
- The agreement between Australia and New Zealand to harmonise their policies and practices and the invitation to other donors.

Interviews in the region indicate a mixture of formal and informal processes of aid coordination, with significant differences of opinion regarding the effectiveness of aid coordination. The process is essentially sectoral but also fragmented, so that different players will have different views on the effectiveness of the process, depending on their own particular engagement.

The formal arrangements identified in the RSP for EDF 9 are confirmed, though they are annual events and do not cover the detail of aid coordination. The 'Post-Forum Dialogue', the dialogue between Forum Members and countries and agencies with interest in the Pacific region that follows the annual meeting of the Forum, covers development cooperation as a major part of its agenda. There is a widespread view that the Post-Forum dialogue in its present format is unsatisfactory and that changes are likely to be made.

At the centre of the formal arrangements for aid coordination closer to operational level are the CROP WGs. These operate on a sectoral basis. They came into operation in the late 1990s in the context of EDF 8 project preparation, but became more active in the EDF 9 period. They meet when necessary and are coordinated by the PIFS. Coverage of CROP WGs includes Education and Social Policy, Fisheries, Energy, Agriculture, Trade, Health, ICT, and Environment. They do not normally include donor representation, although the WG for Education was set up to coordinate the PRIDE project and includes donors. Project steering committee meetings (consisting of PACP Directors of Education, USP, SPBEA, UNESCO, UNICEF, PIFS; Delegation and RAO), other donors are invited as observers (NZ, Australia, UK, Japan, IBRD, ADB.).

There are differences of opinion over the role of NSAs in the CROP WGs. There is a widespread assumption that NSAs are involved in the CROP WGs, but this is disputed by the NSAs. NSAs say PIFS does not have a system that ensures involvement of NSAs. Some CROP WGs are more open to NSAs than others.

Donors are inclined to assume that the CROP WGs involve NSAs, and consequently that there is no need for them to engage in further consultations with NSAs. NSAs insist that even where they are engaged with CROP WGs, it is only the technical aspects of development that are covered. NSAs maintain that they are in close contact with activities 'on the ground' and that these 'grass roots' are beyond the scope of the CROP WGs. Thus there is a requirement for separate consultations with NSAs to ensure that 'grass roots' views are taken into account.

The Hughes Report<sup>3</sup> is strongly critical of the CROP WG system. It is held to be bureaucratic and cumbersome. The Report recommends the merging of the five main CROP organisations into a single Pacific Commission. The view was also expressed independently that the CROP WGs do not perform as effectively as is commonly assumed.

There is much semi-formal and informal aid coordination through project level meetings, sharing of e-mail communications and social gatherings. In this area personal contacts and relationships are important. There seems little doubt that the informal communications are important to the effectiveness of aid coordination. Donors necessarily undertake projects in related areas and it is important to ensure that the detailed activities of projects are not duplicative or conflicting.

PACREIP has a component covering trade facilitation, which is also a concern of the Regional Trade facilitation Programme established under PACER. PACREIP maintains contacts to ensure that the two programmes do not duplicate each other.

The best evidence for donor coordination in the fishery sector is the statutes of the mandated RFOs, which clearly define donor coordination in terms of financing and project activities under the umbrella of accepted development visions and targets.

There are also permanent organisational management bodies as well as programme management sub-commissions established within the RFOs, which are in part composed of projects staff supported by different donors to the organisations.

There are indications of fatigue over aid coordination in the region. The volume of e-mails in particular was cited by one agency as highly time-consuming and burdensome. Coordination can also delay projects significantly, with the benefits of coordination not always justifying the delay.

Assessments by major regional donors and financial agencies of the Commission performance regarding aid coordination were varied. One comment: 'EU is one of the most active in aid coordination.' Another comment: 'EC is well plugged in to regional coordination.' Another comment: 'EC is a bit out of the tent on coordination.' The lack of flexibility in Commission interventions was noted as an important factor inhibiting closer cooperation with other donors. The Commission is unambiguously welcome as an important provider of support to the Pacific region.

France has a limited direct role in the provision of support to Pacific ACP countries. Most resources are channelled through the Commission. A small-scale direct programme is maintained. Co-financing with the Commission is difficult because of the differences in the volume of support available. Instead, France makes minor inputs into Commission projects. For example, France financed a study of regional energy provision as an input to the formulation of the EDF 10 renewable energy programme. France seeks to link its direct support more closely with Commission operations. It is also seeking to increase the involvement of French OCTs with the Pacific Forum and the region in general.

