

*Evaluation of the Commission's support to the ACP  
Pacific region*

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*The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the countries concerned*





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**ACRONYMS**

'3 Cs'	Coherence, Coordination and Complementarity
ACP	Africa, Caribbean, Pacific
ADB	Asian Development Bank
ADS	Approved Destination Status
AIDCO	EuropeAid Cooperation Office
AOSIS	Association of Small-Island States
APEC	Asia Pacific Economic Cooperation
AUSAID	Australian Government's Overseas Aid Programs
AWP	Annual (Project) Work Plan
BE	Basic Education
CA	Contribution Agreement
CAP	Common Agricultural Policy
CC	Coastal Component (of PROCFISH project)
CCRF	Code of Conduct for Responsible Fisheries (FAO, 1995)
CDC	Decentralised Cooperation budgetary line B7-6002
CDE	Centre for Development of Enterprise
CFP	(EU) Common Fishery Policy
CO-FISH	Pacific Regional Coastal Fisheries Development Programme
C <sub>p</sub> UE	Catch per Unit of Effort
CRIS	Common Relex Information System
CROP	Council of Regional Organisations in the Pacific
CROP-WGs	Council of Regional Organisations in the Pacific-Working Groups
CRS	Creditor Reporting System
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DEC	Delegation of the European Commission
DEVFISH	Development of Tuna Fisheries in the Pacific ACP countries
DFL	Distance and Flexible Learning
DG	Directorate General
DSAP	Development of Sustainable Agriculture in the Pacific
DWFF	Distant Water Fishing Fleets
DWFN	Distant Water Fishing Nations
EBA	Everything But Arms
EBAS	EU-ACP Business Assistance Scheme
EC	European Community
ECHQ	European Commission Headquarters
ECHO	European Commission Humanitarian Office
EDF	European Development Fund
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ELMS	Employment and Labour Market Studies (USP-HRD Programme)
EPA	Economic Partnership Agreement
EPO	Eastern Pacific Ocean
EQ	Evaluation Questions
EU	European Union
FA	Financing Agreement
FAA	Fishery Access Agreement
FAD	Fish Aggregating Device
FAO	United Nations Food and Agriculture Organisation
FBEAP	Forum Basic Education Action Plan
FFA	Forum Fisheries Agency
FFC	Pacific Islands Forum Fisheries Committee

FFoNSA	Fiji Forum of NSAs
FMO	Framework of Mutual Obligations
FPA	Fishery Partnership Agreement
FSchM	Fiji School of Medicine
FSchM-HRD	Fiji School of Medicine Human Resource Development Programme
FSM	Federated States of Micronesia
FSPI	Foundation of the Peoples of the South Pacific - International
GA	Grant Agreement
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GEF	Global Environment Facility (UN)
GIS	Geographical information System
GSP	Generalised System of Preferences
HDI	Human Development Index
HoF	Heads of Fisheries Meetings (SPC Member States)
HRD	Human Resources Development
HTFA	Heat Treatment Forced Air (Samoa)
IATTC	Inter-American Tropical Tuna Commission
ICCAT	International Commission for the Conservation of Atlantic Tunas
ICT	Information and Communications Technology
IFAD	International Fund for Agriculture Development
IFI	International Financial Institution
IMF	International Monetary Fund
ISM	Island System Management
JAR	Joint Annual Report
JC	Judgement Criteria
KTP	Kiribati Training Programme
LDC	Least Developed Countries
LF	Logical Framework
LOSC	Law of the Sea Convention
LTC	Lautoka Teachers College
MCS	Monitoring, Control and Surveillance
MDP	Management Development Plan
MEA	Multi Environmental Agreements
MNREM	Ministry of Natural Resources, Environment and Meteorology (Samoa)
MoA	Memorandum of Agreement
MoE	Ministry of Education
MoU	Memorandum of Understanding
MPP	Micro-Project Programme
MR	Monitoring Report (ROM system)
MRD	Marine Resources Development
MSG	Melanesian Spearhead Group
MTR	Mid-term Review
NAO	National Authorizing Officer (EDF)
NARES	National Agriculture Research and Extension Services
NGO	Non-Governmental Organisation
NIP	National Indicative Programme
NMFS	National Marine Fisheries Service (USA)
NRM	Natural Resource Management
NSA	Non State Actors
NSO	National Statistics Office
N'TSFR	National Tuna Fisheries Status Report
NZ	New Zealand
NZAID	New Zealand International Aid and Development Agency



OC	Oceanic Component (of PROCFISH project)
OCT	Overseas Territories
ODA	Official Development Aid
OECD	Organisation for Economic Co-operation and Development
OFP	Oceanic Fisheries Programme (SPC)
OWP	Overall (Project) Work Plan
PACER	Pacific Agreement on Closer Economic Relations
PACP	Pacific countries belonging to Africa, Caribbean, Pacific
PACREIP	Pacific ACP Regional Economic Integration Programme
PATVET	Pacific Association of Technical and Vocational Education and Training
PEIN	Pacific Environmental Information Network
PFTAC	Pacific Financial Technical Assistance Centre
PIC	Pacific Island Country
PICT	Pacific Islands and Territories
PICTA	Pacific Islands Countries Trade Agreement
PIDP	Pacific Islands Development Programme
PIF	Pacific Islands Forum
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organisation
PIS	Rural Coastal Fisheries Development Project (PNG)
PLD	Pest List Database
PMU	Project Management Unit
PNG	Papua New Guinea
PPP	Plant Protection in the Pacific
PRAP	Pacific Regional Agriculture Programme
PRC	People's Republic of China
PREP	Pacific Regional Environment Programme
PRIDE	Pacific Regional Initiatives for the delivery Education Project
PROCFISH	Pacific Regional Oceanic and Coastal Fisheries Programme
PS	Project Synopsis (ROM)
PSC	Public Service Commission
PSD	Private Sector Development
RAO	Regional Authorizing Officer (RAO)
REIT	Regional Economic Integration and Trade
REPA	Regional Economic Partnership Agreement
RFC	Rural Fishery Centres
RFO	Regional Fisheries Organisations
RIP	Regional Indicative Programme
RO	Regional Organisation
ROM	Result Oriented Monitoring System
RRDP	Regional Research and Development Programme (FFA)
RSP	Regional Strategy Paper
RTFP	Regional Trade Facilitation Programme
RVP	Reducing Vulnerability in the Pacific States
RWS-CP	Rural Water Supply Consolidation Project (Samoa)
SIDS	Small-Island Developing State
SMEs	Small and Medium Sized Enterprises
SMNR	Sustainable Management of Natural Resources
SOPAC	South Pacific Applied Geoscience Commission
SPARTECA	South Pacific Regional Trade and Economic Co-operation Agreement
SPBEA	South Pacific Board of Educational Assessment
SPC	Secretariat of the Pacific Community
SPC-LRD	Secretariat of the Pacific Community, Land Resources Division
SPC-MRD	Marine Resources Division of the Secretariat of the Pacific Community

