

**COUNTRY LEVEL EVALUATION
Maldives**

Final Report

VOLUME I: MAIN REPORT

26th November 2010

Evaluation carried out on behalf of the European Commission





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**Evaluation of the European
Commission's Co-operation with
Maldives**

Country Level Evaluation
Contract n° EVA 2007/geo-non-ACP

Final Report
VOLUME I: MAIN REPORT

November 2010

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ADE, Particip, DIE, ODI, EIAS & ICEI.
The opinions expressed in this document represent the
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countries concerned.*

Evaluation of the European Commission's Co-operation with Maldives

Country Level Evaluation

The report consists of two volumes:

VOLUME I: DRAFT FINAL REPORT

VOLUME II: ANNEXES

VOLUME I: DRAFT FINAL REPORT

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- 1. Introduction**
- 2. Evaluation Process and Methodology**
- 3. EC strategy and Co-operation with the Maldives**
- 4. Responses to the Evaluation Questions**
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Acronyms

| | |
|-------|---|
| AAP | Annual Action Programme |
| ADB | Asian Development Bank |
| AG | Attorney General |
| ALA | Council Regulation (EEC) 443/92, governing European Community financial and technical and economic co-operation with Asia and Latin America |
| ASEAN | Association of Southeast Asian Nations |
| ASEM | Asia Europe Meeting |
| CAT | Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment |
| CBO | Community-Based Organisation |
| CC | Climate Change |
| CCPR | International Covenant on Civil and Political Rights |
| CECB | Constituency Elections Complaints Bureaus |
| CEDAW | UN Convention on the Elimination of all Forms of Discrimination against Women |
| CERD | International Convention on the Elimination of All Forms of Racial Discrimination |
| CESCR | International Covenant on Economic, Social and Cultural Rights |
| CIDA | Canadian International Development Agency |
| CRC | Convention on the Rights of the Child |
| CSO | Civil Society Organisation |
| CSP | Country Strategy Paper |
| DCI | Development Co-operation Instrument |
| DCMP | Drugs Control Master Plan |
| DER | Department of External Resources (Ministry of Foreign Affairs) |
| DFID | Department for International Development (UK) |
| DG | Directory General |
| DPH | Department of Public Health |
| DRR | Disaster Risk Reduction |
| DTIS | Diagnostic Trade Integration Study |
| EBA | Everything But Arms |
| EC | European Commission |
| ECA | Electoral Constituency Act |
| ECBs | Elections Complaints Bureaus |
| ECD | European Commission Delegation (in Colombo, Sri Lanka) |
| ECHO | European Commission Humanitarian Aid Office |
| EIB | European Investment Bank |
| EIF | Extended Integrated Facilitator |
| EIHDR | European Initiative for Democracy and Human Rights |
| EPA | Environmental Protection Agency |
| ERC | Environmental Research Centre |
| ERMS | External Resources Management Section (MoFT) |
| FAO | Food and Agriculture Organisation |
| FDI | Foreign Direct Investment |
| FLEGT | Forest Law Enforcement, Governance and Trade |
| FWC | Framework Contract |
| GATS | General Agreement on Trade and Services |
| GCCA | Global Climate Change Alliance |

| | |
|--------|--|
| GDP | Gross Domestic Product |
| GEF | Global Environment Facility |
| GoM | Government of Maldives |
| GSP | EC's Generalised System of Preferences |
| HQ | Headquarters |
| IA | Implementing Agency |
| ICCPR | International Covenant on Civil and Political Rights |
| ICESCR | International Covenant on Economic, Social and Cultural Rights |
| ICT | Information and Communication Technology |
| IDA | International Development Association |
| IDC | Island Development Committee |
| IDP | Internally Displaced Persons |
| IEC | Information, Education, Communication |
| IF | Integrated Framework |
| IFRC | International Federation of Red Cross and Red Crescent Societies |
| IHDP | Integrated Human Development Project |
| ILO | International Labour Organisation |
| IMF | International Monetary Fund |
| INGO | International Non-Governmental Organisation |
| IPCC | International Panel on Climate Change |
| ITS | International Trade Institute of Singapore |
| IWDC | Island Women Development Committee |
| IWMF | Island Waste Management Facility |
| LDC | Less Developed Country |
| LRRD | Linking Relief to Rehabilitation and Development |
| MB | Multi-purpose Building |
| MDG | Millennium Development Goals |
| MDP | Maldivian Democratic Party |
| MEMP | Maldives Environmental Management Project |
| MIED | Ministry for Economic Development |
| MIP | Multi-annual Indicative Programme |
| MoAA | Ministry of Atolls Administration |
| MoE | Ministry of Education |
| MoEEW | Ministry of Energy, Environment and Water |
| MoF | Ministry of Finance |
| MoFAMR | Ministry of Fisheries, Agriculture and Marine Resources |
| MoFT | Ministry of Finance and Treasury |
| MP | Member of Parliament |
| MPND | Ministry of Planning and National Development |
| MTR | Mid-Term Review of the Country Strategy Paper |
| MWASS | Ministry of Women's Affairs and Social Security |
| NACB | National Narcotics Control Bureau |
| NAPA | National Adaptation Plan of Action |
| NDMC | National Disaster Management Centre |
| NDP | National Development Plan |
| NEAP | National Environmental Action Plan |
| NECB | National Elections Complaints Bureaux |
| NGO | Non-Governmental Organisation |
| NHRAP | National Human Rights Action Plan |

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|----------|---|
| NIP | National Indicative Programme |
| NNCP | National Narcotics Control Bureau |
| NPM | National Torture Preventive Mechanism |
| NRRP | National Recovery and Reconstruction Plan |
| OCHA | United Nations Office for the Co-ordination of Humanitarian Affairs |
| ODA | Overseas Development Assistance |
| OPCAT | Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment |
| PAS | Public Accounting System |
| PCC | Project Co-ordinating Committee |
| PCD | Policy Coherence for Development |
| PEA | Parliamentary Elections Act |
| PMC | Project Management and Co-ordination Unit |
| PRC | Project Review Committee |
| RBM | Results-based Management |
| RDMO | Regional Development Management Centre |
| Rf | Maldives Rufiyaa |
| RFLS | Revolving Fund Loan Scheme |
| RLC | Residential Learning Centre |
| RRM | Rapid Reaction Mechanism |
| RWMC | Regional Waste Management Centre |
| SAARC | South Asian Association for Regional Co-operation (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka) |
| SACEP | South Asia Co-operative Environment Programme |
| SAFTA | South Asian Free Trade Area ¹ |
| SCP-Asia | Sustainable Consumption and Production in Asian countries |
| SE | School Extension |
| SEP | Strategic Economic Plan |
| SHE | Society for Health Education |
| SHI | Self-help Initiatives |
| SKYS | Society for Kurendhoo Youth & Sports |
| SPS | Sanitary and Phytosanitary measures |
| SPT | UN Sub-Committee on the Prevention of Torture |
| TA | Technical Assistance |
| TIP | Tsunami Indicative Programme |
| TM | Transparency Maldives |
| TMP | Tourism Master Plan |
| ToR | Terms of Reference |
| TRRF | Tsunami Relief and Rehabilitation Fund |
| TSIP | Tsunami Safe Island Programme |
| UDHR | Universal Declaration of Human Rights |
| UN | United Nations |
| UNAIDS | Joint United Nations Programme for HIV/AIDS |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |

¹ Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka

| | |
|---------|--|
| UNESCAP | United Nations Economic and Social Commission for Asia and Pacific |
| UNFPA | United Nations Population Fund |
| UNICEF | United Nations International Children’s Emergency Fund |
| UNODC | United Nations Office on Drugs and Crimes |
| VTC | Vocational Training Centre |
| WB | World Bank |
| WDC | Women Development Committee |
| WEC | Women Entrepreneurs Council |
| WHO | World Health Organisation |
| WIPO | World Intellectual Property Organisation |

0 EXECUTIVE SUMMARY

Objectives of the evaluation

The overall objective of the evaluation was to provide the relevant external co-operation services of the EC and the wider public with an independent assessment of the Commission's past and current co-operation with the Maldives, and to identify key lessons in order to improve the current and future strategies and programmes.

Country context

The Maldives consist of about 1,200 small islands grouped into 26 geographic atolls. Its population of 310,000 people is dispersed on 195 inhabited islands. The country has been a republic since 1968, with a parliamentary-style of government and the same president since 1978. Increasing public demand for political reform since 2004 caused internal unrest and finally led to a new constitution and the first multi-party presidential elections in 2008, which resulted in the former president being replaced. Free parliamentary elections were held in 2009, and local elections are planned for 2010.

The legal system of the Maldives is a mixture of the Islamic Sharia law and the English common law, with an independent judiciary since the new constitution in 2008, which also extended civil, political, economic and social rights. The human rights situation in the country has continuously improved since the start of the political reform process in 2004, but human rights abuses were still a concern in 2007, according to the UN Sub-committee on the Prevention of Torture.

The Maldives is the most advanced among South Asian countries with regard to the Millennium Development Goals and Human Development Index. Disparities exist, however, in income distribution and also among islands with regard to provision of infrastructure, social services and employment opportunities. The country's economy is heavily dependent on tourism and fisheries, which account for an important part of GDP, foreign exchange income and employment. While the Maldives business sector is mainly concentrated in the capital, Male, many atolls have subsistence economies.

The Maldives faces severe environmental constraints. The country seriously suffers from groundwater depletion and consequent lack of potable water. Increasing demography and tourism put pressure on the benign natural environment, which is the resource base for tourism and fisheries. Climate change effects, such as extreme storms and sea-level rise, constitute a serious threat to the country as 80% of the land is less than one metre above sea level. The tsunami, which hit the Maldives on 26 December, 2004, therefore flooded most of the islands, displacing people and destroying homes and infrastructure, and damaging industry.

EC's co-operation engagement with the Maldives

Until the end of 2006, EC support to the Maldives was based on the *Asia-Latin America (ALA) Regulation*, which was replaced by the *Development Co-operation Instrument (DCI)*, forming the current framework for country-level and regional programmes in Asia until 2013. During the assessment period 1999 to 2009, three main phases of EC support are apparent:

- (i) 1999-2003: a single individual project for the empowerment of women,
- (ii) 2003-2006: The first Country Strategy Paper, whose Indicative Programme (2004-2006) had not yet started when the tsunami hit the country in December 2004. ECHO responded directly with relief activities, and housing was funded by the Rapid Reaction Mechanism (RRM). Funds of the CSP's Indicative Programme were re-allocated to the Tsunami Indicative Programme (TIP 2005-2006), with three projects: (i) the Community Livelihoods Programme; (ii) the Tsunami Safe Island Programme; (iii) the multi-country Regional Coastal Zone Management Facility.
- (iii) 2007-2013: The second CSP was elaborated with a Multi-annual Indicative Programme (MIP 2007-2010), which, however, did not start until 2010 due to political unrest before and institutional changes after the elections. In the period 2005-2010, the post-tsunami support was complemented by assistance for the preparation of the presidential and parliamentary elections and in the trade sector. Implementation of the MIP 2007-2010 started in 2010, after the Mid-term Review of the CSP had adjusted former priority areas – that is, the priorities of development of safe islands, trade and democratisation/good governance were changed to climate change adaptation and mitigation and combat drug abuse. For the MIP 2011-2013, one focal area, Governance, has been suggested, with three sub-areas: (i) Climate Change, (ii) Drug Abuse, and (iii) Public Administration.

Total funds allocated between 1999 and 2009 were € 26.3 million, out of which 85% had been disbursed up to May 2010. With a contribution of 10.6% to total ODA for the period 2002-2009, the EC ranks third among the donors.

Methodology

The present evaluation followed a number of methodological steps, as described by the evaluation guidelines of the Joint Evaluation Unit:

A *structuring phase* comprised the review of policy documents, the context of the EC's co-operation with the Maldives, and the reconstruction of the intervention logic based on the EC strategy documents. The intervention logic served to elaborate, in consultation with the Reference Group, nine evaluation questions (EQs) with judgment criteria (JCs) and indicators that served to focus the information gathering on jointly-agreed areas.

During a *desk study*, a detailed literature review was carried out of policy documents, progress and evaluation reports, and a variety of further documents to gather available evidence and provide preliminary assessments of the evaluation questions. First, face-to-face interviews were held with relevant officials in Brussels and – during a first preparatory visit to Male – with representatives of GoM. Identified information gaps served to focus the field phase.

The *field phase* was carried out from 21 April to 7 May 2010, examining the preliminary answers to EQs, and gathering additional information through interviews and site visits. Fourteen islands were visited in order to cover all types of support activities. At the end of the field phase, a debriefing meeting was held with GoM officials in Male. Preliminary findings were also presented to the Delegation in Colombo (6 May) and the Reference Group in Brussels (26 May).

In total, 78 interviews were held with government officials at central, atoll and island level, Directorate Generals, the Delegation, donors, implementing agencies, NGOs, and

beneficiaries. Information from documents, interviews and field visits was cross-checked in order to arrive at solid, evidence-based findings, conclusions and recommendations.

Main findings

Development co-operation with the Maldives takes place in a very specific setting of widely dispersed islands with small populations and difficult logistics. Even though important for the Maldives, the EC country programme is modest in comparison to other EC country programmes. Strategic intervention areas in the Maldives programme are therefore sometimes equivalent to single projects. Furthermore, EC strategic support to the Maldives is still young and little consolidated. The first CSP in 2003 was replaced by the Tsunami Indicative Programme in 2004, and the second CSP in 2007 was delayed and is only just starting, following revisions. These framework conditions have to be borne in mind when assessing successes and challenges of the programme.

The overall EC country support programme in the Maldives was well aligned to the national priorities and needs of the population. It supported the main national and sectoral policies, and was developed with a good level of consultation with main stakeholders at the national level and partial involvement of local stakeholders.

A good strategic planning continuity with three strands (intra-regional development, trade capacity and economic development, and good governance and democratisation) was initially maintained, with an interruption after revision of the CSP 2007-2013 introduced combat drug abuse (MIP 2007-2010) and public administration (MIP 2011-2013) as new areas. As confirmed by findings of the Mid-term Review in 2009, the strategic planning was too ambitious, given the level of available funds, and too stretched on many islands. Numerous planned objectives and results could therefore not be addressed during implementation. The strategic and operational planning lacked the stringent logic of linked objectives, results and activities and quantified indicators of sound planning principles. Strategic and operational planning frameworks were not sufficiently interlinked.

EC support was also well co-ordinated and complementary to other donors' programmes. The Delegation participated actively in co-ordinating meetings, and strengthened co-ordination and harmonisation by implementing main projects through multi-donor projects and trust funds, in co-operation with the World Bank and UN agencies. While overall co-ordination with external stakeholders was good, there was little interaction between the Delegation and the desks of regional programmes and the EIB. Coherence between the bilateral and regional programmes is not fully developed as possible synergies for the Maldives are not yet used. The Maldives so far rarely participates in regional EC programmes. The bilateral EC programme is however coherent with other EU policies from which the Maldives are benefitting i.e. the EU trade and climate change policies.

The EC has flexibly used different aid modalities and channels. Post-tsunami response started quickly by co-operating with international and national implementing partners already operating in the Maldives. Use of multi-donor projects and trust funds has helped to implement principles of the Paris Declaration and the Accra Agenda by harmonising procedures. A major improvement of the public financial management has been initialised through the EC-funded Public Accounting System, which might offer, after full roll-out, possibilities to shift to other funding modalities, such as sector support.

The EC has implemented a consistent LRRD approach at the national level after the tsunami by using ECHO emergency funding, complemented by RRM for reconstruction and the Tsunami Indicative Programme for rehabilitation and development. Post-tsunami

support was aligned to the National Rehabilitation and Reconstruction Plan (NRRP). Some doubts arouse as to whether the same consistency was also achieved at the level of individual islands.