The Pacific Plan, adopted by the Forum in 2005, is widely seen as a major step in establishing a focus for aid coordination in the region. It will no doubt give better focus and justification for regional interventions. It is, however, a broad document, with details, including details of aid inputs, to be developed over time. In the words of the Plan: 'It provides a mechanism as a 'springboard' for discussing and shaping the region's longer term future. The Pacific Plan is a living document that will continue to draw inspiration from Leaders, and from the people whom they serve, now and in the years to come<sup>4</sup>.'

China and Japan are widely regarded as operating largely outside the regional and national coordination mechanisms for development assistance. Their interventions are seen as more politically motivated than development oriented. For China, rivalry with Taiwan appears to be a significant consideration in provision of assistance.

#### [I 10.2.2: Evidence of coordinated interventions funded by EC and other donors](#)

##### Natural Resources Management

There are evidences of coordination mechanisms established at sectoral, project and issue level. For example, the sugar sector in Fiji is subject to the EC-funded Adaptation Strategy that should lead to a revised set of support measures from the Sugar Protocol facility. At the same time, the Asian Development bank (ADB) is funding the "Alternative livelihoods Development Programme" with similar objectives. In this case coordination committees and working groups fall under the line Ministry. The same can be said for the regional initiatives in the Energy sector under the coordination and implementation responsibility of SOPAC (EC, UNDP, Denmark are contributing to the sector).

##### Fisheries:

SPC and FFA as the main regional development partners of the Commission in the Pacific regional and national fishery sector are receiving funding from various international donors. While the Commission does provide specific project support budgets to certain interventions such as PROCFISH O/C, CO-FISH and DEV-FISH, additional funding to the organisations' general administrative and operational budgets is to a large extent not discriminatory.

Since all EC-supported regional fishery sector interventions are implemented under the respective governing principles and general objectives of SPC and FFA, there is a very high level of coordination between these interventions and interventions funded by other international donors.

While specific PMUs of EC-supported interventions are to a certain degree independent within the RFO's structures, SPC's and FFA's technical working groups, divisions and committees are not, thus creating an environment of constant information exchange and donor coordination covering programming, planning and implementation phases.

### I 10.2.3: Evidence of progress in the harmonization of donor practices

Evidence from stakeholders suggests that improvements in efficiency have come from improved capacity among regional stakeholders in project development, project management, fund raising and application for funds rather than improved harmonisation of donor practices. CROP agencies, regional NGOs and NSAs in micro-project programmes at national level all claim significant improvement in their capacities.

Contributions Agreements signed with the CROP agencies have eased rigorous EDF procedures. While the Commission provides specific project support budgets to certain interventions, these do not preclude additional funding from other donors or from the organisations themselves. Also general administrative and operational budgets can be used to a large extent freely. While specific PMUs of EC-supported interventions are to a certain degree independent within the CROP structures, technical WG, divisions and committees are not, thus creating an environment of constant information exchange and donor coordination covering programming, planning and implementation phases.

There are indications of continued lack of harmonisation of donor practices. For example, it was not possible to contract PFTAC to undertake the Fiscal and Financial Reform component of PACREIP. The failure to contract brought a delay of 12-18 months, according to the PACREIP Monitoring Report. Commission financial reporting requirements are incompatible with those of the IMF, the sponsor of PFTAC.

#### ***JC 10.3: EC interventions have been focused on areas in which the EC has a comparative advantage over other donors.***

Regional integration, a focal area for EDF 9, is an area of comparative advantage for the Commission, based on its own experience with the issue, although the advantage of the Commission in regional integration is tempered by the very great differences in circumstances between Europe and the Pacific.

The Commission has a comparative advantage in the development of EU-Pacific trade which no other donor can match. It has endeavoured to utilise this comparative advantage in the development of Economic Partnership Agreements with the Pacific, linking trade and development.

Fisheries might be also be considered as an area of Community comparative advantage, based on the experience of the Commission in the formulation of European fisheries agreements and agreements in other parts of the world.

The Commission might also claim comparative advantage in the agricultural sector arising from long term cooperation and experience in addressing policy and trade issues in a multi-country environment, involving both intra-regional and extra-regional aspects.

The Commission is recognised as being a large scale donor. While it finances some large programmes in the Pacific, the overall level of its regional support is relatively small. It could be argued that it has not followed its comparative advantage in the provision of aid in substantial volume. It is noted that the financial provision for EDF 10 is substantially above that for EDF 9.