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SPREP	Secretariat of Pacific Regional Environment Programme
SPS	Sanitary and Phyto-Sanitary
SPTO	South Pacific Tourism Organisation
SWAp	Sector Wide Approach
SWATH	Small Water Plane Area Twin Hull (Mapping system)
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
TAC	Total Allowable Catches
TCF	Technical Cooperation Facility
TOR	Terms of Reference
TRA	Trade Related Assistance
TSP	Tourism Studies Programme (component of USP-HRD)
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UNCLOS	United Nations Convention of the Law of the Sea
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNESCO	United Nations Education, Sciences and Culture Organisation
USA	United States of America
USP	University of South Pacific
USP-HRD	University of the South Pacific Human Resource Development Programme
VI	Verifiable Indicators
VMS	Vessel Monitoring System
WaSSP	Water Sector Support Programme (Samoa)
WB	The World Bank
WCP	Western and Central Pacific
WCPFC	Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean
WG	Working Groups
WHO	World Health Organisation
WSSC	Water Sector Steering Committee (Samoa)
WSSD	World Summit o Sustainable Development
WST	Western Samoa Tala
WTO	World Trade Organisation
WWF-SP	World Wildlife Fund – South Pacific

## 0. EXECUTIVE SUMMARY

### 0.1 Evaluation Objectives

This evaluation was commissioned by the Joint Evaluation Unit of the European Commission's EuropeAid Co-operation Office and the Directorates-General for External Relations and Development. The consortium undertaking the evaluation is led by DRN (Development Researchers' Network). The evaluation started on 1 March 2006.

The aims of the evaluation as set out in the Terms of Reference are:

1. to provide the relevant external co-operation Services of the Commission and the wider public with **an overall independent assessment** of the Commission's past and current cooperation relations with the ACP Pacific Region;
2. to **identify key lessons** from the Commission's past co-operation, and thus provide the Commission's policy-makers and managers with a valuable aid for the implementation of the current Strategy and Indicative Programmes and for future strategies and programming.

The scope of the evaluation covers the Commission's regional strategies for the period **1997-2007**. Implementation was assessed up to 2005. The evaluation had a **particular mandate to assess the intended mutual impacts of the regional strategy vis-à-vis the national strategies**. The evaluation concentrates on the **four focal sectors** of the Commission's support to the region, which are:

- Regional Economic Integration and Trade
- Human Resources Development
- Fisheries
- Sustainable Management of Natural Resources

### 0.2 The Pacific Context

The ACP Pacific region comprised, during the period 1997-2002, the following States: Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. During the following period 2002-2007 six new countries joined: Cook Islands, Marshall Islands, Micronesia (FSM), Nauru, Niue and Palau.

The region is **characterised by numerous small Island States** separated from one another by large expanses of ocean. This results in significant disadvantages for the islands in respect of the international competitiveness of their economies. It also implies significant logistical difficulties and high costs for basic service delivery.

**Economic performance has been weak** in most of the Pacific ACP States (PACP). Only Kiribati and Tuvalu achieved reasonable rates of growth over the period 1990-2004. In the case of Papua New Guinea, growth rates from 2002 are positive but population growth of 2.5% per year significantly reduced performance in terms of GDP per head.

The region is generally **dependent on natural resources** for its prosperity. This includes fish, timber and agricultural produce. Tourism plays a significant role in several PACP States. There are important environmental issues in the region related to the long-term conservation of resources. The PACP States and donors are generally well aware of the environmental threats and are attentive to environmental protection.

**The Commission provided 8.4% of the foreign ODA** contributions to the Pacific Region during the period 1997-2005. Among the Member States of the EU, France and the United Kingdom are the main contributors (respectively 1.6% and 1.2%). **Australia was the largest donor to the region, providing 46.8% of the total**, although 68% of its support was focused on Papua New Guinea. The United States was the second largest donor, with its contributions concentrated on FSM and the Marshall Islands.

The RIP constitutes the main instrument of Commission support to the region. Allocations as originally specified in the Regional Indicative Programmes totalled **€35m and €29m for the EDF 8 and EDF 9 periods respectively**. Other instruments have included Budget Lines and the All-ACP facility. Country support instruments are NIP, Stabex which provided substantial support to some countries, Budget Lines, and the Investment Facility of the European Investment Bank (EIB). Overall, in absolute terms the Commission's support to PACP States at regional and country level is modest in comparison with that to other ACP regions and countries.

### 0.3 Methodology

**The methodology used for the evaluation involved:** i) **reconstruction of the Commission's Intervention Logic** on the basis of its strategy documents and ii) **formulation of ten Evaluation Questions** on the basis of the Intervention Logic. **Judgement Criteria and Indicators** were formulated for each Evaluation Question.

The **Desk Phase** of the evaluation focused on an analysis of the available documentation relating to the Commission's support to the Pacific Region. Following approval of the Desk Report, a **Field Mission** was undertaken for two weeks in selected PACP States by the four sector consultants. The consultants conducted systematic research in **Fiji, Samoa, Solomon Islands and Vanuatu**. Interviews, based on the Judgement Criteria and Indicators, were conducted with respondents representing **the European Commission Delegation in Fiji, regional organisations, governments, business and non-state actors (NSAs)**. Information on the Commission's fisheries programme was collected from the Secretariat of the Pacific Community (SPC) in New Caledonia.

The evaluation was **supervised by the Joint Evaluation Unit and monitored and advised by a Reference Group** comprising representatives of the concerned units of DG RELEX, DG Development, EuropeAid and DG Trade.

