EXECUTIVE SUMMARY

WHY WAS THIS EVALUATION DONE? TO LEARN LESSONS FOR THE FUTURE

This report presents the findings of the 2011 Regional Level Evaluation of the Commission of the European Union’s cooperation with the Caribbean Region. The evaluation was carried out to provide meaningful feedback to the Commission and the European External Action Service (EEAS), but also to the general public on the results achieved by the Commission’s co-operation strategies and their implementation for the period 2003-2010 at regional level of the Caribbean Region. This means that this evaluation covered the Regional Strategy Papers for the ninth European Development Fund (EDF9; 2003-2007) and EDF10 (2008-2013), but also taking into consideration activities during the evaluation period that had been financed with resources from EDF8. It covered the different sectors that the Commission supported and all financing modalities used in this period. Thematically, the focus was on regional economic and political integration but also private sector development, human resources development, natural disaster prevention and mitigation, and reduction of drug related crime. Lessons from this evaluation shall improve the current and future strategies of the European Union in cooperating with the Caribbean Region. It has been checked if the recommendations of the previous regional level evaluation covering the period 1996-2002 have been taken into account.

METHODOLOGY: HOW WAS THE EVALUATION DONE?

The evaluation was conducted in four major phases with pre-defined activities and interim-reports. During the process, the Evaluation Team interacted closely with a Reference Group (RG).

As a first step, the evaluators reconstructed the intended logic of intervention based on an analysis of the Commission’s regional strategy and other policy documents. The evaluation is based on nine Evaluation Questions (EQs) that were agreed with the Reference Group established for this evaluation. The questions cover major intended results and outcomes as well as different transversal issues of the Commission’s strategy and its implementation.

During the desk phase, the evaluators collected information on relevant interventions to answer the EQs through documented evidence of results, in the form of evaluations or progress reports, monitoring data, and documents from other development donors. The team also conducted interviews with EU officials in Brussels, held preliminary discussions with the EU Delegation and the Caribbean Community (CARICOM) Secretariat in Guyana, carried out a survey addressed to the National Authorising Officers as well as business and private sector organisations. The evaluators used information from these sources to develop a set of preliminary answers and a methodology for testing them during the field phase.

During the field phase, desk phase hypotheses were validated through meetings with the Delegation of the European Union Guyana and the CARICOM Secretariat (CCS), visits by team members to seven Caribbean countries (Barbados, Dominican Republic, Grenada, Guyana, Jamaica, St. Lucia, and Trinidad and Tobago) and a presentation of the findings at a Reference Group meeting in Brussels. The team also conducted case studies on four representative programmes.

Overall, the Team contacted over 160 persons in the Caribbean and Brussels and consulted over 200 documents during the course of the evaluation. The sample of programmes evaluated account for 90% of the total volume of EU regional support.

In the synthesis phase, the evaluators analysed the information collected, checked its reliability, made cross-analyses and formulated their conclusions and recommendations.
CONTEXT OF CO-OPERATION

The Caribbean Forum of ACP states (CARIFORUM) was established in 1992 as a base for regional co-operation and economic dialogue with the EU. It includes 15 Caribbean Community member states, Cuba and the Dominican Republic. The Organisation of East Caribbean States (OECS) and CARICOM are regional integration organisations bound by treaties while CARIFORUM is a mode of regional co-operation.

Economically, the Caribbean region is little integrated. CARICOM’s intra-regional exports were in 2008 only 15% of the total exports, compared to 67% in the EU and 25% within the Association of Southeast Asian Nations (ASEAN). Remittances are a significant contributor to Gross Domestic Product (GDP) in many countries, on CARICOM-level they grew from US$1.7 billion in 2000 to US$4 billion in 2009. The Caribbean region is recovering from a severe recession. The magnitude of the economic difficulties is summed up in the fact that out of the 30 most indebted countries, Caribbean countries make up 15. Trade preferences have not delivered the expected results. The high concentration of products, the small sizes of the markets and important transportation costs are major factors of low competitiveness.

“Brain drain” from the Caribbean region is the highest in the world. The problem of illicit drugs particularly affects Haiti and the Dominican Republic, Trinidad and Tobago, Guyana and Jamaica, but also the region more generally with the notorious „Caribbean Route” used for illicit drug transits mainly to the United States and Europe. In addition, the Caribbean is one of the most natural disaster-prone areas in the world.