### I 10.3.1: Distribution of EC interventions compared to identified EC areas of comparative advantages

Intervention by donors on the basis of their comparative advantage means that each donor will contribute in the area in which it can be most effective. Duplication will be eliminated, since each donor will intervene in specialist areas dictated by their comparative advantage.

The prescription depends, however, on the way in which an area of comparative advantage is defined. For example, the Commission would be widely recognised as having a comparative advantage in matters of 'regional integration'. However, the comparative advantage will be less widely recognised in 'Pacific regional integration'.

Even with this limitation, however, the idea of comparative advantage provides a useful basis for consideration of where a particular donor can most effectively intervene, taking into account the skills and experience available from other sources.

An evaluation of the Commission development policy<sup>5</sup> provides a matrix of perceived comparative advantage of the Commission.

#### Matrix of Perceived Comparative Advantage of the European Commission

List of most-cited EC Comparative Advantages	EC – COM(2000) 212	Study Interviews 2004					
		European Commission (HQ and delegations)	European Parliament	Member States	Northern CSOs	External experts	Partner countries' governments & CSOs
Number of opinions expressed		31+17	9	16	8	3	8+18
Political neutrality							
Areas of Community Competence							
Volume of aid / scale							
Focal point for EU coordination and collective action (+ peer pressure)							
European values / vision	Partly mentioned						
Global reach							
Excellence in certain areas							
Grant nature of assistance							
Integrated approach (development, trade, political dimension...)							
Full range of instruments (grants, loans, humanitarian aid...)							
Own experience: enlargement, regional integration, economic development							
Partnership approach (dialogue and joint management)							
EU as a global player (politically)							
Accumulated experience of 25 MS (spreading best practices)							
Culture & values of cooperation and collective action							

*Methodological notes: See original document. The answers of partner countries governments and external experts should be taken with caution given the low number of respondents.*

**Political neutrality** is seen by all respondents as a major Commission comparative advantage. **Areas of Community Competence** and the **Volume of Aid** are also widely recognised as giving comparative advantage.

The study does not list comprehensively the 'Areas of community competence' but mentions regional integration, enlargement, trade and security. It also notes (p. 32) that 'community competence in trade is now much more entrenched than it was in 2000 and trade related capacity building has become an important area of assistance.' Fisheries might be regarded as an area of community competence, though it is not mentioned. The Commission might also claim comparative advantage in the agricultural sector arising from long term cooperation and experience in addressing policy and trade issues in a multi-country environment, involving both intra-regional and extra-regional aspects.

There is recognition in the Commission and amongst the Member States of the EU that the Commission has a comparative advantage in an integrated approach to development issues, combining development with trade and a political dimension. This comparative advantage is apparent in the concept of Economic Partnerships Agreements, although the way in which the trade and development can be most effectively combined has not yet been fully identified.

The Commission itself recognises a range of comparative advantage (columns 2 and 3), including an '**Integrated approach**', a '**Full range of instruments**', and its own experience of **regional integration**. The integrated approach is particularly relevant in relation to the trade and development interventions related to the development of EPAs or the Common Fishery Policy. The experience of regional integration is also particularly relevant. In this regard, Commission interventions are well-aligned with Commission comparative advantage.

Whilst 'regional integration' appears to be a strong comparative advantage of the Commission, the relevance of the European experience to the Pacific should not be overestimated. The Pacific region comprises islands, some very small, distributed over a large area of ocean. Communications can be difficult and costly. The region has distinct ethnic divisions and corresponding cultural diversity. Intra-regional trade for the Pacific ACP states is very small, whereas intra-European trade is a major proportion of the trade of many Member States. The small states of the Pacific tend to be circumspect about regional integration, fearing the dominance of the larger states. There are concerns also amongst the Pacific Island Countries that regional integration may be unduly influenced by the technical and financial capacities of Australia and New Zealand, which they cannot match. The one integrative advantage that the Pacific region has over Europe is that all PACP countries use English extensively in business and government. Application of the European experience to the Pacific has to take account of the very different circumstances of the Pacific.

The Commission is seen as having a comparative advantage in 'volume of aid'. While the Commission finances substantial projects in the Pacific region, the overall level of its aid to the Pacific is relatively modest compared with that of other donors.

One Commission comparative disadvantage emerges from interviews in the Pacific region. The Commission lacks flexibility and capacity for rapid processing of proposals for support. Its internal commitments require that proposals are carefully assessed and financial records are maintained in a complete and complex form. Administrative costs and delays are consequently high, with the result that the Commission is largely confined to interventions of substantial size. It tends also to favour shorter term interventions (3 to 5 years) and this further limits the delivery capacity.