### 0.4 Principal findings of the Evaluation

The principal findings on the Commission's support to the PACP region are presented below:

1. The **Commission strategies were based on policy dialogues conducted at global, ACP, regional and national levels and aimed at tackling needs identified through that process**. These strategies were **aligned on the evolving focus of the regional bodies**, as shown by the shift in focal sectors from EDF 8 to EDF 9, following the shift of orientations in the regional authorities' objectives.
2. Formulated to support the priorities expressed by the regional authorities, **the Commission did not focus on poverty reduction in its strategies**, despite the challenges the region is facing in this respect. The **poverty reduction goal was not explicit in the regional strategies supported** until the publication of the Pacific Plan in 2005. Overall, whenever making reference to poverty reduction, the Commission has tended to rely on generally-accepted connections between certain types of intervention and poverty reduction, without establishing which specific interventions are likely to have the greatest potential for poverty reduction in the Pacific context.
3. **The regional and national strategies were designed through different channels and with different objectives**. Strategy documents at the two levels only refer superficially to each other. **They have not been designed to be mutually supportive, and complementarity and synergy effects have been underexploited**. The choice of level (regional or national) of intervention is not explicitly justified. However an appropriate underlying logic is observable. On the one hand, regional interventions are preferred wherever (i) regional dialogue has pre-existed, (ii) negotiations on a collective basis are needed, or (iii) regional expertise is available. On the other hand, support at national level gives high priority to rural or outer island development in the context of resolving internal weaknesses and inequalities.
4. **The majority of projects delivered inputs by the due dates and within planned costs, and were efficiently managed**. Several factors have contributed to this efficiency: (i) the acceleration of decision-making processes through changes in PIFS authorisation structures and the evolution from

several Regional Authorisation Officers (RAO) to a single RAO; (ii) a trend towards increased use of Contribution Agreements, allowing improved definition of responsibilities and ownership by project implementers and exploration of synergy effects arising from mandating of Regional Organisations. Moreover, it appears that, over the period, the organisational and management capacities of the Commission have improved as a result of devolution, increased human resources and intensified cooperation with CROP agencies.

5. Commission interventions in **regional integration and trade** are of recent origin and their **effects on integration of PACP States into the world economy cannot yet be assessed**. These **interventions** have however **generally contributed to increasing the trade-related capacities of regional bodies as well as to their cohesion on trade-related matters**. The Commission has up to now made only limited contribution to development of private sector capacity, despite a lack of capacity for business innovation to take advantage of new opportunities arising from trade liberalisation.

6. For Commission interventions in the **HRD sector, data in terms of results are scarce**. However an assessment of project content and early qualitative results suggests that these interventions are making useful **contributions to improvements in skills, motivation and capacity for flexible response by the regional stakeholders**, as well as to **strengthening of the capacities of the regional institutions**. No progress has been evident in harmonisation of policies and standards for education.

7. In the **Fisheries Sector, increased participation in regional fisheries and their organisation, and in development of harmonised regulations and regional rules and procedures, have all taken place and been sustained**. Sustainable developments also took place in stock assessment, organisation of information databases, and sharing of information. **Limitations persist, however, in enforcement of regulations** governing control of catches: insufficient resources and confidentiality of information preclude accurate stock estimates and could bias the information underlying renegotiation of fishery agreements. Fishing revenues remain essentially based on the sale of fishing licences, and no significant increase in the national shares of regional fisheries has been evident.

8. The Commission has supported **sustainable management of natural resources** *via* strengthening of capacity in planning and policy formulation and *via* developing exploitation and management of natural resources in a manner likely to generate economic and social benefits. Results have been obtained in terms of **transfers of know-how and creation of institutionalised think-tanks** that can be mobilised for policy formulation and monitoring, although the rhythm of exploitation of natural resources in certain countries of the region shows that there is still a long way to go in effective application of sustainable management policies. **Outside the fisheries sector, results in terms of economic benefits** such as income generation are **difficult to establish** owing to lack of reported evidence. **Awareness raising and sensitization of stakeholders have been effective**. Indicators point to limited viability of the activities undertaken and to limited results, which may be explained by the fact that sustainability was not factored into project design.

9. As regards **cross-cutting issues**, the RSP and CSPs refer to gender, environmental issues and, to a lesser extent, human rights and conflict prevention:

- **Environment** is **tackled both as a crosscutting issue and through specific interventions** of considerable size;

- **Gender commitments are of a general, broad-brush nature and are not fully reflected at implementation level**: no specific interventions have been planned and only community-based interventions directly considered gender as a crosscutting issue. The Commission's strategic commitment has however contributed to enhancing institutional recognition of this theme.

- Commission interventions in **human rights and conflict prevention** have been integrated into specific interventions and have mainly taken place **at national level in response to outbreaks of violence**.

10. In terms of coherence of EC policies, those **relating to fisheries, environment and the Overseas Countries and Territories** have generally been coherent with EC development cooperation interventions and have been designed to take account of EC policies towards the

**ACP States.** Although the direct effects of the CAP on the PACP States are limited (except for sugar in Fiji), the CAP is not wholly consistent with the use of trade as a development tool.

As regards coordination and complementarity, **by supporting CROP Working Groups** in their role of coordination of aid to the PACP region, **the Commission has contributed to the effectiveness of these agencies.** The Commission also plays an active role in the informal coordination processes in the region, which contributes to avoiding duplication of activities at operational level. Commission regional interventions have furthermore generally been complementary to other donor support.

## **0.5 Overall Assessment and Principal Conclusions of the Evaluation**

### ***0.5.1 Overall assessment***

Given the Commission's small share of the total ODA to the region and the geographical remoteness of the latter, **the Commission's regional interventions have justifiably focused on support to the regional institutions and on themes which are priorities for the Commission** (fish, natural resources) and which in general are coherent with other EC policies.

**Support to these institutions** has rightly focused on capacity-building for coordination and management of regional functional cooperation, on promoting their willingness to join international Conventions and on enhancing their capacity to enforce the commitments made. The strong reliance on regional institutions was also **commendable in terms of efficiency and proved to be a success factor where these institutions had strong capacity.**

At **bilateral level**, the limited resources provided by the NIPs permitted a **response to a wide variety of national demands, but little or no linkage with regional support** took place. The weak linkage between policy dialogue at regional and national levels has impeded ownership of regional activities by the national governments. Moreover there were shortcomings in national capacities which were not strengthened.