Programmes have suffered from delays partly caused by exogenous factors difficult to anticipate (i.e. the post-tsunami situation, and political unrest and reforms). However, complex administrative procedures of all involved institutions also contributed to delays. Remotely-managed programmes faced more deficiencies in monitoring and implementation in comparison with programmes managed from the Maldives.

EC support facilitated the recovery of livelihoods. The participatory approach in some programmes induced intensive ownership. Agricultural production and economic livelihoods were improved. Women and vulnerable groups were specifically targeted by part of the programmes. Capacities of island populations, island institutions and Ministries were enhanced.

The environmental support programme was too ambitiously planned and had to be scaled down to solid waste management only. Constructed Island Waste Management systems are, with few exceptions, not operational, and waste management centres are unequipped. A regional waste management system could not be developed due to a combination of design weaknesses, insufficient involvement of the island communities, and underestimation of costs.

Some of the funded social infrastructure contributed to improved social services, but an important number of facilities for education and community services are still not operational and require equipment and organisational inputs from GoM to effectively start services.

The EC has enhanced GoM's capacities to meet its international trade commitments, as well as in trade policy formulation and co-ordination and negotiation of agreements. The Maldives thus was able to respond more quickly to WTO requirements. The planned objective of diversifying the export sector was overambitious and could not be sufficiently addressed.

The successful EC support for the presidential and parliamentary elections facilitated the first democratic, free and fair elections in the Maldives and a smooth transition to a new government. The EC's engagement during the elections has produced a positive perception of the EC as a recognised political partner in the democratisation process.

Gender issues were strengthened in the political and social environment of the Maldives through the Empowerment of Women Project and women-specific activities in other programmes.

Strategic conclusions

The following five strategic conclusions were drawn from the findings (see main text for sector- or project-related conclusions):

1. EC Country Strategies and Indicative Programmes were relevant and supported the main national and important sectoral strategies and policies of GoM, in line with national requests and needs. However, given the small budget, the dispersion of the strategic planning over too many sectors and islands diluted impacts and visibility. Notably, small programmes need a clear focus and realistic planning.

2. Insufficient consistency and interlinking of strategic and programme frameworks impact on the quality of monitoring and reporting. A systematic reporting of progress in implementation of the country strategy is needed in order to identify, at an early stage, gaps between planning and implementation.
3. Swift programme implementation is needed, especially in emergency situations such as the one caused by the tsunami. Main support programmes have suffered from delays, partly caused by exogenous factors difficult to anticipate, but also by the complex administrative and regulatory procedures of all concerned administrations.
4. Post-tsunami, the EC has implemented a consistent LRRD approach at the national level and was able to provide funding aligned to national priorities in all phases after the disaster. As the various components of EC support were delivered on different islands, the consistency of the LRRD approach at the island level depended on complementary activities of GoM or other donors, and therefore was outside the influence of the EC. Whether LRRD principles are observed at the local level depends on the responsiveness of the overall national reconstruction planning to LRRD principles.
5. Projects with management from within the country tended to perform better than projects being managed from outside the country. Management from Male offers the advantage of frequent personal contact with all implementing institutions (Ministries, NGOs, operators) and more opportunity for monitoring of activities on the islands, which is time-consuming.

Global recommendations

The five strategic conclusions have led to the five following recommendations (see main text for more details on recommendations):

1. Maintain more strategic focus by limiting it to a maximum of two priority areas (sector concentration) implemented in a limited number of atolls/islands that have already benefited from earlier EC-funding (geographic concentration). Suitable sectors for mid- to long-term EC support are the environment/climate change sector and, as an option for a second priority area, the good governance/decentralisation sector.
2. Improve the quality of planning by controlling availability and quality of the planning logic of the strategic and individual programmes and initiating a reporting mechanism on progress of strategic programmes.
3. Identify systematically and jointly with future implementing agencies, institutional and regulatory procedures that act as hindrances in the timely implementation of programmes, and give feedback to respective headquarters in order to improve workflows.
4. In post-disaster situations, where EC support is aligned to national recovery priorities, responsiveness of national plans to LRRD principles should be examined and discussed with the responsible government institutions and other involved stakeholders.
5. Ensure for future programmes that programme management is based in Male.

1 INTRODUCTION

Systematic and timely evaluation of its development programmes is a priority of the EC for accounting to the wider public and reviewing the success of EC programmes. The evaluation presented here of the EC's co-operation with the Maldives is part of the 2009 evaluation programme for multi-country thematic and regional/country-level strategy evaluation studies and synthesis, Lot 4.

The main objectives of the evaluation were to provide the relevant external co-operation services of the EC, and the wider public, with an overall independent assessment of the EC's past and current co-operation with the Maldives, and to identify key lessons in order to improve the EC's current and future strategies and programmes.

The report is presented in two volumes. Volume I contains an overview of the EC's co-operation with the Maldives, and the answers to each evaluation question, leading to the overall conclusions and recommendations. The key findings can be viewed quickly in the executive summary. Volume II provides an overview of the country context, detailed information on the judgment criteria and indicators underlying each evaluation question, and further supportive information (maps, itinerary and literature).

Acknowledgements

We would like to express our gratitude to the Joint Evaluation Unit and the members of the Reference Group for the constructive guidance and management of the evaluation process, and to the EC Delegation in Sri Lanka and the many national and international partners and stakeholders in the Maldives for their valuable inputs and time given during the numerous meetings.

2 EVALUATION PROCESS AND METHODOLOGY

2.1 Process and applied methods

The Maldives Country Strategy Evaluation followed a number of methodological steps, as described by the evaluation guidelines of the Joint Evaluation Unit. After the commencement stage, a desk phase – consisting of a Structuring Stage and a Desk Study – was undertaken. The Structuring Stage comprised a review of pertinent policy documents, an analysis of the context of EC co-operation in the Maldives, and the reconstruction of the EC intervention logic in the Maldives, derived mainly from EC Country Strategy Papers and Indicative Programmes. A short exploratory visit to the Maldives allowed first contacts with key stakeholders and the gathering of additional information.

Based on the intervention logic (Figure 2), nine evaluation questions (EQs) were formulated during the Structuring Stage and detailed into a number of judgment criteria (JCs) (annex 3). The judgment criteria were, in turn, further specified by a number of indicators. The set of evaluation questions, judgment criteria and indicators was intensively discussed and revised with the Reference Group. The finally agreed set formed the information matrix, which focused the investigation on targeted areas of interest, for which information was compiled and analysed during the desk study and field phase.

During the desk study, a detailed literature review was carried out, taking into account available policy documents, progress and evaluation reports, mid-term reviews, Results Oriented Monitoring (ROM) reports, and a variety of other sources, in order to inform the indicators of the information matrix and to arrive at a preliminary assessment of the JCs and EQs. Overall, 218 relevant documents were analysed during the evaluation (annex 5), and initial face-to-face interviews held were with officials in Brussels from EuropeAid, DG RELEX, DG Trade, DG ENV and ECHO. Information gaps and open questions were documented during the desk study and compiled in lists of guiding questions used during the field phase.

The field visit, carried out between the 21 April and 7 May 2010, investigated the validity of the tentative assessments developed during the desk phase and gathered additional information to address gaps. During the field phase, individual and group interviews were held with relevant GoM officials, donors, implementing agencies, NGOs, and beneficiaries in Male and Colombo. Annex 6 contains a list of contacted persons and institutions. Site visits provided the opportunity to assess implementation quality, and to discuss results and encountered challenges with local beneficiaries. An outstanding logistical effort of the team made it possible to visit 14 islands in two sub-teams, with examples of all types of implemented activities (cf. itinerary in annex 7 and map in annex 8). In total, 78 interviews including 8 during the desk phase were conducted, giving the evaluation a broad evidence base.

Annex 4 contains the detailed information of the information matrix, which represents the entire evidence base of the evaluation for findings, conclusions and recommendations. These were developed in a reverse aggregation process: the detailed information of the indicators was aggregated into answers to the judgment criteria; the answers to the judgment criteria were then used to answer the EQs. During this process, documentary information and results from interviews were cross-checked in order to arrive at balanced, evidence-based answers to JCs and EQs. The findings were intensively discussed within the team in order to integrate and balance information gathered by the two sub-teams. Findings, conclusions and recommendations were presented and discussed with GoM officials in Male on 5 May 2010, and with the EC Delegation in Colombo on 7 May 2010. They were also presented to the Reference Group in Brussels on 26 May 2010, and feedback from all meetings was integrated. The *global* conclusions at the end of the report are typically linked to results from more than one EQ and relate to overall issues of EC co-operation with the Maldives. Specific conclusions typically are derived from single EQs and are more sector-specific.

2.2 Limitations and lessons learned

During the evaluation, the team faced a number of challenges. Information on some programmes could only be received during later stages of the desk study or during the field phase (e.g. Empowerment of Women, RRM, Regional Tsunami Coastal Zone Management Facility). As a result, some indicators and judgment criteria had to be adjusted during the desk and field phases to respond to the actual programmes. Some of the indicators could not be address due to missing information or because, during the field phase, they were found to be irrelevant. In case of already-closed programmes, gathering of information was sometimes hampered due to missing institutional memory and staff changes.

The volcano outbreak in Iceland, and the effect it had on airline flights, delayed the field phase by two days. The planned visit of the ECD in Colombo at the start of the assignment therefore had to be postponed until the end of the assignment. As a consequence, the challenging programme under the difficult logistics in the Maldives – that is, the distance between islands, and limited transport availability – had to be revised, which was made possible only by the enormous efforts of the Programme Manager and the National Expert, and the great flexibility of interview partners. However, it is felt that the information basis finally obtained is, nevertheless, exhaustive and sound.

3 EC STRATEGY AND CO-OPERATION WITH THE MALDIVES

3.1 General EC policy framework

Co-operation with the Maldives is embedded in the overall legal framework of the EC's development co-operation. According to the *Treaty Establishing the European Community*,² Article 177, the Community's development co-operation promotes the sustainable economic and social development of developing countries, their integration into the global economy, and the fight against poverty. The *European Consensus on Development* was signed in December 2005 to guide the EC's and Member States' development co-operation by common objectives and principles. It confirms the commitment to eradicate poverty, enhance ownership of and partnership with the countries, to promote policy coherence, and to deliver more and better development support in order to contribute to achieving the Millennium Development Goals.³

3.2 Regional Programmes

In its 2005-2006 *Strategy Paper and Indicative Programme for Multi-country Programmes in Asia* (RSP 2005-2006), the EC called for multi-country programmes for three main areas:

- Trade and Investment – to develop common approaches and support integration by supporting formation of partnerships, exchange of experience, and networking. The RSP calls for special attention to SMEs.
- Higher education – to strengthen human resources and reinforce institutional networking.
- Environmental management – to establish and strengthen networks of institutions.

In the RSP 2007-2013, the following priority areas were defined:

- Support to regional integration through ASEAN / SAARC and ASEM;
- Policy and knowhow-based co-operation in environment, energy, and climate; higher education and support to research institutions; cross-border co-operation in animal and human health;
- Support to uprooted people.

² Came into force May 1999

³ The European Consensus on Development, 20.12.2005, p. 4

3.3 Country-specific EC co-operation

EC support to the Maldives was based until 2006 on EC Regulation 92/432, the *Asia-Latin America (ALA) regulation*.⁴ ALA envisaged co-operation with countries and regions, with decentralised authorities and regional organisations, public agencies or local communities, private institutions and operators, including NGOs. It underlined that EC support should target primarily the poorest sections of the population and the poorest countries in defined priority sectors, including environment, democracy and human rights, rural development, and drugs.

In December 2006, a new instrument was approved by Regulation (EC) No. 1905 of the European Parliament and the Council – the *Development Co-operation Instrument (DCI)*, which forms the current framework for country-level and regional programmes in Asia, including the Maldives, until 2013. DCI's main goals are poverty eradication and sustainable development, promotion of democracy, good governance, human rights and the rule of law. It supports the gradual integration of developing countries of the region into the world economy and helps preserve and improve the quality of the environment and the global natural resources, including climate change adaptation/mitigation and biodiversity conservation. DCI funds are allocated following country strategy papers (CSPs), with multi-annual indicative programmes (MIPs) and Annual Action Programmes (AAPs) specifying the objectives, the expected results and financial allocations.

The EC activities in Asia were further defined by the *Communication COM(2001)469 Europe and Asia: A Strategic Framework for Enhanced Partnerships* with the following objectives: (i) contribute to peace and security in the region and globally, by increasing the EU's involvement with the region; (ii) strengthen mutual trade and investment between Asia and the EU; (iii) promote development of the less prosperous countries in Asia; (iv) contribute to the protection of human rights and to the spread of democracy, good governance and the rule of law; (v) build global partnerships and alliances with Asian countries in international forums to help address globalisation and to strengthen joint efforts on global environmental and security issues; and (vi) help strengthen the awareness of Europe in Asia (and vice versa).

Furthermore, the *Declaration of the Commission, the Council and the Parliament on the Development Policy of the European Union* of 20 December 2005 defines the political framework, common objectives and principles of co-operation for Member States and the Commission.

According to OECD World Bank statistics for the period 2002-2008, the Maldives received Official Development Assistance of US\$ 186.77 million (Table 1). EC contributions accounted for 10.6%, making the EC the third most important donor for the Maldives.

⁴ <http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=CELEX:31992R0443:EN:HTML>

Table 1: Disbursement of Official Development Assistance to the Maldives between 2002 and 2008 (million US\$ in current prices)

| No. | Time Period | Total 2002-2008 |
|-----|-------------------|-----------------|
| | All Donors | 186.77 |
| 1 | Japan | 61.03 |
| 2 | IDA | 35.36 |
| 3 | EC | 19.77 |
| 4 | Australia | 12.42 |
| 5 | Netherlands | 10.88 |
| 6 | France | 5.52 |
| 7 | Norway | 5.31 |
| 8 | Canada | 5.27 |
| 9 | UNDP | 5.17 |
| 10 | UNICEF | 4.88 |
| | All others | 26.04 |

Source: <http://stats.oecd.org/qwids/>

3.4 EC Strategic Objectives and Priorities in the Maldives 1999 to 2009

During the evaluation period 1999-2009, 22 projects were funded (Table 2). Three main periods can be distinguished (Figure 1):