EU-CARIBBEAN RELATIONS

With the exception of Cuba, left out of this evaluation, all CARIFORUM states have signed the Cotonou Partnership Agreement with the EU, which entitles them to EDF support. Trading arrangements were replaced by the CARIFORUM-EU Economic Partnership Agreement (EPA) signed in October 2008 by 13 Caribbean states, and shortly after by Guyana and Haiti. The key distinction between the EPA and traditional regional trade agreements is that the development dimension, particularly the support to the regional integration process, is taken into account. CARIFORUM appointed an EPA Coordinator at the CARIFORUM Ministerial Summit in Belize in 2011. The Joint EU-CARIFORUM Parliamentary Assembly met for the first time in June 2011. Only the formation of the Civil Society Consultation Committee is still pending.

The EDF9 funds for the region (€97.8M) were highly concentrated on the focal sector of Trade and Regional Integration, followed by Transport and Infrastructure, Disaster/Emergency Response, and Education. The slow disbursement of funds¹ by end of 2010, due mostly to inefficiencies of the CCS, is indicated by the large difference (almost €100M) between the total amount allocated and the total already paid. Under EDF10 (€165M), the concentration on regional economic integration remained the same with the difference that EPA priority areas were added to the focal sectors.

MAIN FINDINGS

1. Relevance of EU support

The EU co-operation with the Caribbean region responds adequately to the priorities of CARIFORUM and to the development

¹ EDF9 funds including open projects from EDF8
strategies of the EU, but regional integration has lost political momentum in many Caribbean countries.

2. Efficiency of EU support
The institutional frameworks and aid modalities were not the most adequate: efficiency and effectiveness of interventions tended to decline between EDFs 8 and 9, the implementation of EDF8 was very late, and so was programming and execution of EDF9. Programming of EDF10 suffered delays. The EU supported the CCS but has not succeeded in raising substantially its capacity. Wages for CCS staff remain low. Capacities to apply regional policies are limited at national levels. Donor coordination was poorly supported by the CCS and weak except for disaster management, energy and EPA negotiations. Working committees of CCS and donors have been created in a conference in July 2011. They were supposed to meet before end of year, but did not. A new coordination conference is supposed to meet by mid-year 2012.

3. Regional Integration
By supporting the CCS with implementation of the Caribbean Single Market and Economy (CSME) Work Plan, the EU support facilitated the process. However, EU interventions could not help overcoming the delays in implementation. The free circulation of persons is still very limited. Intra-Caribbean merchandise exports, apart from oil, are still marginal. Stakeholders agree that intra-Caribbean services have not significantly increased in recent past and that the completion of the Single Economy is on hold.

4. Sub-regional integration
The exports of the countries of the Organisation of Eastern Caribbean States (OECS) to CARICOM members reached US$161M in 2008, representing 76% of the total exports of OECS countries. The EU supported the development the OECS Secretariat’s capacities. The EDF10 programme (€12.6M) will have a direct impact on integration as it is meant to enhance the technical capacity of OECS to conform an Economic Union. The EU interventions registered limited results on DR-Haiti cooperation, but are likely to have more impact under the EDF10.

5. Competitiveness of the region
The EU support to a more competitive Caribbean region was significant, but results are modest, due to a poor business climate. The only significant increase of exports of goods over the period\(^2\) was crude materials, mineral fuels and chemical products, all related to Jamaican bauxite and Trinidad and Tobago oil and gas. There are a few exceptions like rum exports that grew from US$6M in 2006 to US$100M in 2008, or the DR becoming the third biggest ACP producer of banana. Business Support Organisations (BSOs) have been strengthened, but are far from being self-sustainable.

6. Economic Partnership Agreement
EU regional funding has been critical for the negotiation process. Support for negotiations was a model for donor coordination. EU support contributed substantially to the establishment of negotiation capacity for the Caribbean Regional Negotiation Machinery (CRNM) proved by the ease with which CARICOM moved into trade agreement negotiations with Canada. Nevertheless, progress in EPA implementation is slow at both regional and national levels. Few countries have operational implementation units. Funds allocated for Non-State Actors on EDF9 Caribbean Integration Support Programme (CISP) stayed mostly unused.

7. Reduction of crime and drug trafficking
EU interventions benefited law enforcement agencies through increased training and capacity development. With EU support, the Drug Councils’ sharing of information contributed to better programmes for de-

\(^2\) Available data refer to 2002-2009
mand and supply reduction. Still, the intelligence mechanisms and services available to member states of the region were not efficiently utilised. The regional network was expanded and a draft Regional Counter Narcotics Strategy elaborated, but there is no indication of improved policy coordination and formulation.