Within this context of reliance on the priorities identified at regional and national level and the emphasis on a more "demand-driven" approach, **poverty reduction does not appear to have been an overarching strategic objective of cooperation with the region.** In that context it may be stated that **although the Commission effectively supported valuable policies and ensured coherence with most of its other policies, this was not fully in line with one of its major objectives, namely poverty reduction.**

### ***0.5.2 Strategic level conclusions***

**SLC.1 *The selection of the Commission's intervention domains in the Pacific region responded to the needs and priorities identified by the partners but was not strategically directed to the overarching objectives of Commission cooperation, as illustrated in particular by the weak consideration of poverty reduction.***

The Commission has been deeply involved in debates with the Pacific regional authorities and stakeholders at different levels. Its regional and country strategies rely on these debates and respond to priorities identified by the partners. This option, while supporting priorities that were also major goals for the regional authorities and though its approach favouring local ownership, has not helped the Commission to direct the focus of the policies it supported towards the overarching objectives of its cooperation. This is exemplified by the weak consideration of poverty reduction in the strategic documents, reflecting the low priority placed by the partner countries on this issue.

**SLC.2 *The Commission helped its Pacific partners address the global challenges they face through encouraging them to participate in and to enforce international commitments supported by the EU. This increased the leverage of the Commission's assistance and contributed to greater EC policy coherence.***

The Commission focused a substantial share of its support on the areas of natural resources management and the environment, which are important sectors not only for the region but also in terms of global challenges. This support has been provided in coherence with the Commission's international commitments including the specific international Conventions to which the Commission subscribes. In addition to enhancing capacity-building and institutional strengthening in the beneficiary

organisations, this approach created a virtuous dynamic insofar as it stimulated the Commission itself to adjust its own policies to the international agreements it ratified.

**SLC.3** *The Commission, a small donor in relative terms in the Pacific Region, did not use the full potential of the coordination and complementarities of its regional and national strategies to maximise the impact of its assistance.*

The regional and national programmes identify areas that are justified at their respective levels and also take care to avoid duplication. They have however not been designed or implemented in such a way as to maximise the mutual support they could provide to each other. This shortcoming, compounded by the limited size of the Commission's assistance to the Pacific region, constituted an impediment to full achievement of the intended results of the activities supported by the Commission and their transformation into sustainable impacts.

### **0.5.3 Thematic conclusions**

In terms of **Regional and National** dialogue and linkages between the two levels, the evaluation concludes that the engagement of the Commission with regional and national agencies has been essential to the effectiveness of the Commission's strategies (**C1.1**). However, interventions made on an all-ACP basis through agencies not in close contact with Pacific stakeholders have been significantly less successful.

Maximum impact of regional programmes is only achieved with the full involvement of national agencies (**C2.2**). Such involvement of national agencies did not always take place, mainly for two reasons. First, linkages between the Commission's own programmes at regional and national level have been weak because they were not factored into the design of interventions (**C2.3**). Second, the separation between regional and national strategies and interventions arises in part from the quite separate channels in which they are developed (**C2.1**).

In terms of **economic development** a first conclusion is that Commission programmes for private sector development implemented on an All-ACP basis were not well adapted to the Pacific region (**C3.1**). Furthermore, Commission interventions in the fisheries sector have been strongly directed to regional concerns over stock conservation and to a lesser extent to strategic objectives relating to poverty reduction (**C3.2**).

With respect to **regional integration**, the evaluation notes that the Commission has given valuable support to movements within the region supporting regional economic integration and has enhanced regional cooperation through its regional strategy and programmes. Regional integration has also been fostered by the prospect of a future EPA with the EU as well as by the accompanying Trade Related Assistance provided by the Commission, which contributed to increasing the capacity of the region's institutions for preparing and negotiating the EPA (**C4.1**).

Finally, in terms of **management, administration, and coordination** the evaluation concludes that, through its support to the CROP Working Groups, the Commission has contributed to enhancing aid coordination in the Region (**C5.2**); and, more generally, that the overall efficiency of the organisational and administrative arrangements for Commission support in the Pacific Region was satisfactory and evolved favourably during the period under review, notably through the Commission's devolution process, the introduction of Contribution Agreements, and improvements in the Commission's and RAO's organisational and management capacities (**C5.1**).

## **0.6 Principal recommendations from the evaluation**

### **0.6.1 Recommendations derived from the strategic level conclusions**

**SLR 1** The quality of dialogue with the regional organisations and the concern of the Commission to respond to the needs expressed by the authorities of the Pacific Region are commendable and should be continued. The policy dialogue should be strengthened to raise the partner institutions' and authorities' awareness of the overarching objectives of Commission cooperation. In particular awareness of poverty reduction issues and interventions should be developed to help them better identify their needs in this regard (based on SLC1).

**SLR 2** The Commission should pursue, intensify and improve its efforts to help the Pacific region address the issues of environment and natural resources management. Its approach in addressing these issues both as local priority problems and at the same time in a context of global governance of common public goods is commendable and should be pursued (based on SLC2).

**SLR 3** Improve the linkages between regional and national strategies, ideally by complementing them with a “subsidiarity implementation study” prior to developing the RIP and NIPs or, if these have already been developed, by conducting a study aimed at optimising the linkages between regional and national level in the identification of projects (based on SLC3). Such a subsidiarity implementation study would be an intermediate step in the compilation of the corresponding RIP and NIPs. It could possibly take the form of a regional workshop with the aim of identifying, with appropriate justification,:

- the regional activities in the RIP that need to be taken over by individual identified countries to develop their full potential;
- the proposed national activities in the NIP that need to be supported by the relevant regional activities envisaged in the RIP;
- areas of institutional strengthening that need to be addressed to enable the relevant institutions to implement agreed policy priorities (see R2.1)

### ***0.6.2 Recommendations derived from the thematic conclusions***

With a view to optimising dialogue and linkages between regional and national levels, it is recommended that the Commission develops, in the preparation of regional programmes and projects, templates and formats ensuring that strategic recommendations of the proposed “subsidiarity implementation study” (see SLR3) are effectively transposed into the programmed activities and that the responsibilities for communication between levels are duly identified (**R2.1**, based on C1.1 and C2.1 to C2.3). Moreover, under the regional cooperation programme, the use of “multi-country” programmes should be extended (**R2.2**, based on C2.2 and C2.3) so as to allow a combining of, on the one hand, the close national involvement and detailed attention to needs which a national programme makes possible with, on the other hand, the cost-effectiveness of regional delivery.