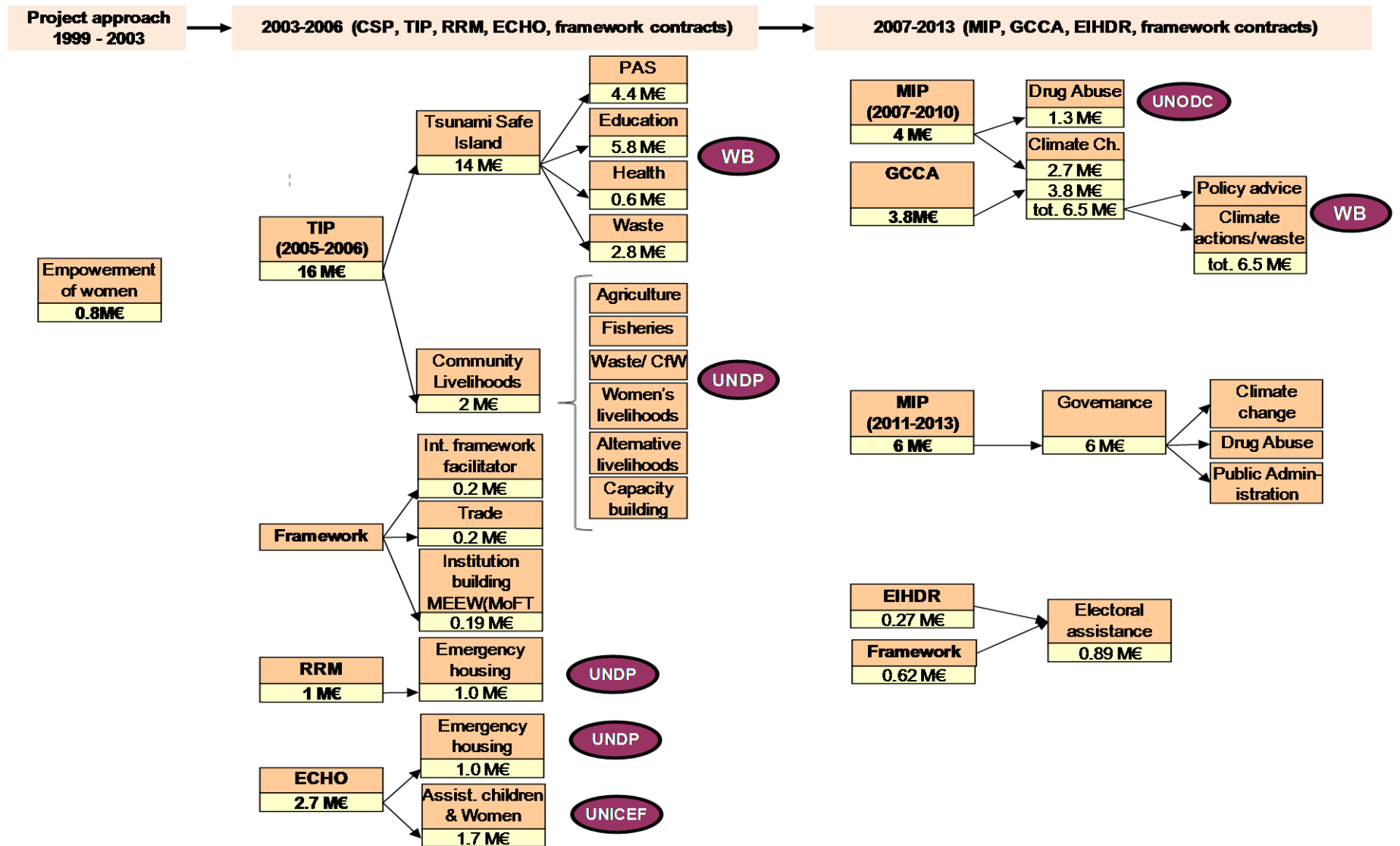
- (i) an individual project approach between 1999 and 2003;
- (ii) the first Country Strategy Paper (CSP) (2003-2006) with a National Indicative Programme (NIP) for the period 2004-2006, which was not implemented but, following the tsunami in December 2004, was replaced by the Tsunami Indicative Programme (TIP) for 2005-2006.
- (iii) Following the post-tsunami support of the TIP, a second CSP was elaborated for the eight years 2007-2013, with a Multi-Annual Indicative Programme covering the first four years (MIP2007-2010) and a second for the remaining three years (MIP 2011-2013).

Table 2: EC support portfolio during the period 1999-2009⁵

| Contract year | Title | Planned amount [€] |
|---------------|--|--------------------|
| 1995 | Support for the Empowerment of Women | 774,112 |
| 2004 | Identification Mission for Technical Assistance in Enhancing Trade Capacity and Economic Development to Maldives | 65,846 |
| 2005 | Strategic Environmental Assessment (SEA) for the Maldives Regional Development Plan | 44,687 |
| 2005 | Support for the Maldives in international trade negotiations | 199,999 |
| 2005 | Immediate Support to the Restoration of Tsunami-affected Livelihoods – Maldives | 1,888,507 |
| 2006 | EC Tsunami-related Support – Safe Host Island Regional Development – EC/WB Administration Agreement. | 13,900,000 |
| 2006 | Integrated Framework Facilitators for the Maldives | 196,820 |
| 2006 | Support to the Restoration of Livelihoods | 60,367 |
| 2006 | EC Tsunami-related Support – Safe Host Island Regional Development | 79,175 |
| 2007 | Institution Building of the Maldivian Ministry of Environment, Energy and Water (MEEW) and the Ministry of Finance and Treasury (MOFT) | 189,054 |
| 2007 | Identification and Formulation Mission: Support to the Republic of Maldives | 81,792 |
| 2007 | Technical Assistance for the Preparation of General Elections in the Maldives | 198,141 |
| 2008 | EC Tsunami-related Support to the Maldives – Technical Assistance | 133,982 |
| 2008 | Technical Assistance in Support of Voter Education and Complaints and Appeals Mechanism for the Preparation of General Elections in the Maldives | 154,269 |
| 2008 | Technical Assistance to the Ministry of Law Reform | 75,356 |
| 2008 | EU Electoral Assistance Team to the Maldives | 189,166 |
| 2008 | EU Election Expert Mission to the Maldives (Presidential elections foreseen for 10/10/2008) | 146,297 |
| 2008 | ELE-EU Election Expert Mission to Maldives Parliamentary Elections 2009 | 126,301 |
| 2008 | Awareness Raising for International Human Rights Day in Maldives | 3,000 |
| 2009 | Support to Climate Change Adaptation and Mitigation in the Maldives | 3,800,000 |
| 2009 | Support to Climate Change Adaptation and Mitigation in the Maldives | 2,700,000 |
| 2009 | Strengthening the National Response to Drug Use Through Support to the Drug Control Master Plan in the Maldives 2007-2010 | 1,300,000 |
| | | 26,306,871 |

⁵ status May 2010

Figure 1: Strategic priority areas, distribution of funds and implementation agencies



The project approach between 1999 and 2003

In the period **1999-2003**, as there was no co-operation Agreement on Partnership and Development, the EC individual project support was based on general EC development principles of “*sustainable, equitable and participatory human and social development*”⁶ responding to the country’s requests on a case-by-case basis. During this period, the project Empowerment of Women (MDV/96/P01 – € 0.77 million) was implemented.

The Country Strategy Paper 2003-2006

The **CSP 2003-2006** embedded the previous project approach into a broader planning framework. The Maldives had achieved progress in education, health and social indicators, and had maintained sound economic growth, with an increase in GDP of 9% per annum. The political situation showed some improvements in applying more democratic principles and increased respect for human rights. Nevertheless, a number of key challenges remained: (i) the economy was still extremely vulnerable to external factors – for example, tourism suffered in the aftermath of the 9/11 terrorist attacks in the USA in 2001; (ii) the discrepancy in social and economic services between the main island of Male and the outer widely-dispersed islands still caused high migration to Male; (iii) the vulnerability of the ecological situation – for example, the danger of sea-level rise, groundwater pollution and depletion, insufficient waste/sewerage management, coral reef degradation, and land erosion; (iv) the graduation of the country from LDC status was planned for 2004, exerting potential additional stress on the economy.⁷

In this context, the EC programme defined two areas of support, with a budget of € 2 million over three years and with an overall goal of employment creation:

(i) *Intra-regional⁸ development (infrastructure, capacity building, environment)*

Support of islands selected to be growth centres by building, equipping and training the staff of the Regional Centres, which were created on these islands to implement participatory planning processes and to define and implement intra-regional development plans. Expected outcomes were a reduced migration to Male, strengthened intra-regional growth centres, and communities eventually with higher investments, higher income and reduced poverty.

(ii) *Trade and economic development*

The objective of the programme was to enhance the Maldives’ capacity for the negotiations with the World Trade Organisation (WTO) and to strengthen its regulatory, legislative and institutional capacities to implement WTO requirements – trade in services, and sanitary and phytosanitary (SPS) measures – thereby overcoming negative side-effects of the graduation from LDC status.

⁶ CSP Maldives (2003-2006), p. 7

⁷ CSP Maldives (2004-2006), p. 4

⁸ In the Maldives strategy documents, the term “regional” is used to describe regions within the country (e.g. regional growth centres). In order to avoid confusion with EC terminology, which applies “regional” as an overarching term to include several countries, the term “intra-regional” is used here when referring to issues within the Maldives.

The Tsunami Indicative Programme (2005-2006)

On 26 December 2004, the tsunami hit the country, causing severe damage. At that time, the country found itself politically in an instable situation as it prepared to vote in parliamentary elections on 31 December 2004. The arrest of opposition leaders and members of the constitutional assembly had led to turmoil. International teams were in the country to observe the planned election process.

In this situation, the EC decided to redeploy funds of the CSP 2003-2006, implementation of which had not yet started, to the **Tsunami Indicative Programme (TIP) 2005-2006**. The TIP targeted tsunami support activities in Indonesia, Sri Lanka and the Maldives. The Maldives' part was a reaction to the tsunami, but was influenced by the CSP 2003-2006, following a similar logic but adjusted to the disaster. It was stated that: *“This redeployment of funds is pivotal in permitting rapid reaction in 2005, given that new funds take time to organise. ... The existing National Indicative Programme for ... Maldives is amended by this Tsunami Indicative Programme.”*⁹

The three TIP support areas for the Maldives have to be seen as a medium-term post-tsunami response as part of an approach of linking relief, rehabilitation and development (LRRD). The TIP was complemented by ECHO humanitarian emergency activities implemented in the first weeks after the tsunami and then extended over a period of 18 months, and € 1 million from the Rapid Reaction Mechanism (RRM) was implemented over a period of six months.

The three support areas of the TIP were implemented through the following programmes:

(i) *UNDP Community Livelihood Programme*

€ 2 million of the NIP 2004-2006 was allocated to this multi-donor UNDP programme, which had a total budget € 6.2 million. Its objective was to help the tsunami-affected communities to restore their livelihoods and re-establish development on so-called “safe islands”. The programme was a follow-up to the *Intra-Regional Development Programme for Host Islands* of the former CSP/NIP, but now specified the development of “safe islands” as a lesson from the tsunami. It planned to support affected fishermen and women with boats, gear and equipment, to help farmers with seeds, supplements and technical assistance, to create short-term employment and income through community-based activities, to facilitate access of SMEs to grants and loans for tools and equipment, and to train communities in formulating projects. These activities were aimed at involving affected communities in the rehabilitation of their islands and at preparing them to integrate relocated families under the safe island concept, to restore the economic livelihoods and food security of tsunami-affected households and small enterprises, and to improve the access to social programmes and services. The expected intermediate impacts were improved regional equity, increased protection from natural disasters, increased incomes, and better education and health services.¹⁰

(ii) *Safe Island Intra-Regional Development Programme*

With a budget of € 14 million, the *Tsunami Safe Island Programme* continued the support to intra-regional development already defined by the CSP 2003-2006. The overall objectives were to repair the tsunami damage and to reduce the country's vulnerability to sea-level rise by supporting the Government's safe island concept. The programme was focused on safe islands in order to promote long-term development potentials and to

⁹ Tsunami Indicative Programme (2005-2006), p. 14

¹⁰ Tsunami Indicative Programme 2005-2006, p. 33

attract voluntary migration through improved infrastructure. This included infrastructure and services in education, sanitation and health, supporting coastal protection (coastal defences, environmental coastal zones and green belts), constructing elevated safe havens, establishing emergency supplies, improving building codes and housing designs, repairing harbours and channels, strengthening transport infrastructure and alternative communication systems.

The expected specific impacts were: to increase the migration to the safe islands; to improve access to social services and programmes; and to better protect the islands from sea-level rise, thereby improving equity among islands, safety of the population and improved social and economic living conditions by increasing income and gains from the tourism and fisheries industries.

The EC funds were channelled, via the World Bank, through the Government Tsunami Relief and Reconstruction Fund (TRRF), managed by the Ministry of Finance and Treasury (MoFT).

The first EC/WB/GoM joint assessment mission judged the TIP objectives and activities as being not feasible with the available funding, and decided to concentrate on three components: (i) rehabilitation of social and education infrastructure; (ii) TA to enhance the capacity of the Tsunami Relief and Rehabilitation Fund's (TRRF) management and to develop a Public Accounting System; and (iii) solid waste management.

(iii) The Regional Tsunami EU Coastal Zone Management Facility

In addition to Sri Lanka, Indonesia and the Maldives, the Regional Tsunami EU Coastal Zone Management Facility (€ 12 million) also addressed Thailand, Malaysia, Myanmar and India. Its overall objective was to support the tsunami-affected countries in integrating environmental and ecosystem concerns into post-tsunami coastal rehabilitation and reconstruction efforts. The specific objective was to alleviate coastal environmental damage by providing expertise through regional co-operation, and by combining European and Asian expertise.

The following activities were planned under the programme: restore ecosystems; restore and improve aquaculture and fisheries; restore inland and coastal waters; develop environmental mapping, monitoring and contingency planning for disaster preparedness, and for the protection of the coastal environment.

Expected results were: (i) integration of environmental concerns in coastal zone policies and planning; (ii) monitoring and mitigation of environmental impacts of reconstruction, and integration of environmental technologies and practices in infrastructure and livelihood rehabilitation; (iii) strengthening of coastal environmental capacities long-term, with EU-Asia co-operation in coastal management. It was assumed that the programme would improve the environment of the Maldives, and thereby improve the protection of the islands and the safety of the population against natural disasters.

The Country Strategy Paper 2007-2013

The **CSP 2007-2013** defines one focal area and two non-focal areas for EC support to the Maldives, with an overall budget of €10 million, including € 4 million for the MIP 2007-2010.

(i) *Intra-regional development*

The overall objective of the focal sector Intra-Regional Development is to boost the regional development within the Maldives, to reduce vulnerability to natural disasters and regional disparities by promoting GoM's safe island approach, to strengthen local and linked central GoM capacities, and to address social issues such as youth unemployment and drug dependency.

The specific objectives are to contribute to the development of safe islands, securing their sustainable development and the economic prospects of their communities, to support physical and social facilities and services (housing, schools, clinics, youth programmes), sea-defence and drinking water, energy and waste facilities, and to increase job opportunities.

In addition, this focal sector is supposed to address drug abuse among youth, in support of the National Drug Control Masterplan (2005), to strengthen the atoll and island administration and governance, to support renewable energy, to raise awareness of safety, security, training and labour issues in transport sectors, to introduce climate change mitigation in accordance with GoM policy on climate change, and to help develop cross-sector clusters between agriculture and tourism on safe islands. The detailed activities were supposed to be elaborated during an identification mission.

The programme was planned to be implemented, through the GoM's Tsunami Relief and Reconstruction Fund (TRRF), over a period of seven to 10 years, in co-operation with the World Bank.

(ii) *Trade capacity and economic development*

The overall objectives of this non-focal programme were: (i) to build up institutional capacity to integrate the country into the international trade system of WTO, SAFTA and important bilateral trade relations, in the context of LDC graduation and in relation to preferences granted under the EU's Everything But Arms (EBA) support; (ii) to ensure coherence with the country's overall development objectives; and (iii) to support the development of its trade policy and its integration into the National Development Plan.

The specific objectives were: (i) to improve the ability of the Maldives to formulate and implement a comprehensive trade policy, integrating the country's commitments under the WTO and SAFTA and enabling it to benefit from the opportunities offered by international trade; (ii) to increase the ability of the Maldives to meet commitments and challenges related to LDC graduation – in particular, with regard to bilateral trade preferences and the competitiveness of its main economic sectors; and (iii) to assist with the Integrated Framework Facilitation process.

The programme planned to follow-up trade-related technical assistance activities already being implemented, to support the economic development as proposed in the trade needs assessment 2005, to take on the role of the Integrated Framework Facilitator, and to implement a plan of action on trade-related assistance, in collaboration with the development partners.

Intended impacts were enhanced capacity of GoM to fulfil its international commitments while graduating from LDC status, improved integration into the international non-LDC

community, and the generation of economic benefits from its tourism and fisheries industries. Programme implementation was planned to start in 2007 for three to five years.