8. Disaster management
The EU provided support to the Regional Comprehensive Disaster Management Strategy 2007-2012 through national capacity building. However, results emerged later than planned. The EU was effective at building local capacity for preparedness and also contributed to Comprehensive Disaster Management Strategy. Support for four radars will be an important part of the enhanced disaster management capacity. EU is recognised for strong post-disaster support and leadership in programming coordination, however, the visibility of EU disaster management initiatives in the region is low.

9. Education and Training
The results of the sector interventions have been modest so far, owing to three reasons: 1) there were considerable delays in the implementation of the (main) Caribbean Knowledge Learning Network (CKLN) projects; 2) projects prioritised the Information and Communication Technology (ICT)-infrastructure more than foreseen in the regional strategy sector objectives; 3) other projects planned in this regional strategy were abandoned. No evidence of a better labour market match is available as yet. Initially expected based on commercial terms, financial CKLN-sustainability will now apparently require government subsidies.

OVERALL ASSESSMENT
The relevance of the strategy designed for the time scope of the evaluation period is high. However, in sectors reviewed during the evaluation, with exception of the support to the EPA negotiations, the results of EU interventions could have been improved by better selection of implementation partners, a more effective complementarity between the regional and the national programmes, strengthening of Delegations in charge of regional programmes and better visibility.

CONCLUSIONS
Principal conclusions
1. The regional strategies of the EDFs 9 and 10 were highly responsive to the priorities of CARIFORUM, thanks to an increased political dialogue. They were coherent with CARIFORUM policies on poverty reduction, sustainable development and integration into the world economy.
2. With the exception of OECS, the Caribbean region is still little integrated. The effectiveness of the international efforts to enhance regional integration has been significantly reduced by the lack of a donor coordination framework.
3. Two important efficiency issues are the weaknesses of the CARICOM secretariat and the limited capacity at the national level to implement policies decided at the regional level.
4. Effectiveness and impact of the regional EU support is limited by the fact that regional integration has lost some political momentum in many Caribbean countries.
5. In most areas reviewed during the evaluation, the outcomes and results of EU interventions were modest, with the positive exception of the support to the EPA negotiations and the growth of some exports (like rum for the entire region, and bananas for Dominican Republic).

Complementary Conclusions
6. The Delegations report there is a lack of sufficient staff for effective programme management considering the many components of EDFs 9 and 10.
7. The coordination and complementarity between national and regional programmes was weak.
8. Finding the right implementing agency for the regional programme remains a challenge.
9. Taking into account the recommendations of the previous evaluation, all crosscutting issues have been taken into consideration in the EDF10 Regional Programme.
10. EU Visibility remains low in the case of disaster management projects and the CKLN project.

**Sector-related Conclusions**

11. The Single Currency has become a long-term objective after the decision at the Summit of Heads of State in July 2011 to concentrate on overcoming the obstacles and delays incurred in the completion to the Single Market.
12. Only in a few cases (e.g. rum for entire region, bananas for Dominican Republic) the EU interventions contributed to increase the international competitiveness of industries of the region.
13. In spite of support from the EU and other donors, Dominican Republic-Haiti co-operation has not progressed much.
14. EU support is likely to impact positively on the East-Caribbean sub-regional integration.
15. EU resources were critical to the success of EPA negotiations but the involvement of Non-State Actors was minimum.
16. While the EU is a recognised sector lead donor, its internal co-ordination can be enhanced and its support for building disaster management capacity has produced modest results.
17. The overall results of the interventions in human resource development have been limited and the prospects for financial sustainability of the CKLN-projects are not entirely clear.

**RECOMMENDATIONS**

The general recommendations are:

1. The EU should continue to support the development and adoption of the comprehensive and efficient donor coordination system that was due to be presented by the CCS in June 2011.
2. In application of new programming guidelines, complementarity should be enhanced by drafting the Regional Strategy before the National Strategies and by making it a frame of reference for the bilateral cooperation of EU member states with the region.
3. The Delegations should press for the application of visibility rules by all EU funded projects/programmes in the Region.

**The sector-related recommendations are**

4. The EDF10 should include the attendance and involvement of NSA in EPA related activities.
5. Progress in regional integration requires an improved competitiveness of Caribbean economies. The interventions should be coordinated with the other donors supporting competitiveness.
6. The involvement of the Commission’s DG ECHO in disaster management programmatic discussions should be strengthened.
7. The EU should develop a disaster management strategy (or programming framework) for the Caribbean and disseminate it widely among donors/development partners and countries, ensuring that the selected executing agencies address EU visibility.
8. The EU should analyse how regional interventions in the education and training sector can add value in a synergistic interplay with national sector interventions, incl. through harmonisation of post-secondary interventions, labour market assessments and knowledge management with the needs of CSME.