In terms of economic development, the mainstreaming of poverty reduction into most sectors of intervention, in particular trade, fisheries, natural resource management, human resource development and private sector development should be enhanced and the interventions in these sectors carefully intertwined (**R3.1**, based on C3.1 and C3.2).

Finally, management and administration arrangements have developed well during the period under review. However further improvements could be made in cooperation with the CROP agencies, in regional and national linkages during implementation, and in linking Contribution Agreements to results and improving their follow-up and monitoring (**R5.1**, based on C5.1 and C5.2).



## 1. EVALUATION FRAMEWORK

### 1.1 The Evaluation Assignment

This evaluation was commissioned by the Joint Evaluation Unit of the European Commission's EuropeAid Co-operation Office. The consultant consortium undertaking the evaluation is led by DRN (Development Researchers' Network) of Italy. The supporting consultant companies are ADE (Aide à la Décision Economique) of Belgium, Eco-Consult of Germany, NCG (Nordic Consulting Group) of Denmark, and ECORYS of Holland. The Launch Note for the evaluation was issued in February 2006 in response to the Terms of Reference dated January 2006 provided by the Evaluation Unit.

The aims of the evaluation set out in the Terms of Reference are:

- To provide the relevant external co-operation services of the European Commission and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with the PACP Region;
- To identify key lessons from the Commission's past co-operation, and thus provide the Commission's policy-makers and managers with a valuable aid for the implementation of the current Strategy and Indicative Programmes and for future strategies and programming.

The scope of the evaluation covers:

- The relevance, logic and coherence of the Commission's regional strategies for the period 1997-2007;
- The consistency between programming and implementation during the same period;
- The relevance and complementarity as well as the intended mutual impacts of the EC regional strategy vis-à-vis the national strategies for 1997-2007;
- The implementation of the Commission's support, focusing on effectiveness and efficiency for the period 1997-2005 and on intended impacts for the period under the current strategy. The evaluation will also analyse, for the (country) case studies selected, the relevance, logic and coherence of the Commission's national strategies, the consistency between programming and implementation, and the implementation of the National Indicative Programmes (NIPs).

The Pacific ACP region comprised, during the period 1997-2002, the following States: Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. During the following period 2002-2007 six new countries joined: Cook Islands, Marshall Islands, Micronesia (FSM), Nauru, Niue and Palau.

The four focal sectors of Commission support to the region during the period have been designated as the central foci for the evaluation:

- Regional Economic Integration and Trade;
- Human Resources Development;
- Fisheries;
- Sustainable Management of Natural Resources.

The evaluation team comprised specialists in these four areas and a Junior Expert. The specialist in Regional Economic Integration and Trade acted as Team Leader. A Local Consultant was recruited to assist the team on the Field Mission in the Pacific.

## 1.2 Organisation of the Final Report

This Final Report presents the major findings of the evaluation in succinct form in Volume 1.

Subsequent volumes of the Final Report record the detailed findings of the evaluation for the benefit of those with special interest in the individual areas of focus. Volume 2 contains annexes with detailed information on Indicators, Sector Notes and Country Notes. Sector notes cover regional and national interventions in one sector in one country. They were prepared as follows: Regional Integration and Trade, Fiji and Samoa; Human Resources Development, Solomon Islands; Fisheries, Vanuatu; Natural Resources Management, Samoa. Country Notes cover national interventions. They were prepared for the countries visited by members of the evaluation team: Fiji, Samoa, Solomon Islands and Vanuatu. Volume 3 contains methodological Annexes.

Volume 1 comprises the following sections:

- 1) **Executive Summary.** An overview of the essential findings, conclusions and recommendations arising from the evaluation.
- 2) **Evaluation Framework.** An account of the administrative and contractual arrangements for the evaluation and an account of the methodology employed.
- 3) **Background and Context.** This section gives a brief account of the Pacific region and the work of the European Commission in the region. It shows Commission funding for the region in the context of the contributions of other donors. Additional details can be found in Annexes 5, 6, 7 and 8.
- 4) **Findings.** This section outlines the major findings for each Evaluation Question. It provides answers to the Questions including the responses to the individual Judgement Criteria. More detailed responses to the Evaluation Questions are provided in Volume 2, Annex 9.
- 5) **Conclusions.** The conclusions of the investigation are presented in this section in clusters. A summary is provided of the Commission's successes and of areas where some re-thinking is needed.
- 6) **Recommendations.** The recommendations of the evaluation are prioritised within clusters and referenced to the corresponding conclusions of the previous section.

## 1.3 Evaluation methodology and phases

The methodology for the evaluation was determined by the Evaluation Unit and the combined experience of the Consortium. A description of the latest formal evaluation methodology, incorporating some new elements which were not used in the present study, was posted on the Internet in August 2006<sup>1</sup>.

The reference framework of the evaluation comprises:

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<sup>1</sup> <http://ec.europa.eu/comm/europeaid/evaluation/methodology2/foreworden.htm> August 2006.

**Provisions of the Lomé Convention and the Cotonou Agreement** relating in particular to poverty reduction, sustainable development, and integration into the world economy. Interventions are ultimately aimed at delivering positive impact in these areas.

**Other Commission policy and strategy statements.** Commission interventions should follow the policies and strategies set out in official policy documents relating to broad sectors and areas of intervention or priorities such as the 3Cs (see below) and various cross-cutting issues. Regional and country strategy papers prepared by the Commission are evaluated against stated commitments. Interventions are required to be in accord with the provisions and commitments of the regional and country strategy papers.

**A set of evaluation criteria.** These are the five classical DAC criteria: relevance, efficiency, effectiveness, impact, and sustainability. These criteria constitute the basis for judgements on different aspects of Commission interventions.