(iii) *Democratisation and good governance*

The second non-focal area programme targeted the weakly-established civil society with an overall objective of strengthening institutional capacity to deal with the challenges and opportunities of democratisation and good governance, and specifically to improve GoM's capacities to carry on the constitutional reforms related to democratic governance, justice, peace and security, to strengthen the development of civil society, and to enhance dialogue between GoM and civil society.

Programmed activities were capacity building for democratic institutions (e.g. judicial, penal and constitutional reform, election monitoring), supporting civil society forums, media, the national Human Rights Commission and households headed by women, promoting the recognition of workers' rights, and the contribution of civil society to decision-making.

The intervention logic of EC support between 1999 and 2009 has been translated into the logical diagram in Figure 2. Even though not explicitly mentioned by the various strategy papers, the overall EC support strategy during the period under review contributes to the global impacts of reducing poverty (MDG1), and to improving gender equity (MDG3), environmental sustainability (MDG7) and global partnership (MDG8).

The Mid-term Review of the CSP 2007-2013

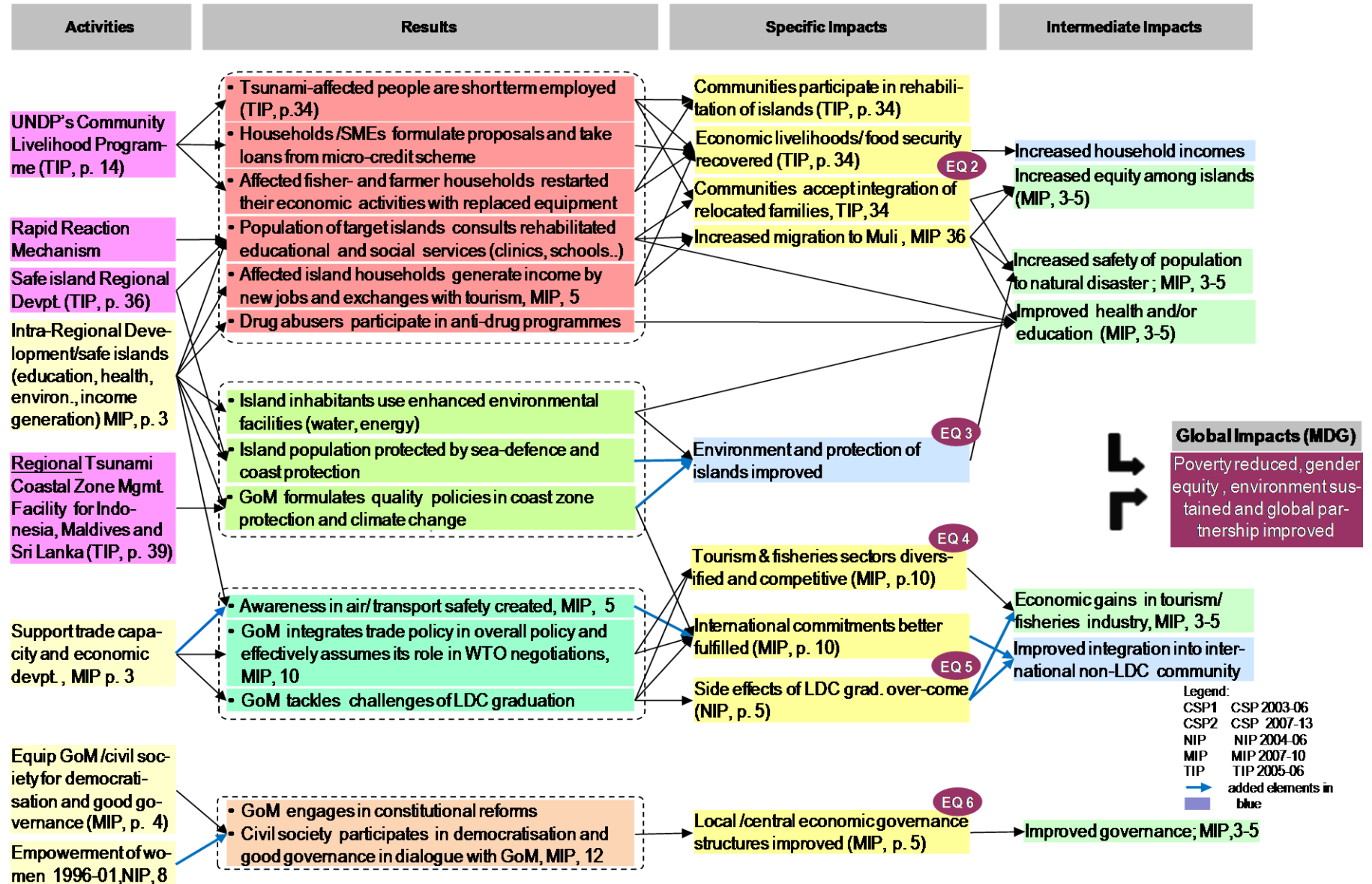
Since the signing of the CSP in 2007, the political situation in the Maldives has changed considerably, with the adoption of a new constitution in August 2008 and the complete change of government and main administrative staff after the presidential and parliamentary elections in October 2008 and May 2009. A mid-term review of the not yet started CSP 2007-2013 was carried out in 2009, including intensive consultations with GoM, civil society organisations and development partners. The results of the mid-term review and recommendations of the EC's Quality Assurance Group have led to a recent revision of the MIPs 2007-2010 and 2011-2013.

With regard to the **MIP 2007-2010**, the EC intervention will now concentrate on two focal sectors: *Climate Change Adaptation and Mitigation*, and *Support to the Maldives to Combat Drug Abuse*. The funds foreseen for the *Support to Economic Development & Trade* (€ 200,000) and *Support to Good Governance and Democratisation* (€ 600,000 €) were shifted to these two areas.

The **MIP 2011-2013** will concentrate on one focal sector, *Governance*, which will include three thematic areas: *Environment/Climate Change*, *Combat Drug Abuse*, and *Public Administration*. The latter area envisages strong support to intra-regional development, decentralisation, and human rights.

The following chapters present the answers to the evaluation questions. Detailed information on country context, judgment criteria and indicators can be found in volume 2 of the report.

Figure 2: Intervention logic of the EC support to the Maldives



4 RESPONSES TO THE EVALUATION QUESTIONS

4.1 TO WHAT EXTENT DO EC COUNTRY STRATEGIES AND INDICATIVE PROGRAMMES REFLECT THE DEVELOPMENT PRIORITIES OF THE GOVERNMENT OF MALDIVES AND THE NEEDS OF THE POPULATION? (EQ 1)

Response to the EQ:

The EC's strategic planning responds to the national priorities and needs of the population and is developed with a good level of consultation with GoM and other main stakeholders in the Maldives. There was good planning continuity during CSP 2003-2006, TIP 2005 and the initial CSP 2007-2013. However, the strategic planning was too ambitious in terms of the number of intervention areas, expected impacts, and geographical spread. The revision of the MIP 2007-2010 and MIP 2011-2013 reflected new priorities of GoM, but the intended concentration on fewer areas was not sufficiently achieved. Strategic planning was not translated into a consistent planning framework in terms of hierarchy of objectives, results, activities and indicators, and interlinking of Indicative Programmes and field programmes.

EC Strategies are well aligned to national policies

The EC's Strategies and Indicative Programmes are well aligned with the development priorities of GoM. The strategy documents link to the most important strategic documents of GoM or – in the case of the TIP – agreements made during the Jakarta Donor Conference in January 2005.

EC Programmes planned by the TIP and the MIP 2007-2010 contribute to the achievement of the most important national development strategies – that is, Vision 2020, 6th and 7th National Development Plans (NDPs), Safe Host/Resilient Islands Strategy, and the National Recovery and Reconstruction Plan (NRRP). They are also consistent with various sectoral strategies of GoM – that is, the 2nd and 3rd National Environmental Action Plan (NEAP) and the National Waste Policy concerning the waste management actions, the Drug Control Master Plan with regard to the Combat Drug Abuse component, and the Maldives Trade Policy with regard to support in the area of trade and economic development. The CSP 2007-2013 has taken into account the goals of the Roadmap for the Reform Agenda and stresses that these should be supported by a non-focal sector democratisation and good governance. (cf. Annex 4.1.1)

EC's strategic planning has maintained continuity with some recent reorientations

During the period 1999-2009, EC strategic planning has maintained good continuity following three strands: (i) Intra-regional development; (ii) trade capacity and economic development; and (iii) good governance and democratisation. The revision of the MIP 2007-2010 and the planning of the MIP 2011-2013, undertaken by the Mid-term Review of the CSP 2007-2013, adopted a new orientation by stressing the fight against drug abuse (MIP 2007-2010) and introducing public administration as a new area (MIP 2011-2013) (Figure 1). The former support areas – good governance, democratisation and trade –

were integrated into the main sectors. Solid waste management will be dealt with under climate change adaptation and mitigation. While the reorientation meets the agreement of GoM, it bears the risk of weakening strategic focus by adding new areas. (cf. Annex 4.1.2)

Strategies and Indicative Programmes were too ambitious and lack formal planning consistency

If compared with the available average funding of between € 1 million and € 1.5 million per year,¹¹ the planned objectives, results and impacts of programmes were too ambitious, as also confirmed by the Mid-term Review of the CSP 2007-2013. As a consequence, numerous objectives and outcomes expressed in the country strategies and indicative programmes could not be addressed. The overall EC programme was, and is, fragmented into too many sectors, with programmes being implemented on too many islands spread out over most of the Maldives (cf. Map in Annex 8). This has also been confirmed by the CSP 2007-2013 Mid-term Review carried out in 2009, which states: *“The current strategy is ambitious, given the small amount of allocation, and covers too many sectors”*.¹² As a consequence, the Mid-term Review team has suggested a concentration of funds for the MIP 2011-2013 on one focal sector, Governance, which has however been split up again into three sub-programmes, thereby weakening its focus (⇒ Global Conclusion G 1).

The planning of the indicative programmes and the individual projects was not translated into a consistent planning framework; the hierarchical logic between overall and specific objectives, results and activities is not obvious in many cases, and indicators – if available at all – are often not suited to monitoring and lack quantitative targets. There is also no stringent interlinking of the strategic framework (i.e. Indicative Programmes) and those of the implemented projects (⇒ Global Conclusion G 2). (cf. Annex 4.1.2)

Planning and programme formulation include consultations with main stakeholders

GoM, donors and – as far as possible – civil society were involved during strategy and programme formulation. GoM and implementing agencies (UNDP, World Bank) confirmed close consultations and involvement in programme steering. The elaboration of CSPs and NIPs is generally done in intermittent consultations with GoM, donors and civil society during identification missions and during the formulation process. Only the Ministry of Foreign Affairs, which is the focal point for the EC co-operation, felt a need for more information relating to the recent revision of the MIP 2007-2010. Involvement of local stakeholders and beneficiaries at the operational level has been intensive in some projects (e.g. Community Livelihoods Programme, RRM Housing project), while others have pursued a less participatory approach (e.g. Tsunami Safe Island Programme). (cf. Annex 4.1.3)

¹¹ More funding was only exceptionally available after the tsunami.

¹² Mid-term Review CSP 2007-2013 (2009), p. 1

4.2 TO WHAT EXTENT HAS THE EC SUPPORT CONTRIBUTED TO REPAIRING LONG-TERM DAMAGE AND TO IMPROVING SOCIAL AND ECONOMIC SERVICES ON SUPPORTED ISLANDS? (EQ 2)

Response to the EQ:

EC support has succeeded in reviving livelihoods of beneficiary households after the tsunami, providing lost assets, housing and initiating agricultural and economic activities. Repairs and extension of social and economic infrastructure provided long-term conditions for better services, but a fair number still need follow-up from GoM to become operational. The Combat Drug Abuse Project is at an early stage of delivery. Provided that conditions relating to prison reform, staff retention and enactment of the Narcotics Bill are met, it is expected that a good impact will be achieved. Women and vulnerable groups were specifically targeted by some project components.

EC support targeting the repair of damage and improvement of social and economic services after the tsunami was divided into two kinds of activities. Part of the programme addressed urgent needs of the population directly after the tsunami (complementing ECHO and RRM efforts) by providing basic equipment to tsunami-affected households, cash for work, agricultural training and equipment, and skills training and equipment (Community Livelihoods Programme). The other, and major, part of the programme addressed long-term development needs, such as the repair of existing, and construction of new, social infrastructure and solid waste management facilities¹³ (Tsunami Safe Island Programme), and support on drug abuse (Combat Drug Abuse programme).

Support to community livelihoods strengthened capacities and increased agricultural and economic activities

The agricultural potential of the Maldives is low, due to the scarcity of agricultural land. The total arable area is estimated at 3,000ha, with production concentrated on 60 specifically designated islands, and small plots and home gardens on inhabited islands. Production of locally-grown food cannot meet the high demand, and most food has to be imported. Nevertheless, there is potential to increase agricultural production – notably, of vegetables – and, as documented in the Strategic Economic Plan, GoM focuses on a cluster approach, integrating existing sectors such as tourism, fisheries and agriculture.

After the tsunami, activities aimed at improving agricultural production and economic livelihoods were carried out by the Community Livelihoods Programme, which targeted approximately 2,000 beneficiaries on 10 to 20 islands – of which 60% were intended to be reached by, and benefit directly from, the various activities.

Results from evaluation reports and field visits indicate sustainable outcomes of the project for most of the beneficiaries. Food security and economic livelihoods of tsunami-affected households improved to a certain extent as a result of the replacement of lost assets and increased agricultural/horticultural productivity. As stated by former trainees, many participants in training picked up simple techniques and started agricultural

¹³ Solid waste is discussed in chapter 4.3

activities. To date, two agricultural supply stores are still operating. In some islands, agriculture and gardening became new activities of households, improving local food supply, diversifying the diet, and generating income.

Apart from technical agricultural skills transfer to women and men, the capacities of Island Women Development Committees (IWDC) improved through diverse training on project formulation, diverse skills training, and grants. The high level of interest in training, which exceeded available training places, demonstrates the relevance of the activities. As a result, two handicraft centres still operate, providing training to islanders and selling to tourists visiting the islands and Male. Furthermore, some of the skills training led to business creation (e.g. sewing, pastry shop). Many of the activities are still being carried out in the households, helping to reduce household expenditure.

In Raa Atoll, the planning capacities of the communities were strengthened by participatory Island Development Plans, which were integrated into an Atoll Development Plan. The planning process was highly appreciated as an opportunity to reflect on island and atoll development options and for all concerned stakeholders to air their views. Two projects of island plans were implemented by communities without EC funding. Unfortunately, the Development Plans are no longer recognised by the new GoM. The capacities of the Ministry of Agriculture and Fisheries were improved due to “out of country” training of extension officers, who are still in the extension services.

Other effects of the project were short-term. For example, clean-up activities after the tsunami, through cash for work, provided a limited (but welcome) one-off income for a small number of people. This was due to the fact that many selected islands were not greatly affected, and the cleaning up activities were completed by small groups of people within a few days (⇒ Specific Conclusion SC 1). (cf. Annex 4.2.1)

Housing and social infrastructure provided but access to social programmes and services only partly improved

EC support targeting improved access to social infrastructure and services was implemented by two projects:

- The Rapid Reaction Mechanism funded the reconstruction of 28 houses and the repair of 106 houses on the safe island of Muli.
- Educational and health infrastructure was built or extended by Component 2 of the Tsunami Safe Island Programme.

The housing investments, through the RRM Housing Project, supported the voluntary relocation of tsunami-affected members of the population. In total, 79 tsunami-affected families were successfully relocated to Muli, which resulted in a modest population increase of 11%.