The components of the methodology were proposed by the team and subsequently validated by and consolidated with the Reference Group. These are:

1. **Reconstruction of Intervention Logic** The first step of the methodology is the reconstruction of the **Intervention Logic** of the strategy to demonstrate the essential sequences of cause and effect that the Commission intended to generate from the interventions to achievement of the global impacts set out in the Lomé Convention and Cotonou Agreement.

The reconstruction was based on Commission strategy documents relating to the 8<sup>th</sup> and 9<sup>th</sup> EDFs, the periods under evaluation. A summary Intervention Logic for the present evaluation, bringing together the Intervention Logics for the EDF 8 and EDF 9 periods, is set out on page 19.

2. **Evaluation Questions.** A set of **Evaluation Questions** was derived from the Intervention Logic, designed to probe the strength of the Intervention Logic and the extent to which Commission interventions have been in accord with the logic, both in theoretical and practical terms. The Evaluation Questions were also designed to direct attention to critical issues in the evaluation. They dictate the main lines of investigation.

The Evaluation Questions are set out below. Evaluation Questions 1 to 4 apply equally to all four areas of focus designated as central to the present study. Evaluation Questions 5 to 8 are designed to focus on issues relating more specifically to the key foci. Evaluation Questions 9 and 10 are standard questions relating to cross-cutting issues (gender, environment &c) and to what are widely known throughout the donor community as the '3Cs', namely coordination, complementarity and coherence; these Questions apply equally to all four key foci.

Draft Evaluation Questions were presented to the Reference Group and discussed with the Evaluation Unit during the first two weeks of the evaluation. They were finally confirmed in the Inception Note.

3. **Judgement Criteria** The Judgement Criteria identify factors that will contribute to determination of responses to the Evaluation Questions. They represent the norms that need to be met to answer the Questions adequately.
4. **Indicators** The Indicators structure the gathering of information. They provide the means for validating or invalidating the Judgement Criteria. The skeleton of the sequence is shown in Annex 4. Annex 9 contains all the information relating to the Indicators.

## **A. TWO QUESTIONS ON RELEVANCE**

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

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

## **B. QUESTION ON IMPACT**

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

## **C. QUESTION ON EFFICIENCY**

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

## **D. FOUR QUESTIONS ON EFFECTIVENESS, SUSTAINABILITY AND IMPACT OF COOPERATION IN THE DIFFERENT INTERVENTION AREAS**

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

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

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

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

## **E. QUESTION ON CROSS-CUTTING ISSUES**

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

## **F. QUESTION ON THE 3C's**

**EQ 10.** To what extent did instruments of EC support and other EU policies contribute to the realisation of overall and sector objectives and to what extent was the EC support coordinated with the work of other donors so as to achieve complementarity and donor harmonisation?

A. To what extent were the different aspects of the EC interventions coherent with other European policies?

B. To what extent were the EC regional interventions coordinated and complementary with those of other donors?

## 1.4 Data Collection: Documents and Interviews

The main tools or references for data collection are the Indicators identified at the beginning of the Desk Phase.

The evaluation rests heavily on documentary evidence for the establishment of the Intervention Logic and assembly of data relating to the Indicators. Documents consulted are listed in Annex 3.

**Desk Phase.** During this period the team collected and processed the information available in Brussels headquarters in accordance with the selected Indicators. The documents analysed relate mainly to Commission strategic commitments and to their implementation. During the Desk Phase, interviews were conducted in Brussels at the Commission's headquarters with officials concerned with the Pacific region.

**Field Mission.** This phase involved collection of data in accordance with plans drawn up during the Desk Phase. Particular attention was given to filling gaps and verifying the information collected during the desk research.

The evaluation team divided to visit Fiji, Solomon Islands, Samoa and Vanuatu. The fisheries specialist visited the SPC in Noumea, New Caledonia.

Interviews were conducted during the Field Mission with government ministers, government officials, regional organisation officials, managers and staff of regional and national projects, representatives of private business organisations, private businessmen, and representatives of non-government organisations.

**TABLE 1.1 – INFORMANTS MET**

Country	No. of Informants
Fiji	78
Samoa	31
Solomon Islands	38
Vanuatu	12
New Caledonia	7
<b>Total</b>	166

Interviews were conducted mainly on an individual basis, or with two or three persons. Two focus groups were arranged. In Fiji and Samoa, Non-State Actors (NSAs) were invited to discuss the role of NSAs in Commission programmes. In Samoa only two people responded to the invitation, but they happened to be the presidents of the two major private business organisations. Eight NSA representatives attended the discussions in Fiji.

The interviews and additional assembly of documentation during the Field Mission provided a large volume of additional information relating to the Indicators. Interview questions were used extensively to confirm or elaborate data already assembled from documents. Information collected during interviews was cross-checked where possible with documentary data.

## **1.5 Constraints encountered during the evaluation**

The team encountered some difficulties in acquiring data on implementation for the whole period covered by the evaluation (1997-2005). While documentation on current activities was generally available, documents relating to earlier activities were not so easily obtained. This may in part be attributable to institutional changes at the Commission, including devolution and the internal reforms.

The tight timetable, particularly in the structuring and the field phases, tested the methodology to its limits. The selection of projects for the Country Notes was carried out in consultation with the regional Delegation; this approach, however, could not take into account staff turnover and the limited knowledge of past interventions among newly-arrived staff.

In the case of the mission to Solomon Islands, data collection was impeded by the absence of key stakeholders, including the Chargé d'Affaires, and by a lack of response from the NAO and Deputy NAO to the team's requests.