By constructing new facilities and expanding existing ones for health, education and community services, infrastructure for improved social services and programmes was provided in three Safe Host Islands. However, some of the infrastructure provided is not yet in use as GoM has not provided management procedures or the required equipment. The following table gives an overview of the facilities and their operational status.

| Number of facilities | Type of facility | Locations | Fully operational |
|----------------------|------------------------------|---------------------------|---|
| 1 | Hospital extension | Kudahuvadhoo | Yes, but more services have been identified to improve the health care services |
| 3 | School extensions | Kudahuvadhoo / Gan / Muli | Yes, but 1 school requires more support to improve the access |
| 1 | Multi-purpose building | Kudahuvadhoo | Not yet |
| 1 | Vocational training centre | Kudahuvadhoo | Not yet |
| 2 | Residential learning centres | Kudahuvadhoo / Gan | Not yet |

GoM's provisions to monitor and evaluate programme results and sustainability have been limited due to the following constraints:

- Geographical spread of activities, causing high cost and time requirements;
- Quality of the project planning documents (i.e. lack of good quality, quantified indicators);
- Staff changes in government (follow-up of ongoing projects with new staff);
- Restructuring of island governance affecting responsibility and ownership of projects.

As a result, the completed and nearly-completed projects reflect a number of pending issues that require close monitoring and follow-up actions from GoM. (cf. annex 4.2.2) (⇒ Specific Conclusion SC 3).

Combat Drug Abuse Programme has potential to achieve good results

The EC's 26-month programme, *Strengthening the National Response to Combat Drug Abuse*, has only just started, completing the initial preparatory stages of project work planning and the training of project staff. Hence, there is no impact yet. It has the capacity to contribute to tackle drug abuse in the country, although there is little known about the exact scale of the problem. The programme will be implemented by the United Nations Office on Drugs and Crime, Regional Office for South Asia (UNODC) in co-operation with the Ministry of Health and Family (Department of Drug Prevention and Rehabilitation Services).

The UNODC designated a drug demand reduction officer in the Maldives and a drug law enforcement mentor to assist GoM in developing a comprehensive law enforcement response. The new Narcotics Bill, covering the whole cycle from prevention to treatment to after-care, will provide an enabling framework for the extension of the services envisaged in the project. There is a strong ownership and commitment on the part of GoM, public stakeholders and NGOs.

The support may enhance and extend the services available for drug prevention, treatment and after-care and strengthen NGOs and CBOs across the country, as well as service providers and state ministries. It also has the potential to facilitate the extension of drug treatment services to prison settings and to people on parole, as well as to provide after-care services in the community. The planned baseline survey is important to help clarify the scale of drug use in the country, which is currently not well known. The envisaged sustainability strategy at the end of the project is important to ensure that the

results can continue to being beneficial to both the scale and quality of drug prevention, treatment and after-care services (⇒ Specific Conclusion SC 2). (cf. Annex 4.2.3)

Programmes consider needs of women and vulnerable groups and partly involve civil society organisations

Gender, governance and human rights aspects are part of the above mentioned EC support programmes, even though not as a prominent element in all individual projects or components. The Community Livelihoods Programme had specific skills programmes for women and specifically targeted internally displaced persons in its activities (after initially not having considered them). The Drug Abuse Programme specifically addresses vulnerable groups, including women. Some of the programmes also actively involved and strengthened NGOs during implementation – for example, the Community Livelihoods Programme and the Drug Abuse Programme. (cf. Annex 4.2.4)

4.3 TO WHAT EXTENT HAS THE EC SUPPORT CONTRIBUTED TO IMPROVING THE ENVIRONMENTAL CONDITIONS FOR THE POPULATION OF THE MALDIVES AND REDUCING THE LONG-TERM VULNERABILITY OF THE ISLANDS TO NATURAL DISASTERS? (EQ 3)

Response to the EQ:

The EC's support programme in the environment sector was limited mainly to solid waste management. It did not succeed in setting up an operational solid waste management system, either at island or the regional level. Environmental effects are therefore minor. Some sustainable effects were achieved with regard to awareness creation, human and institutional capacity strengthening, inputs into the National Solid Waste Policy and into the design of the MEMP. Causes for failure were technical, organisational, and financial in nature, as well as time constraints.

EC environmental support was basically limited to solid waste management

The Maldives faces serious environmental constraints in terms of sanitation and water pollution threatening health and the unique sea and land environment, which is the resource base for its most important economic sectors – tourism and fisheries. The country is extremely and increasingly – as a result of climate change – vulnerable to flooding and sea level rise, with 80% of the land mass being less than 1 metre above sea level. While the Maldives' contribution to global climate change is of low significance, due to its small population of 310,000, the country is severely threatened by the consequences. Climate change adaptation is therefore of prime importance for the future of the country, while potential mitigation impacts are small, even though GoM has declared carbon neutrality by 2020 as a political goal.

Male, with one third of the Maldives' entire population, generates most solid waste. On the outer islands, waste is traditionally deposited in an uncontrolled way – burned or thrown into the sea, with the consequent pollution risks. Waste deposit and burning produce greenhouse gases and toxic emissions and threaten the protective reefs and fisheries.

EC support to the environment sector has so far been limited basically to solid waste management activities on the outer islands. During the period 1999-2009, the following environmental activities were carried out with EC support:

- The Solid Waste Component of the Tsunami Safe Island Programme (TSIP) to construct Island Waste Management Centres (IWMCs) and a Regional Waste Management Centre (RWMC).
- The Community Livelihoods Programme intervening on seven islands with IWMCs as part of a larger UNDP Programme concerning 16 islands. The waste activities were not part of the initial programme planning, but were introduced following a request by the former Ministry of Energy, Environment and Water (MoEEW).¹⁴
- Technical Assistance on “Institution Building for the Ministry of Housing, Transport and Environment”, which served to strengthen monitoring of the Tsunami Safe Island Programme, including the solid waste component.
- Technical Assistance on “Strategic Environmental Assessment for the Maldives Regional Development Plan”.
- A new major programme, “Support to Climate Change Adaptation” (€ 6.5 million), which is just in the starting phase.

Other objectives formulated in the EC strategic documents (e.g. sea defence, coast protection, drinking water, sewerage, energy) have been relevant but too ambitious to be achieved with the limited funds (see also Chapter 4.1). The forthcoming Programme Support to Climate Change Adaptation and Mitigation offers new possibilities in this regard and targets environmental policy advice, follow-up of the solid waste activities in South Ari, and climate change adaptation and mitigation pilot activities.

Influence of EC support on integration of environmental aspects into national policies was limited

Influence at the policy level – one of the objectives in the strategic documents – has been achieved to some extent through:

- Technical Assistance in the Community Livelihoods Programme, which has contributed to developing the National Solid Waste Management Policy and an institutional framework for solid waste management.
- Lessons learnt from the failures of the Tsunami Safe Island waste component, which have been integrated into the design of the Maldives Environmental Management Project (MEMP). This project, funded by the World Bank, will continue with a regional approach to solid waste management in the North Province.
- The Strategic Environmental Assessment, which was funded to guide the Maldives’ Regional Development Plan. However, the results have not been widely known and accepted.

(cf. Annex 4.3.1)

Implementation of island waste management systems was not successful

While solid waste was, and still is, an important issue for islands, the tourism sector and GoM, the solid waste components of both the Tsunami Safe Island Programme and Community Livelihoods Programme were not successful as none of the 13 IWMCs of the TSIP and only few of the seven IWMCs constructed by the Community Livelihoods

¹⁴ now Ministry of Housing, Transport and Environment

Programme are operational today. A regional model for solid waste management – an important conceptual element for the national solid waste policy – has not been achieved due to financial and time constraints.

Reasons for the non-operation of IWMCs are not only technical (design weaknesses, missing equipment) but also insufficient involvement of the communities in general, and notably the Island Women Development Committees, the absence of management procedures for running the facilities. The wide dispersion of the activities on many islands meant that effective monitoring was limited by the high costs involved.

Specific design adjustments of infrastructure to anticipate natural disasters, such as sea swells or climate change-related higher sea levels, have not been introduced as the national standard design for IWMCs, which was applied by the EC programme, did not provide for these. The national building code has so far not been adjusted to better protect against natural disasters. Improvements of the code are currently being discussed, based on suggestions by UNDP consultants.

The solid waste component of the *Tsunami Safe Island Programme* had to be revised after the idea of a Regional Waste Management Centre was abandoned. Remaining funds were used to procure an important quantity of equipment, which has, however, not yet been delivered to the islands.

Effects of the EC waste activities on the waste problem of the islands, and more so on higher objectives such as environmental conditions, climate change or disaster vulnerability and preparedness, are therefore also judged as being minor so far. Some sustainable effects were achieved with regard to human and institutional capacity strengthening, notably by the Community Livelihoods Programme but also by the awareness campaign of the *Tsunami Safe Island Programme*. The failure of the programme allowed lessons learnt regarding conceptual issues for future solid waste management activities in the Maldives.

With the IWMCs being currently unused and the procured equipment stored in Male, the EC's work remains unfinished and needs follow-up in order to make use of the important investments undertaken. Part of the EC-funded IWMCs in the North Province will be followed up by the WB-funded *Maldives Environmental Management Project* (MEMP). For the remaining islands, especially around South Ari Atoll, a follow-up of the waste management activities is planned under the EC programme *Support to Climate Change Adaptation and Mitigation*, which is just starting.

The new programme envisages the provision of political advice in the area of climate change, together with pilot activities for climate change adaptation and mitigation, and follow-up activities in the solid waste sector. Climate change-related activities benefit from a high interest of GoM and address a vital problem of the country. (⇒ Specific Conclusion SC 4) (cf. Annex 4.3.2)

4.4 TO WHAT EXTENT HAS THE EC SUPPORT TOWARDS IMPROVING LOCAL ECONOMIC DEVELOPMENT HELPED THE GoM TO BUILD A MORE DIVERSIFIED AND COMPETITIVE EXPORT SECTOR FOR THE INTERNATIONAL MARKETS? (EQ 4)

Response to the EQ:

Export diversification and improved competitiveness, notably of the fisheries sector, has been too ambitious an objective, given the limited EC support to the sector. The assistance provided in the area of trade focused on central government institutional capacity building, rather than local economic development. Support to the fisheries sector through the construction of local fish markets was partly successful, but too limited in extent to influence exports or diversification.

Diversification and improved competitiveness of exports was too ambitious an objective to be achieved by EC support

An analysis of trade statistics indicates that fish is the major export product of the Maldives, accounting for 97.5% of all its exports to the EU.¹⁵ While it is a central objective of trade policy to diversify exports, the Maldives has not yet successfully achieved this important but challenging objective. The GoM Ministry of Economic Development and Trade views export diversification as a priority and is planning a number of initiatives focusing on this objective. The Ministry has commissioned a study on diversifying the export sector, schedule to be available around June/July 2010 and providing information about products with export potential and the possibilities of import substitution. The latter is very important in the context of increasing local supplies to the tourist resorts. Overall, export diversification is seen by many Government stakeholders as a high-level and challenging goal, with the Maldives economy facing many supply-side constraints that need to be addressed as a condition of export diversification (for example, poor transport infrastructure, gaps in and low level of workforce skills, shortage of investment finance). The small size of the domestic market means that exports are necessary to stimulate economic growth. The vulnerability of the economy, resulting from its strong reliance on the tourism and fisheries sectors, also requires concerted efforts to diversify the economic base and export markets.

Diversifying exports and improving competitiveness, notably in the fisheries sector, is nevertheless a challenging goal as the economy of the Maldives faces many supply-side constraints that need to be addressed before such an objective can be achieved (transport infrastructure, workforce skills, shortage of investment finance, etc.). EC trade-related support did not impact on local economic development and export diversification. EC assistance did seek to promote trade as an important driver for industry, competitiveness, employment policy and to integrate the Maldives into the global economy though enhancing trade capacity (see chapter 4.5). However, the diversification of exports was not covered within the mandate of the EC-financed Integrated Framework Facilitator. (cf. Annex 4.4.3)

¹⁵ Eurostat data

EC support to the local fisheries sector partly helped to improve livelihoods but was too limited to influence exports

The EC support to local economic development provided through the Community Livelihoods Programme did not contribute to diversifying the Maldives' exports. Three fish markets were constructed or rehabilitated as part of post-tsunami support. The field mission visit to two markets found that the reconstructed Naifaru fish market is in use and is highly valued by fishermen and fish processors of the island and neighbouring islands. Some 420 people and their families, (70% of the people on the island) earn their livelihood directly linked to the fisheries sector in Naifaru, and although fish outputs are down and the facility is not fully used (operating at three-quarters of capacity), it is valued as a means of supporting this fishing community in earning a livelihood. The Island Office manages the facility, and there is evidence of involvement of fish processors and fishermen in decision-making, while the café attached to the facility is also providing a regular source of revenue to help sustain it. The sustainability of the investment in Naifaru is therefore assessed as good, in view of the institutions in place to maintain and manage the facility, its level of utilisation, and the income generated. There is a correlation between the impact and sustainability of the Naifaru fish market and the existence of a fish market prior to EC support.

The Kudahuvadhoo fish market has not been used for the last four years and has now been rented out to a businessman.

The provision of training on the making and marketing of tuna jerky (which was financed by EC assistance) did not generate an impact, as these skills are not being used.

The GoM has recently discontinued its policy of fish market construction and recognises the need for an established and developed fisheries sector as a prerequisite for the success of fish market investments. (⇒ Specific Conclusion SC 5) (cf. Annex 4.4.1)

Support to tourism recovery has been one of the objectives of the TIP. No EC support activities have been implemented in this area. However, the country is benefiting from an EIB loan of €50 million, but this was not part of the evaluation. For more background information on tourism influence on the islands, refer to annex 4.4.2.

Cross-cutting aspects were influenced through required ratification of conventions

Gender was taken into account under the UNDP Livelihoods Programme, as described in chapter 4.2. The EC's trade support activities did not take cross-cutting issues explicitly into consideration, but it is worth noting that, as part of the preparation of the GSP+ scheme, the Maldives has ratified a number of international conventions covering a range of themes, including human and labour rights.

4.5 TO WHAT EXTENT HAS THE EC SUPPORT TOWARDS IMPROVING TRADE CAPACITY HELPED THE GoM TO FULFIL ITS INTERNATIONAL COMMITMENTS? (EQ 5)

Response to the EQ:

EC assistance was both effective and valuable in developing the trade capacity of GoM and supporting the country to meet its international commitments. The impact of the assistance on the institutional framework to ensure trade policy co-ordination is rated as particularly high. The assistance has enhanced capacity of the GoM to conduct WTO negotiations, as well as to address the challenges of LDC graduation. The sustainability of the assistance has been weakened by the staff changes within the Ministry of Economic Development and Trade, which has reduced the institutionalisation of the acquired know-how and skills.

EC support improved trade-related capacities and policy framework

EC assistance in the field of trade (three projects) has focused on capacity building in order to support the GoM in international trade negotiations, to develop a trade policy, and to integrate it into the country's Poverty Reduction Strategy (PRSP) / 7th National Development Plan. Support to the trade negotiations concerned particularly WTO negotiations regarding the country's graduation from LDC status and, more generally, the Doha Development Agenda.

In the framework of the project Support to the Maldives in International Trade Negotiations No. 2005/100366, the consultants developed a paper on *Options for the Maldives Trade Agenda* in May 2006, which set out – according to eight distinct policy areas – a wide range of options for GoM to evaluate in formulating its international trade policy. These options were based on the eight trade-related policies included in the 7th National Development Plan (NDP) under trade and investment.

The paper recognises that “*Maldives exports can be built up and diversified only if action is taken to resolve serious supply-side issues in the economy, including access to investment finance, improvement of production procedures and standards, training of the workforce, development of modern marketing principles, and improvement of transport infrastructure*”. It recognises that for GoM to pursue its liberal approach to participation in the world economy and encourage open and equitable access by foreign and domestic investors, prerequisites for success are the reduction of economic bottlenecks, such as excessive administrative regulation of business, and improvements to the production base and domestic infrastructure.

Following on from this work, the Ministry of Economic Development and Trade detailed its objectives and, with assistance from the EC, developed a comprehensive policy framework, by mainstreaming the trade constraints and recommendations identified by the WTO Integrated Framework Diagnostics Study.

GoM capacities, in particular the capacity of the Ministry of Economic Development and Trade, have been enhanced to meet its international commitments. However, some staff changes in the GoM – for example, after the change of government – have impacted on the retention of know-how and there is a need to safeguard acquired capacity in the future

in order for the GoM to develop a critical research and technical capacity to deliver its trade policy objectives. (cf. Annex 4.5.1)

EC support strengthened trade-related institutional framework

EC assistance also supported the development of the *Institutional Review of the Maldives Ministry of Economic Development and Trade*, which was prepared in August 2008 by the Framework Facilitator. The proposed institutional framework for trade policy co-ordination was submitted to the Cabinet and approved by the President.

The EC trade support strengthened institutional structures for trade and development. An inter-ministerial co-ordination committee – *the National Trade Policy Committee* – has been set up to mainstream trade across a range of policy areas. GoM now has a functioning co-ordination mechanism for trade issues, although it is recognised that it takes time for the process to become fully institutionalised and for all involved ministries to recognise the importance of trade policy co-ordination. As a result of EC support, GoM has also identified trade-related challenges and has gained a better insight into the trade context of the country.

EC support also focused on putting in place mechanisms and structures to address policy issues. The EC was funding the Integrated Framework (IF) Facilitator for the Maldives, which is a harmonisation process to support LDC governments in trade capacity building and integration of trade issues into overall national development strategies. The IF support included advice on WTO issues and addressing the challenges of LDC graduation. It contributed to the development of four projects for IF Trust Fund support, which:

- Enabled the participation of key officials of the Ministry of Economic Development and Trade in important trade-related international and regional meetings;
- Operationalised policy co-ordination mechanisms;
- Designed the Trade Information System;
- Designed the web-based SMS system;
- Gave support in relation to SAARC service negotiations, including the preparation of a strategy paper to guide service negotiations in the SAARC;
- Upgraded the customs software to ASYCUDA++ and enabled migration towards ASYCUDA World.

As a result of EC assistance, efforts to co-ordinate the integration of trade across a range of policy areas are under way, and trade policy is being reflected in other national development planning. The IF Trust Fund support facilitated by the EC consultant is rated as highly valuable. (cf. Annex 4.5.1)

Implementation of Maldives' WTO commitments was promoted

EC consultants supported the capacity of the Maldivian representatives in relation to monitoring WTO developments and feedback from WTO. Important themes of EC assistance were LDC graduation and its impact on rights and obligations, in relation to the WTO and trade preferences with major trading partners and support in relation to the ongoing Doha Development Agenda round at the WTO. Since the end of 2008, the

Maldives has its own representative in Geneva, keeping in close contact with the EU consultant for the IF Facilitator support.

As a result of EC support, the Maldives was able to respond more quickly to WTO developments and was better informed. The WTO Trade Policy Review 2009 indicates:

“According to the Authorities, the EC’s assistance has been instrumental in setting up institutional structures for trade policy co-ordination and identifying the Maldives’ interests in service negotiations.”

The assistance provided by the same expert in the framework of two EC-financed contracts is assessed as positive in terms of effectiveness and impact in implementation the IF Action Matrix, in supporting GoM in efficiently steering the EIF process, and in the identification of priority projects from the Action Matrix for funding.

Since the EC-financed donor facilitator completed his contract in February 2009, GoM has urgently requested additional assistance from the EC for support related to the national trade agenda. Consultations with the EIF board in Geneva indicated that there are no donors in Maldives at present in the trade sector. Thus, EC HQ concluded that no realistic option existed for a meaningful role of a donor facilitator. This should not block access to EIF funding for Maldives, however, as these funds could be sourced without a donor facilitator. Should there exist a problem in preparation of project applications, support could be requested under a Tier 1 project, wherein the Government is able to recruit assistance. (cf. Annex 4.5.1)

Provisions to reduce impacts of graduation on exports were established

In addition to contributing to the better implementation of WTO commitments, EC support also sought to reduce the impact of graduation from LDC status, which includes the loss of preferential market access. The Maldives will graduate from the LDCs list in January 2011. LDC status means preferential market access and technical and financial support from multi-lateral and regional sources. Efforts are under way to reduce the trade impact of graduation by the following measures.

- From graduation in 2011 to 2014 in relation to the EU market – the Maldives’ most important export market – the country has requested an extension of the Everything But Arms (EBA) arrangement for three years. This will mean that duty-free access for fisheries exports to the EU can continue. The EBA arrangement provides duty-free, quota-free access for all products for the 49 Least Developed Countries (LDCs). The extension of EBA is a contingency to ensure that the country has an arrangement in place while the EU’s Generalised System of Preferences (GSP+) is finally set up.
- After 2014, it is planned to apply the EU’s GSP+ scheme, which provides preferential access to the EU market to 176 developing countries and territories, in the form of reduced tariffs for their goods. There is no requirement that this access be reciprocated. As a condition, GSP+ requires the ratification of 27 specified international conventions in the fields of human rights, core labour standards, sustainable development, and good governance. With the exception of the convention relating to endangered species, all requirements have been met by the Maldives.

Despite these efforts, the country’s exports remain exposed – in terms of its important trade to Thailand and Sri Lanka – by the loss of preferential market access. It is probable that Maldivian exports will not sustain their market share with these countries. (cf. Annex 4.5.1 and 4.4.4) (⇒ Specific Conclusion SC 6)

4.6 TO WHAT EXTENT HAS EC SUPPORT IMPROVED THE GOVERNANCE OF LOCAL AND CENTRAL INSTITUTIONS AND THE POLITICAL PARTICIPATION OF CIVIL SOCIETY? (EQ 6)

Response to the EQ:

During 18 months of election assistance, the EC has played a prominent role in the political transformation process in the Maldives and has substantially contributed to a peaceful transition from an authoritarian to a democratic system. Civil society organisations have been indirectly strengthened through their participation and co-operation in the election process. Apart from the election support, the EC was not engaged in other activities related to good governance, despite a strong need to sustain the democratic transition.

With regard to cross-cutting issues, the EC has brought in gender aspects at an early stage and contributed to integrating gender orientation in the Maldives government institutions. During the election support, gender was not specifically addressed. Potential future support to local elections and local governance offers a unique opportunity to enhance women's position at local level in decision-making structures.

EC support has facilitated democratic elections

The election support was successful. The electoral legislation is in line with international standards, and the subordinate legislation provides an adequate basis on which to conduct democratic elections. The newly-installed complaints and appeals mechanism and the polling stations have worked well in most of the islands. Voters participated in large numbers in all three polls, with a very low number of invalid ballot papers, and election observation – conducted by local NGOs and a group of international observers, led by the EC – has judged the election process to be globally acceptable. There have been some shortcomings, which varied in extent from one poll to the next, but these have not impacted on the fair and transparent course of the elections. Due to the deadlines set out in the constitution, the timeframe for the preparation of the presidential elections did not correspond at all to a standard election preparation schedule. Yet despite the extremely challenging timeframe, the two presidential polls worked well and permitted a peaceful change of the executive. During the preparation of the parliamentary elections, the shortcomings from the first election were addressed and the election process was amended. (cf. Annex 4.6.1)

Apart from the technical aspect of the election assistance, there was a very positive additional impact resulting from the presence of the EC's TA-team during the whole election preparation and implementation process. The EC's engagement in the country significantly increased the credibility of the election process among the public and strengthened the perception of the EC both in Maldivian public opinion and within the government. The EC is now recognised as an important political partner for the monitoring of the democratisation process that is under way in the country.

EC-supported implementation of reforms related to good governance and democratisation

Apart from its support to the election process, the EC was not engaged in other activities related to good governance, although the area remains important in the present context of the Maldives' ongoing democratisation process. The political, administrative and judicial system needs reforming in order to implement constitutional guarantees and requirements. The passing of an important number of bills has been delayed in parliament, which is composed predominantly of newcomers to politics and in which the opposition coalition has the majority – resulting in the problem of consensus having to be reached between the government and its parliamentary opposition. Maldivian democracy is in a critical phase and needs to prove to the people that it is able to guarantee liberty and provide a functioning political, judicial and local governance system. Two major reforms are in need of support: the reform of the judicial sector (including police and prisons), and the decentralisation reform, beginning with the preparation of the local elections. The successful EC support for the presidential and parliamentary elections raised expectations in the Maldives and among donors about EC engagement in the preparation of the forthcoming local elections, which constitute the last main piece of the political transition process.

The EC is now widely recognised in the Maldives, and by other donors, as an important political partner for the promotion and monitoring of the democratisation process that is under way. Its engagement in this field would constitute an added value in the further democratic transformation of the country. (cf. Annex 4.6.2)

The EC has only marginally strengthened civil society and non-state actors in dialogue with GoM

The number of civil society organisations in the Maldives is small, but some NGOs engaged in the field of human rights and democratisation played a crucial role during the preparation of the constitution and in the election process. They provided input into the elaboration of a number of bills by preparing comments, have fostered public discussion about international human rights and democratic standards, and have created pressure for respecting deadlines – in particular, with regard to the adoption of the constitution and the legal framework for the parliamentary elections. A collective of NGOs organised a civil education campaign and set up a local election observation mission of about 120 volunteers throughout the country.

The EC has not financed these election-related NGO activities. However, there was fruitful co-operation between the NGOs and the EC's TA-mission concerning NGOs' activities. At the same time, information from the NGOs enabled the T-team to cross-check political information and to receive feedback on planned activities. Since then, the narrow political NGO landscape has changed due to the fact that several founder members of politically-engaged NGOs have now been recruited by the new government in senior positions and are no longer working for the NGOs. Other organisations have now been created and are trying to bring forward the democratic transformation process of the state and society.

The initially planned project *Support to the Maldives on Good Governance and Democratisation 2007-2010* aimed to strengthen the capacity of civil society organisations and the Human Rights Commission, but the funds for this project have subsequently been shifted to the *Combat Drug Abuse Project*. For the implementation of activities in the two intervention sectors of the MIP 2007-10, relating to drug abuse and climate change, NGOs are seen as important partners. (cf. Annex 4.6.3)

There has been progress in the empowerment of women

The *Empowerment of Women Project* was the first project specifically targeting women and had a pioneering role in strengthening gender issues in the political and social environment of the Maldives at this time. It was the only project in the country with such a comprehensive approach, and was the first co-operation project between the EC and UNFPA.

However, the project design was too broad. Complicated project implementation structures – with multiple agencies, partial management from Colombo through the UNFPA Country Director, and different administrative requirements from the EC and UNFPA – have hampered project implementation. Several project activities produced no impact. Nevertheless, some project components did generate sustainable impacts: the Revolving Fund Loan Scheme and the Girls' Scholarship Scheme produced good results and were replicated after the closure of the project, with GoM support. The project has increased awareness about women's rights and potentialities at the central level and on the beneficiary islands. (cf. Annex 4.6.4)

Gender and environment issues have been partially taken into consideration by EC good governance programmes

The implemented activities in the field of election support seemed not to have integrated gender issues – for example, with regard to civic education issues – although it is known that the social environment in the Maldives is characterised by an under-representation of women in political institutions. Women are, for example, less well represented in the new parliament than under the previous regime due to the fact that, before the last election, eight of the 50 MPs were appointed by the president, and this was the main route through which women entered parliament. However, gender issues were regularly addressed in the election mission reports. (cf. Annex 4.6.5)

Women on the islands are quite well organised and are often the main actors in terms of environmental issues and social and economic life. Many households are managed by women, as men are often working in the tourist resorts, in the fisheries industry, or abroad. However, the present local governance structures generally do not sufficiently allow women to play an effective role in the local decision-making process.

Support to the local elections and the decentralisation process presents a real opportunity to encourage and enhance the role of women in local decision-making institutions. It is also recognised that many empowerment measures are necessary, as women are not accustomed to voicing their opinion in public and performing leadership roles.

Future co-operation in the field of decentralisation and in support to local elections presents an opportunity to enhance women's position at local level, specifically in relation to participation in decision-making structures.

This is also outlined in the EU Strategy on Gender Equality and Women Empowerment in Development co-operation (2007), which points to the need to refocus specific actions for women's empowerment in the field of governance and political participation.

Environmental issues have not been addressed in the related project documents, but are strongly linked to local governance structures and capacity. For example, poor waste management is one of the main problems at local and regional levels.

(⇒ Specific Conclusion SC 7)

4.7 TO WHAT EXTENT HAS THE EC SUPPORT PROVIDED UNDER THE RRM AND TIP AFTER THE TSUNAMI FLEXIBLY RESPONDED TO POST-TSUNAMI REQUIREMENTS FOLLOWING AN APPROACH OF LINKING RELIEF (ECHO), REHABILITATION AND DEVELOPMENT? (EQ 7)

Response to the EQ:

After the tsunami, GoM directly acknowledged the need to rapidly restore public services, revive livelihoods and industries. EC interventions were aligned to the priorities identified in a joint needs assessment and documented in GoM's National Recovery and Reconstruction Plan (NRRP). At the national level, and in context of the overall tsunami recovery support of multiple donors, the EC programmes swiftly and flexibly followed a consistent approach of linking relief to rehabilitation and development (LRRD) through ECHO, RRM and TIP. The same level of LRRD consistency is less evident at the island level.

EC post-tsunami support enabled rebuilding and capacitated stakeholders in a consistent LRRD approach

TIP and RRM endorsed and enabled local and state actors adequately to reassume their roles and utilise the tsunami-created window of opportunity for capacity building, recovery, development, disaster risk reduction, and strengthening of the “Safe Host Island Strategy” of the former government. The EC support strengthened the establishment of civil society, whose actors subsequently engaged in mid- to long-term development activities under RRM and TIP. Projects under TIP and RRM contributed to the rebuilding of social structures and community development.

The planning and timing of the RRM support was appropriately sequenced in the TIP planning documents and formed the rehabilitation link between the ECHO relief and the TIP livelihood restoration and development activities.

By following the national Safe Host Island Strategy, the RRM and TIP, and through its alignment with the national needs assessment and the National Reconstruction and Recovery Plan, the EC contributed to addressing the post-tsunami requirements in a complementary way. From these viewpoints, the eight main objectives and results of the RRM and TIP support to date are assessed as follows:

| Objectives | Assessment |
|--|---|
| 1. Reconstructed and repaired houses, with improved quality and safety standards. | Successful implementation, with an equal impact. (cf. Annexes 4.7.1 and 4.7.3) |
| 2. Institution building through development of the Public Accounting System and accompanied training measures. | Successful implementation at the MoFT, with a good impact thus far. The implementation at other line ministries is still ongoing, and the implementation at island level will be due in 2011. (cf. Annex 4.7.2) |
| 3. Restored and revitalised agricultural and fisheries livelihoods, in an improved and more sustainable way. | The impact varies from reasonable to good. (cf. Annexes 4.2.1 and 4.7.2) |

| Objectives | Assessment |
|--|--|
| 4. Empowered selected communities in administrative decentralisation. | Successful until administrative decentralisation was reversed by the newly-elected government. (cf. Annex 4.2.1) |
| 5. Restored and improved livelihoods of women. | The impact varies from satisfactory to good. (cf. Annex 4.2.1) |
| 6. Funded community proposals through an established small grants programme. | Satisfactory implementation and impact (cf. Annex 4.2.1) |
| 7. Improved access to basic health, education, and community services, through reconstructed facilities, with improved quality and safety standards. | The quality of all reconstructed facilities is good. However, the access to some education and community services has not been improved because some facilities are not operational yet. (cf. Annexes 4.2.2 and 4.7.2) |
| 8. Improved sustainable waste management through constructed facilities, and conducted a public awareness campaign. | The impact of this programme has been unsatisfactory to date. To meet this objective, more efforts and inputs will be required. (cf. Annex 4.3.2) |

Hence, the programmes funded through RRM and TIP achieved post-tsunami recovery and development objectives to a mixed degree. More detailed results of sectoral activities of the individual programmes have already been discussed in chapter 4.2 (livelihood support and social infrastructure) and chapter 4.3 (solid waste management).