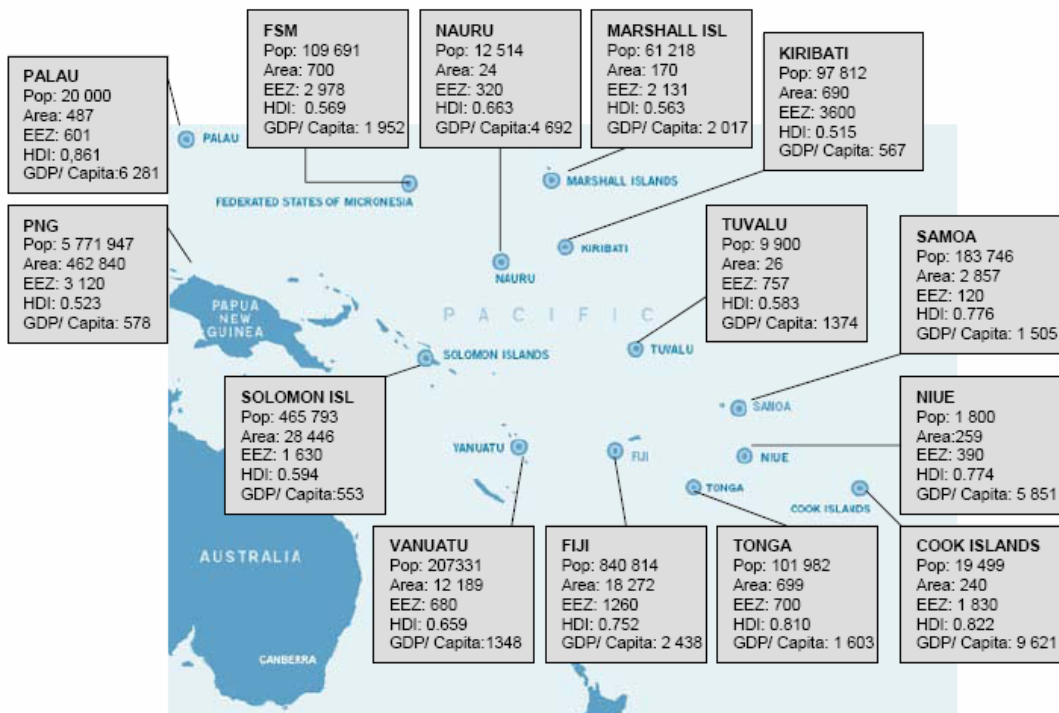
Prior to this version, two versions of the draft final report were produced. The Joint Evaluation Unit however considered that the draft final report still needed to be reworked, among other things to clarify the linkages from facts to answers to the questions, conclusions, and recommendations. The Consortium entrusted this task of drafting the final version of the report to a different team, which redrafted the report on the basis of the data collected and work undertaken by the initial team, while making sure that all remaining remarks were dealt with.

## 2. CONTEXT

### 2.1 Character of the Pacific Region and PACP States

The map below shows the extreme dispersal of the PACP States and the small size of all of them except Papua New Guinea. The total land area, apart from Papua New Guinea, is smaller than that of Ireland. By contrast, the area of the Exclusive Economic Zones of the PACP nations exceeds the area of the United States. Even within countries distances can be extreme. From the Eastern islands of Kiribati to the Line Islands in the West is more than 3,000 km.

**FIGURE 2.1: THE ACP PACIFIC REGION AND PACP STATES**



Notes: Population figures are 2004 ests. except for Cook Islands, Nauru, Niue, Tuvalu, which are 2000 ests. Areas and EEZ units are 1000 sq. km.

GDP per Capita unit: US\$. Data refer to 2003, except for Cook Islands (2004), Niue (2003), Tuvalu (2002) and Nauru (2002).

Sources: UNDP Human Development Report 2005; Regional Strategy Paper for EDF 9; Australian Department of Foreign Affairs and Trade; European Commission: The Pacific and the European Union.

While distances are very great, populations are very small. The total population of the region is about 7.8 million, with Papua New Guinea accounting for almost 6 million. Fiji has a population of more than 800,000, while at the other end of the scale Niue has only 1,800 people. Because of its relatively large size and geographical position Fiji tends to be regarded as the centre of Pacific affairs, a status reflected in the establishment there of diplomatic missions to Fiji and other island nations, and the main regional organisation, the Pacific Islands Forum.

There are substantial differences in income per capita, ranging from about US\$553 per capita in Solomon Islands to US\$9,621 per capita in the Cook Islands. In some countries aid and

remittances are crucial to living standards. The small populations of the islands inevitably mean limitations on capacity and economic potential. Human resources are limited in both numbers and skills. Managerial, administrative and technological skills are all in short supply, especially as many islands, as a result of their history, have close contacts with industrial countries which accept skilled persons as migrants. Tonga and Samoa, for example, have large numbers of their people living in Australia, New Zealand and the United States. Migrants send back remittances to their families and the remittances play a significant role in the economies of the recipient countries.

Annual average growth rates for population, real GDP, and real GDP per head for the period 1990-2004 are shown in the table in Annex 8. Growth in the region has been generally low and volatile. Exports for most countries consist mainly of commodities; and fluctuating commodity prices, amongst other factors, result in variable rates of growth. Kiribati and Tuvalu achieved reasonable rates of growth over the period 1990-2004 (Tuvalu 1990-2002). In the case of Papua New Guinea, growth rates are positive since 2002 but population growth of 2.5% per year significantly reduced performance in terms of GDP per head to just 1.0% per year. Growth in Fiji was interrupted by an attempted coup and in Solomon Islands by ethnic conflict. Five countries had, on average, negative growth in GDP per head throughout the period.

Papua New Guinea is in many ways different in its general character from other Pacific nations. It has a border with Indonesia and is close to Australia, with which it has close financial links. Its population is very much larger than those of any of the other islands, although the fragmentation of its population by the nature of its terrain means that it retains some of the characteristics of island economies. Its rich mineral resources mean that it has had extensive dealings with Western mining interests.

The geographic characteristics of the islands make them very attractive as tourist destinations. Fiji has the largest tourist industry in the region, but other countries, including the Cook Islands and Palau, have tourist industries of comparable size in relation to their populations. There are widespread concerns over the cultural impact of tourism on the small island communities and this has inhibited stronger growth in tourism.

Fisheries are important for both subsistence and commercial incomes. As shown in Figure 2.1, the PACP countries' Exclusive Economic Zones (EEZ) cover 20 million sq. km. and harbour the richest tuna fishing grounds in the world. A third of the world's tuna catch is caught here, valued at €2.0 billion in 2001. Most tuna are caught by non-PACP distant water fishing fleets (DWWF) paying fishing licence fees for the right to fish. At just 3-4% of the total value of catches, these fees constitute a significant source of revenue to most PACP economies. Tuna fishing companies are established in some of the island States.