Concept-wise, the EC support conformed to important principles of linking relief, rehabilitation and development (LRRD) – that is, ad hoc review of existing CSP and setting up of a transition strategy (TIP), joint planning and co-ordination, up-to-date needs analysis, alignment with national priorities, co-ordination, etc.¹⁶ For each phase after the tsunami, the EC has been able to assist the Maldives with different funding instruments – ECHO during the emergency phase, RRM and components of the Community Livelihood Programme during the rehabilitation phase, and TSIP plus Community Livelihood Programme to re-orientate activities towards development. These findings apply if looked at from a national perspective.

However, if a local perspective of a single island is taken, EC support was not as continuous as from the national perspective, because ECHO, RRM and TIP did not intervene on the same islands. Some islands received only EC emergency support, others reconstruction support (e.g. housing), and others only development support (e.g. waste management centres). Whether these components were embedded in a larger system of complementary support activities of GoM or other donors could not be exhaustively analysed in this evaluation, which was limited to EC support only. According to impressions formed during the field visit, this was not always the case. (⇒ Global Conclusion G 4)

¹⁶ EC (2008b): Programming guide for strategy papers. Programming fiche integrated transition strategies.

4.8 TO WHAT EXTENT HAS THE EC SUPPORT TO THE MALDIVES BEEN CO-ORDINATED, COHERENT WITH AND COMPLEMENTARY TO OTHER POLICIES AND ACTIONS OF THE EC AND OTHER MEMBER STATES' AND DONORS' INTERVENTIONS? (EQ 8)

Response to the EQ:

The EC participates in donor co-ordination, and its support is well co-ordinated with the interventions of member states and other donors. Also, implementing EC funds in co-operation with the World Bank and UN agencies strengthens the co-ordinated spending of funds and reduces administrative procedures. EC support has been complementary to other support by aligning to GoM's needs, expressed in the National Recovery and Reconstruction Plan, and swiftly adjusting programme activities in the case of identified overlaps. The EC took a lead function in co-ordinating the democratic transition. Synergies between the bilateral EC programme, the regional programmes and other EU policies or EIB are not fully developed.

EC support is well co-ordinated with other Member States' and other donors' interventions

Co-ordination between ECD and implementing agencies worked adequately. Overall donor co-ordination in the Maldives is mainly taken care of by the UN and, to a lesser extent, by the World Bank. The EC participates in a range of co-ordinating meetings, led by GoM, UN, World Bank, British High Commission and others. The EC has taken a co-ordinating role in the facilitation of the Integrated Framework process, and has successfully led three international election observer missions, consisting of diplomats of Member and non-member states.

Implementing EC support through WB and UN agencies in a bilateral co-operation (e.g. TSIP) or in multi-donor projects (e.g. Community Livelihood Programme) improved the co-ordination and co-operation between the EC and these agencies, with the spin-off effect that co-ordination between the World Bank and UNDP increased as well. While overall co-ordination is good, some monitoring and communication problems were reported for the Tsunami Safe Island and the Empowerment of Women programmes. (cf. Annex 4.8.1)

EC support complements other Member States' and donors' activities

The EC's contribution to the Tsunami Relief and Rehabilitation Fund (TRRF) and the joint damage assessment, which led to the National Recovery and Reconstruction Plan (NRRP), has improved complementarity of post-tsunami aid. The Tsunami Safe Island Programme (TSIP) is a good example of jointly-deployed funds in concert with the donor community, as part of a national plan in which GoM played a strong co-ordination role.

The EC also co-funded the UNDP Community Livelihoods Programme, where EC support was part of a larger multi-donor programme involving UNDP, CIDA, DfID, OCHA, ECHO and NZAID, and which was well co-ordinated with similar activities of the Red Cross. In the case of overlaps, planned activities were swiftly adjusted.

The Climate Change Adaptation and Mitigation Project, which is just starting, is again implemented through the World Bank, and co-operation is planned with a UNDP/GEF project, which is scheduled to start in 2010 and aims to push climate change into the mainstream of the national development strategy, disaster management, community outreach, advocacy, and institution building. The activities of the waste management component of the Climate Change Project will be complementary to those of the ADB and the World Bank's Maldives Environmental Management Project (MEMP).

The EC played a major role during the political transition process of the country through its comprehensive support, as sole donor, to the presidential and parliamentary elections, and in co-ordinating the international election observation team. (cf. Annex 4.8.2)

Bilateral EC support, support from regional EC programmes and influence of other EU policies are partly synergetic

Coherence under EQ8 was analysed on two levels: (i) coherence between bilateral and regional support programme (generally described as internal coherence) and (ii) coherence between the bilateral EC support and other EC policies. Full potential of EU development aid is only ensured if coherence is achieved at these two levels.

With regard to coherence of the bilateral programme and the regional programme (i.e. the Regional Programmes Asia 2005-2006 and 2007-2013), the latter is so far not sufficiently used by the Maldives. The regional programmes are demand driven, and participation depends on submission of project proposals by the Maldives. According to evidence from the field mission, GoM is not well informed about the possibilities and procedures of regional programmes, but also has little capacity to elaborate proposals.

Main participation of the Maldives took place in the Regional Tsunami EU Coastal Zone Management Facility, a regional programme managed through UN ISDR. The activities were similar and complementary to those of the bilateral EC support programme, but without active co-ordination among the regional and bilateral programmes. The ECD was not informed about the activities of the regional programme.

Concerning other EU policies, the Maldives is benefiting from trade relations with the EU, notably in the fisheries sector through preferential market access under the Everything But Arms (EBA) Regulation. The country has requested an extension of the EBA preferences until 2013, and is preparing for the GSP+ from 2014 onwards. The country also directly benefits from the EU's climate change policy funding through the Global Climate Change Alliance, which has selected the Maldives as a pilot. EU subsidies for agricultural exports are positive for the food import-dependent country, contributing to reduced prices of food imports from the EU. Indications of negative effects of external EU policies could not be found.

Important investment of € 50 million by the European Investment Bank (EIB) to support tourism development after the tsunami has not been prepared in consultation with the ECD. Few exchanges of information take place between the two EU institutions. (cf. Annex 4.8.3) (⇒ Specific Conclusion SC 9)

4.9 TO WHAT EXTENT HAS THE EC CHOICE OF AID MODALITIES, DELIVERY CHANNELS AND IMPLEMENTING AGENCIES BEEN APPROPRIATE TO THE COUNTRY CONTEXT? (EQ 9)

Response to the EQ:

In a context of post-natural disaster, political instability, and institutional change in the Maldives, the EC has made flexible and cost-effective use of aid modalities, delivery channels and existing implementing capacities, thereby contributing to principles of the Paris Declaration and Accra Agenda, and strengthening local project management skills.

Efficiency-wise, most programmes suffered from implementation delays, and some from under-budgeting or overambitious planning. Monitoring of programmes was carried out, but was hampered by weak consistency of planning documents. EC visibility rules were applied only by part of the implemented programmes. The overall management results are mixed, with some programmes being successful, some satisfactory, and some less or not satisfactory.

EC support made flexible use of aid modalities, delivery channels and implementing agencies

Use of different aid modalities, channels and co-operation partners has to be assessed in the specific situational context of the Maldives during the period 1999 to 2009. The EC had, and has, no permanent representation in the Maldives. The country programme had been managed by the ECD in New Delhi until, after the tsunami in 2004, the responsibility was shifted to the ECD in Colombo, initially with limited staff. The International Donor Conference in January 2005 had agreed to pool tsunami-related funds and channel them through trust funds established by the countries with WB assistance. Additionally, the period after the tsunami saw strong political and institutional change, accompanied by political and social unrest. A new Constitution was approved in August 2008, the first multi-party presidential elections took place in October 2008, with a new president taking office, and parliamentary elections were held in 2009.

Seen in this context, the EC has made flexible use of available aid modalities (ECHO, RRM funding, ALA/DCI funding, framework contracts, thematic budget-lines and GCCA), shifting from an individual project approach to multi-donor projects and trust funds, and using locally already operating international (World Bank, UNFPA, UNDP, UNODC) and national implementing agencies (different ministries, NGOs). The approach helped to implement principles of the Paris Declaration (2005) and the Accra Agenda (2008) in terms of alignment to national plans, harmonisation of procedures and co-ordination with national and international development actors, the use and strengthening of existing capacities, joint financial arrangements, and joint post-tsunami needs assessment and others responding flexibly to the challenging framework conditions mentioned above. Involving GoM ministries and NGOs in implementation helped to strengthen local project management skills.

The Empowerment of Women Project was, however, implemented through UNFPA as an individual project. From 2004, a more strategic approach has been introduced with the CSPs. Funds of the first CSP were quickly transferred to the Tsunami Indicative

Programme (TIP) and channelled (i) through the national multi-donor Tsunami Relief and Rehabilitation Fund supervised by WB and GoM, and (ii) an existing multi-donor UNDP Programme. Different TA assignments, funded through framework contracts and the EIHDR thematic budget line, flexibly complemented the TIP programmes in the areas of trade, electoral support and capacity building. The programmes of the MIP 2007-2010 (co-funded by the GCCA) and the MIP 2011-2013 will also be implemented in co-operation with the WB and UNODC.

The Public Accounting System (PAS) has been a special product under Component 1 of the Tsunami Safe Island Programme, with finally a high impact on capacity building and efficient and transparent financial management of GoM. While being planned to facilitate TRRF management, it eventually turned out to be a major tool to improve financial management of GoM funds.

Incurred management fees for the World Bank and UNDP (2% and 7%, respectively) are cost-effective, even though some additional costs were incurred for additional monitoring of funds channelled through the TRRF. (cf. Annex 4.9.1)

Some programmes had efficiency weaknesses

With regard to programme monitoring, routine monitoring of programmes was mostly carried out through half-yearly reports, (joint) monitoring missions, mid-term and final evaluations. However, monitoring of programmes was hampered by weak consistency of planning documents lacking indicators and/or targets. (see also chapter 4.1). Some programmes were managed from outside the Maldives (e.g. TSIP, in the later stage, from Washington, and Empowerment of Women from Colombo), which resulted in less effective programme management and monitoring. This may also constitute a risk for the new Climate Change Adaptation Programme, which – according to the World Bank – will be managed from Colombo and New Delhi.

Implementation of most programmes suffered from delays due to:

- (i) Post-tsunami challenges: shortages in material, lack of specialised suppliers and service providers to respond to tenders, lack of qualified staff to implement works, rising prices.
- (ii) Political/institutional changes after the elections: restructuring of ministries and agencies, changes in responsibilities and staff, new staff not being familiar with former activities and procedures of project management.
- (iii) Geographical extent and linked logistical problems specific to the Maldives: high time requirements and costs for transport of material and monitoring.
- (iv) Heavy administrative procedures of EC, WB, UNDP and GoM: long duration to approve joint programmes, cumbersome procurement procedures, delays in needed approvals of GoM in selection of islands and construction sites.

In the case of the Tsunami Safe Island Programme, the delays and only short extension of programme led to major last-minute procurements for solid waste management that seem poorly suited to the island waste management activities and difficult to financially maintain by the islands (i.e. vehicles, excavators).

Some of the programmes have been under-budgeted (e.g. Tsunami Safe Island and Empowerment of Women) and/or planning of programmes has been overambitious. The

same has been true for the strategic planning (see also chapter 4.1). This led to a reduction of planned activities in several programmes and, at the strategic level, to a certain refocusing of programmes under the MIP 2007-2010 and 2011-2013. (⇒ Global Conclusion G 1)

Visibility of EC was assured by the RRM housing project, and more or less by the Community Livelihoods Programme. On work sites of the WB-managed Tsunami Safe Island Programme and the Empowerment of Women Project, visibility was weak.

Overall, implementation results of EC support to the Maldives were mixed, with some positively-assessed programmes (e.g. RRM Reconstruction Project, Election Support), some satisfactory (Community Livelihoods Programme, IF facilitator and trade support, Public Accounting System) and some less or not satisfactory components (e.g. Empowerment of Women, Solid Waste Management). (cf. Annex 4.9.2)

5 CONCLUSIONS

Development co-operation with the Maldives takes place in a very specific setting. The country's small population of 310,000 people is dispersed on 195 islands – each with mostly only a couple of hundred inhabitants – stretched out over a distance of more than 800km north to south. Most relevant for development activities are the import-dependency of the islands for nearly all products, and the difficult transport conditions.

Even though important for the Maldives in terms of Official Development Assistance (10% of disbursed ODA), the EC country programme, with € 26 million allocated between 1999 and 2009, is modest in comparison to most EC country strategies. Strategic intervention areas therefore corresponded sometimes to single projects or some technical assistance assignments. Furthermore, EC support under strategic country programmes is still young and was subject to interruptions. For example, the first CSP (2003-2006) was replaced by the Tsunami Indicative Programme (2005-2006) without having started; the start of the next CSP (2007–2013) has been delayed by political instability and institutional changes; the MIP 2007-2010 was revised in 2009 and first programmes only started in 2010. Support to the Maldives is therefore not yet embedded into a well-consolidated “strategic” programme, as encountered in other countries. These framework conditions must be borne in mind when assessing successes and challenges of the programme.

The following *global conclusions* and *global recommendations* refer to the strategic level, while the *specific conclusions* and their recommendations address the sector and project levels.

5.1 Global conclusions

Global Conclusion G 1: (from EQ 1, EQ 9)

EC country strategies and MIPs were developed with a good level of consultation with main stakeholders at the national level and partial involvement of local stakeholders, and are in line with the national priorities and needs of the population. However, the strategic planning was too ambitious, given the available funding. Dispersion over too many sectors and islands put strain on human and financial resources during implementation and diluted impacts and visibility. The breadth of the strategic planning gave, and gives, flexibility to adjust to government requests, which is well appreciated by GoM, but is detrimental to strategic focus and the continuity needed to achieve development results. Notably, small programmes need a clear focus and realistic planning. (⇒ Global Recommendation GR 1)

Global Conclusion G 2: (from EQ 1, EQ 9)

The Indicative Programmes, as strategic planning documents, and the logical frameworks of the programmes, as operational planning documents, lack the strict planning logic of hierarchically linked objectives, results and activities and monitorable and quantified indicators. A strict interlinking between strategic and operational planning frameworks is not evident. Monitoring and reporting are thereby hampered. Systematic reporting on progress in implementation of the country strategy is needed in order to identify, at an early stage, gaps between planning and implementation. (⇒ Global Recommendation GR 2)

Global Conclusion G 3: (from EQ 9)

Main support programmes have suffered from delays partly caused by exogenous factors that are difficult to anticipate. However, heavy administrative and regulatory procedures of all concerned administrations (WB, UN, EC) have also been a main cause of delays, even in a situation of urgency, such as after the tsunami. (⇒ Global Recommendation GR 3)

Global Conclusion G 4: (from EQ 7)

Post-tsunami, the EC has implemented a consistent LRRD approach at the national level by using ECHO and RRM funds and reallocating funds of the MIP 2004-2006 to the TIP. EC interventions served directly to address priorities defined by the joint needs assessment, and thus supported the overall national effort of GoM in a co-ordinated way. From an island perspective, the LRRD consistency of EC support was less obvious because different elements were implemented in different islands. LRRD principles may nevertheless have been respected if EC support took place in complementarity with support activities of other donors or GoM. However, this could not be verified in depth by the current evaluation, which was limited to EC support only, not taking into consideration activities funded by other agencies.

Nevertheless, it is worth pointing out that the LRRD consistency of contributions of a single donor that are aligned with national recovery planning can be felt at the local level only if the same consistency applies to the national recovery planning – that is, whether the overall national reconstruction planning responds to LRRD principles. (⇒ Global Recommendation GR 4)

Global Conclusion G 5: (EQ 6, EQ 9)

Experience of programme implementation has shown that, under the difficult logistical conditions of the Maldives, projects managed at the national level are more easily monitored and tend to perform better than projects being managed from outside the country. Management from Male offers the advantage of frequent personal contacts to all implementing institutions (Ministries, implementing agencies, NGOs, operators) and more time for monitoring of activities on the islands. (⇒ Global Recommendation GR 5)

5.2 Specific conclusions

Specific conclusions are given in order of the EQs.

Specific Conclusion SC 1: (from EQ 2)

EC support had a positive impact on the recovery of livelihoods. After focusing on recovery activities immediately after the tsunami, it shifted quickly to more development-oriented activities through diverse training in agriculture, skills and project management, involving islanders, island and atoll institutions, and civil society organisations. The participatory approach in part of the programme helped to create ownership in many activities. Agricultural production and economic livelihoods were improved, and some of the activities have so far been sustained. Women were targeted in some sub-programmes, and displaced persons benefited – although not immediately – from the programme. Capacities of Island Development Committees, Island Women Development Committees and the Ministries of Home Affairs and Fisheries and Agriculture were enhanced through the instigation of Development Plans, the contributions to the decentralisation policy, and the out-of-country training of extension officers.

Specific Conclusion SC 2: (from EQ 2)

The EC support for strengthening the national response to combat drug abuse in the Maldives has only just started. It has the potential to make a contribution to tackling drug abuse by improving services and by covering a large number of target groups through capacity building. However, as new activity, it adds to dispersal of the overall EC strategy, and sustainable success of the project depends on a number of additional requirements that are needed until project end. (⇒ Specific Recommendation SR 1)

Specific Conclusion SC 3: (from EQ 2)

While extension of some hospitals and schools contribute to improved social services, some of the TSIP-funded facilities for education and community services are still not operational and require inputs and actions to improve the access to social services and programmes. The completed and some nearly-completed facilities reflect a fair number of pending issues that require close monitoring and follow-up actions from the GoM. (⇒ Specific Recommendation SR 2)

Specific Conclusion SC 4: (from EQ 3)

The environmental EC support programme to the Maldives was too ambitious in the planning phase, and consequently had to be scaled down to solid waste management. While the solid waste activities addressed a main concern of GoM, the island population and the tourism sector, the constructed Island Waste Management Centres are, with a few exceptions, still not operational, purchased equipment has not yet been delivered, and management systems are absent at the island and regional levels. The important role of women in the traditional cleaning up of the islands was not put into use. Impacts are so far limited to lessons learnt that were used in the design of the MEMP, funded by World Bank. While part of the formerly EC-funded IWMCs in the North Province will be taken care of by the MEMP, no follow-up from other donors is foreseen for the IWMCs in the South Ari region. (⇒ Specific Recommendation SR 3)

The EC Climate Change Adaptation and Mitigation Programme, which is just starting, will follow up the solid waste management activities, offering the opportunity to integrate previous solid waste management experiences and bringing previous investments in IWMCs into use. It is implemented by the World Bank as a recipient-owned trust fund and offers the opportunity of synergy with the MEMP activities. It will address solid waste management in the context of a wider strategic approach regarding climate change. The adaptation measures of the project will particularly offer valuable contributions to lower the threat of sea-level rise and flooding, whereas mitigation activities – even though high on the political agenda of GoM – have a low impact potential due to the small contribution of the Maldives to global greenhouse gas emissions. (⇒ Specific Recommendation SR 4)

Specific Conclusion SC 5: (from EQ 4)

The challenging objective of building a more competitive and diversified export sector, with a focus on fisheries, was too ambitious to be addressed with the available funding. Activities were limited to the construction or rehabilitation of three fish markets, which today are partly operational. The fisheries sector clearly has been suffering during recent years from falling output levels and the fact that young people are attracted to working in the tourist resorts, rather than in the fisheries industry. EC support to tourism was limited to EIB loans, which were not part of this evaluation.

Specific Conclusion SC 6: (from EQ 5)

The EC has provided effective support to GoM to meet its international trade commitments, in trade policy formulation and in co-ordination and negotiation of agreements. It enhanced GoM's capacity to implement WTO requirements and to monitor WTO developments. GoM today is better informed and able to respond quicker to international requirements. LDC graduation poses an important challenge to the Maldives as it strives to negotiate preferential trading arrangements, and some provisions to reduce the impact of graduation were taken. The last EC-funded IF facilitator completed his contract in February 2009, and no meaningful role was found to justify a new donor facilitator as no donors are currently active in the trade sector. (⇒ Specific Recommendation SR 5)

Specific Conclusion SC 7: (from EQ 6)

The EC support for the preparation of the presidential and parliamentary elections helped significantly to implement democratic, transparent, free and fair elections in the Maldives, allowing the transition to a democratic government. The elections went smoothly, despite time constraints and the limited experience of the Interim Election Commission. The political effect of the presence of the EC team during the entire process was just as important as the technical aspect, giving increased credibility of the elections and also producing a positive perception of the EC among the Maldivian public and in Government. The EC has been recognised as an important political partner for the democratisation process.

The successful election support produced expectations of further EC support for the upcoming local elections. These will be more complicated with regard to organisation and competitiveness – especially at island level. There will be a specific need for civic education as the local elections will set up new institutions, with their own competences and duties. The local election will furthermore constitute an important opportunity for women to become candidates and to participate in decision making. The establishment of a sustainable and easy-to-update voter register, through an active voter registration process, remains an important issue. (⇒ Specific Recommendation SR 6)

With the changed political context in the Maldives, the government is to transfer constitutional guarantees into everyday life through new laws and institutions to implement the decentralisation reform, which will extend the democratisation process to the regional and island level. EC contributions to strengthen civil society organisations capable of dialogue with the GoM and to lobby for democratisation and good governance have so far been limited, even though a number of relatively new Maldivian NGOs have already proved their capacity in these fields, but are not yet represented at the atoll or island levels. Future co-operation in the field of good governance can build on these experiences and integrate these organisations into project implementation. The MIP 2011-2013 can provide an opportunity for well-focused support to implement the decentralisation reform, which might be the most comprehensive governance reform the country has ever experienced. (⇒ Global Recommendation GR 1)

Specific Conclusion SC 8: (from EQ 6)

Impacts and sustainability of the specific support to women by the Empowerment of Women Project are mixed. Project design was not focused enough, its implementation involved too many institutions, and the procedures were initially unclear. As a consequence, several activities were not successful. Nevertheless, the project produced

some sustainable impacts through the replication of the Revolving Fund Loan Scheme and the Girls Scholarship Scheme by GoM, the improved awareness raising about women's rights and women's potential to contribute to economic and social development, and the mainstreaming of gender at central government level. The project had a somewhat pioneering role at that time, and has prepared the ground for other projects promoting women.

Specific Conclusion SC 9: (from EQ 8)

The bilateral EC support is well co-ordinated and complementary with Member States' and other donors' programmes. The ECD participates actively in various co-ordination committees and strengthens co-ordination and harmonisation by implementing its programmes through multi-donor projects and trust funds managed by implementing agencies, such as the World Bank and the UN. The Maldives benefits from other EU policies on issues such as trade, climate change and common agricultural policy.

However, GoM is not sufficiently informed about possibilities offered by the EC's regional programmes, and has little capacity to submit proposals. The country has therefore not yet benefited from potential synergies between bilateral and regional EC programmes. There is also a lack of information exchange and co-ordination between (i) ECD and regional programmes, and (ii) ECD and EIB. (⇒ Specific Recommendation SR 7)

Specific Conclusion SC 10: (from EQ 9)

The EC has flexibly used its various aid modalities. A quick start to the post-tsunami response was made possible by using international and national implementing partners already operating in the Maldives, and has helped to strengthen national partners (GoM, NGOs) in project management. Use of multi-donor projects and trust funds has been an appropriate response to weaknesses in the Maldives financial management system and has helped to implement principles of the Paris Declaration and Accra Agenda by harmonising administrative procedures. A major improvement process of the financial management has been achieved through the EC-funded Public Accounting System, which might offer – after full roll out – possibilities to shift to other funding possibilities, such as sector support. (⇒ Specific Recommendation SR 8)

Specific Conclusion SC 11: (from EQ 2, EQ 6)

Gender, governance and human rights aspects are part of the EC support programme, even though not a prominent element in all individual programmes. The Community Livelihoods Programme had specific skills programmes for women, and specifically targeted internally displaced persons in its activities after initially not having considered them. The Drug Abuse Programme specifically addresses vulnerable groups, including women. Some of the programmes actively involved, and thereby strengthened, NGOs in programme implementation – for example, the Community Livelihoods Programme, the TSIP, and the Drug Abuse Programme. Other programmes generate gender-indifferent benefits for the entire population – such as election support, solid waste management, social infrastructure, public accounting system, trade support. Environmental aspects were not only integrated as a cross-cutting issue but constitute an important part of the EC's support to the Maldives – that is, activities in solid waste management, and climate change adaptation and mitigation.

6 RECOMMENDATIONS

6.1 Recommendations global conclusions

Global Recommendation GR 1: (from Global Conclusion G 1)

In the setting of dispersed small islands with difficult access and limited funding, country programmes need to be strongly focused in terms of sectors and geographical areas. For the EC programme in the Maldives, it is recommended that it is limited to a maximum of two priority areas (sector concentration), implemented in a limited number of atolls that have benefited from previous EC funding (e.g. North Central and Central Province). Suitable sectors for mid- to long-term EC support are seen in environment/climate change, where solid waste management activities of the TSIP have not yet been successfully completed (see also Specific Recommendation SR 3 and Specific Recommendation SR 4). Good governance/decentralisation is seen as promising second area for support, further contributing to the Maldives' democratisation process and building on the successful EC election support. This area would provide an opportunity to participate in the preparation of the as yet unclear reform process by giving intensive advice and training to new local governance structures. In addition, efforts in the areas of environment/climate change and decentralisation are complementary as functional institutions at the island level are a precondition to improving the environment. Specific bottlenecks needing only targeted support to be finalised – for example, the electoral support for the local elections – could be dealt with by framework contracts and thematic budget lines. (⇒ EC, GoM)

Global Recommendation GR 2: (from Global Conclusion G 2)

Improve the quality of planning by strictly controlling the planning logic of the strategic and individual programmes. In order to ensure consistent implementation of the CSPs and Indicative Programmes, the planning logic of the programmes needs to be interlinked with the strategic planning logic of the Indicative Programmes. An annual report should provide information about progress in the achievement of the CSPs and their Indicative Programmes, and the exchange and archiving of programme documents need to be ensured. (⇒ EC)

Global Recommendation GR 3: (from Global Conclusion G 3)

Identify systematically, and jointly with future implementing agencies, the institutional and regulatory procedures that act as hindrances in the timely implementation of programmes, and give feedback to respective headquarters with the aim of streamlining them into more efficient workflows. (⇒ EC, ECD)

Global Recommendation GR 4: (from Global Conclusion G 4)

In post-disaster situations, where EC support is aligned to national recovery priorities, responsiveness of national plans to LRRD principles should be examined and discussed with the responsible Government institutions and other involved stakeholders. (⇒ EC, ECD)

Global Recommendation GR 5: (from Global Conclusion G 5)

In the case of implementing future programmes through implementing agencies, ensure that programme management is based in Male. Verify with the World Bank whether management in the case of the Climate Change Adaptation and Mitigation Programme, which has just started, will be done by a Male-based manager working in close co-ordination with the MEMP. (⇒ ECD, WB)

6.2 Recommendations specific conclusions

Specific Recommendation SR 1: (from Specific Conclusion SC 2)

In order to measure the impact of the support to combating drug abuse, it is recommended to commission a follow-up survey of the baseline survey at the end of the project in order to establish the impact on the scale of drug use. Future targeted EC assistance should be reviewed in the light of stronger focus of the strategic programme and should be conditioned by the results of the impact survey and the development of a GoM sustainability strategy – that is, the government’s budgetary support for measures adopted, training plan, specification of the future role of pilot interventions, and progress relating to prison reform. A review of the patient treatment journey and family experience of the new services should be carried out. (⇒ EC)

Specific Recommendation SR 2: (from Specific Conclusion SC 3)

It is recommended that ECD holds discussions with relevant GoM Ministries about identified deficiencies hindering effective operation of funded infrastructure, in order to speed up necessary actions. (⇒ ECD)

Specific Recommendation SR 3: (from Specific Conclusion SC 4)

As the EC-funded IWMCs in North Province will be part of the regional solid waste component of the MEMP, the non-operational waste management systems around South Ari Atoll should be followed up through the forthcoming Climate Change Programme. As the formerly proposed regional solution can not currently be funded through the EC, the follow-up activities need to ensure the most basic operations at island level by developing – with the communities, and acknowledging the important role of women – a viable concept for waste management (e.g. collection and storage of waste, separation of recyclable parts, composting of organics, metal compaction, shredding of plastics, land reclamation with inert parts, definition of tariffs, etc.). Possible relations with boat operators, scrap metal dealers and tourist resorts should be examined to provide options for removing remaining waste off the islands. The already purchased equipment needs to be delivered, and operators trained. The activities could serve to develop a model on how to get already existing IWMCs into operation, and then be applied by GoM to the significant number of non-operational IWMCs constructed after the tsunami. (⇒ EC)

Specific Recommendation SR 4: (from Global Conclusion G 1 / Specific Conclusion SC 4)

In order not to repeat the dispersion of activities on many different islands, it is suggested that the Climate Change Programme should be concentrated on islands where EC activities have already been implemented – that is, focusing the planned activities (sea defence, coast protection, etc.) on main islands with existing EC-funded infrastructure in order to protect the already existing investments and create services for the population.

The result would be an integrated model for improving social/environmental services on main islands and for protecting them against climate change impacts. (⇒ EC, ECD).

Specific Recommendation SR 5: (from Specific Conclusion SC 6)

GoM should examine how the capacity acquired in the framework of the three EC trade-related TA projects can be retained and institutionalised in order to ensure its sustainability. This could include an examination of the on-the-job training provided, resources and deliverables prepared, as well as policy papers prepared. In the past, changes of staff have impacted on the retention of newly-acquired skills and capacity resulting from TA interventions. The EC should communicate to the GoM their decision not to finance an IF facilitator, and the reasons why, so that GoM can plan accordingly. (⇒ EC).

Specific Recommendation SR 6: (from Specific Conclusion SC 7)

As the decentralisation bill has finally passed and been signed and local elections will be organised in the coming months, the EC should quickly mobilise a new election TA team with a strong focus on civic education activities and specific measures to encourage and support women to become candidate. Support of the local elections will round off the successful support given during the presidential and parliamentary elections. The EC should analyse with the Election Commission whether it is appropriate to launch an active voter registration process before the elections, or whether this should be done afterwards in a long-term perspective, with the immediate focus on mobilising resources needed for the preparation of the elections. NGOs already engaged during the past elections should be integrated in implementing the activities. (⇒ EC)

Specific Recommendation SR 7: (from Specific Conclusion SC 9)

Inform GoM and other relevant stakeholders, including civil society, about possibilities of EC regional programmes and thematic budget lines. Strengthen internal information exchange and co-ordination between EC Delegation Colombo and EIB and regional programmes. (⇒ ECD)

Specific Recommendation SR 8: (from Specific Conclusion SC 11)

The use of multi-donor approaches is encouraged for future EC support. After full implementation of the Public Accounting System, options for other financing modalities, such as sector support, should be explored. (⇒ ECD)