There are significant environmental issues in the Pacific. As noted above, global climate change threatens the existence of some of the island States. There is concern over the conservation of tuna fish stocks which, since the tuna is a migratory species, requires action on a regional basis. Marine resources in general are threatened by pollution and coastal erosion. Coral reefs are under threat from the rise in sea level. There is also concern over the depletion of timber resources. Present rates of logging are well above the rate of natural regeneration. The depletion of timber also threatens extensive loss of species. Waste management has also emerged as an important issue, particularly with regard to the disposal of waste generated in urban areas. The South-East Asian tsunami of December 2004 has drawn attention to the lack of early warning systems and the limited facilities for disaster management in the region.



## 2.2 Regional Institutions

The PACP region has a strong network of regional organisations providing technical assistance and policy advice, with leadership provided by the Pacific Islands Forum (PIF) and the Secretary-General of the Pacific Islands Forum Secretariat (PIFS). Information on the regional organisations is provided in Annex 6.

In 1988, the PIF established the Council of Regional Organisations in the Pacific (CROP), comprising heads of regional organisations. It was agreed in 1995 that the Secretary General of the PIFS would be the permanent Chair of CROP. The Chair reports annually to the Forum. CROP has a mandate to reduce duplication and harmonise activities so as to optimise benefits for members. CROP has taken a proactive role in the management of policy advice, coordination of regional meetings, international representation and donor relations. CROP organisations have been important as partners to the Commission in its regional interventions.

## 2.3 Donor Activity in the Pacific Region

Official Development Aid (ODA) plays an important role in the PACP region. In 2003, it totalled US\$662 million at regional and country levels combined<sup>2</sup>.

**TABLE 2-1: ODA IN THE PACP STATES AND IN THE ACP PACIFIC REGION  
FROM 1997 TO 2005 (US\$'000)**

	Total Commitments <sup>1</sup>	Total Disbursement <sup>1</sup>	Annual Disbursement (average 1997-2005) <sup>1</sup>	Annual Disbursement Per Capita (2003) (US\$) <sup>2</sup>
<b>Pacific Region<sup>3</sup></b>	423,003	10,905	1,211	Not Applicable
<b>Cook Islands</b>	28,320	196	21	NA
<b>Fiji</b>	395,072	4,346	482	61.2
<b>Kiribati</b>	132,243	1,853	205	191.4
<b>Marshall Islands</b>	311,377	98,797	10,977	1,065.5
<b>Micronesia (FSM)</b>	590,714	199,059	22,117	919.5
<b>Nauru</b>	56,036	0	0	1,241.5
<b>Niue</b>	30,690	0	0	NA
<b>Palau</b>	177,466	27,984	3,109	1,275.5
<b>Papua New Guinea</b>	2,688,471	1,898,814	210,979	40.1
<b>Samoa</b>	235,400	3,071	341	185.6
<b>Solomon Islands</b>	452,339	14,720	1,635	131.8
<b>Tonga</b>	151,354	2,142	238	269.2
<b>Tuvalu</b>	43,638	252	28	520
<b>Vanuatu</b>	216,780	3,056	339	154.4
<b>Total</b>	<b>5,932,910</b>	<b>2,265,195</b>	<b>251,688</b>	

Source: 1. OECD, Creditor Reporting System (CRS) online database on aid activities. 2. UNDP - Human Development Report 2005.

This aggregate figure hides substantial differences between countries, mainly reflecting the variation in their size. Table 2-1 shows the allocation of ODA by PACP country. During the

<sup>2</sup> UNDP. Human Development Report. 2005.

<sup>3</sup> The amounts indicated under 'Pacific Region' relates to the category 'Oceania Unallocated'. Oceania covers a larger region than the Pacific ACP region, so these amounts probably overstate the sums going to Pacific ACP countries. They are presented here as an indication.

period 1997-2005 disbursements to Papua New Guinea accounted for an annual average of US\$210.9m, while the Cook Islands received only US\$21,778.

ODA *per capita* gives a better indication of the significance of aid in each country. The region has three countries with ODA *per capita* above US\$1,000: Palau, Marshall Islands and Nauru.

ODA targets mainly Government (16%), General Budget Support<sup>4</sup> (14%), Transport (14%) and Education (13%). A full indication of sectoral allocations is shown in Annex 7.

The volume of aid of each donor illustrates well the link between ODA inflows and historical and neighbourhood factors. The largest donor in the region by far is Australia with a commitment of US\$2,777m during the period 1997-2005. Australian support is mainly for Government and Civil Society, Health, Transport and Education. Its ODA is heavily concentrated on Papua New Guinea (68% of ODA commitments during the period 1997-2005) and accounts for 70% of ODA commitments to that country.

The USA is the second largest donor in the region with aid totalling US\$1,010m. Its support targets mainly General Budget Support (54%) and is greatly concentrated on FSM and the Marshall Islands. The United States also provides substantial support at regional level

**TABLE 2-2: TOTAL ODA COMMITTED BY THE EUROPEAN UNION TO PACP COUNTRIES AND TO THE ACP PACIFIC REGION FROM 1997-2005 BY SECTOR (US\$'000)**

	EUROPEAN UNION TOTAL		EUROPEAN UNION OUT OF WHICH:							
			European Commission		France		Netherlands		United Kingdom	
Education	148,604	22%	125,395	25%	15,741	16%	64	1%	7,404	10%
Transport	57,696	8%	37,912	8%	16,140	16%	0	0%	3,644	5%
Government and Civil Society	51,108	7%	42,622	8%	2,092	2%	0	0%	6,394	9%
Mining	50,203	7%	48,008	10%	199	0%	0	0%	1,996	3%
General Budget Support <sup>1</sup>	45,966	7%	45,966	9%	0	0%	0	0%	0	0%
Trade Policy and Regulations	45,232	7%	44,797	9%	17	0%	0	0%	418	1%
Agriculture	36,628	5%	11,301	2%	9,574	9%	52	1%	15,701	22%
Health	34,309	5%	13,978	3%	14,500	14%	111	1%	5,720	8%
Environment Protection	28,490	4%	15,263	3%	8,846	9%	4,244	55%	137	0%
Water Supply	22,686	3%	20,969	4%	109	0%	827	11%	782	1%
Banking	17,344	3%	5,785	1%	0	0%	0	0%	11,559	16%
Forestry	9,512	1%	7,991	2%	0	0%	1,516	20%	5	0%
Business	621	0%	0	0%	315	0%	306	4%	0	0%
Other	32,448	5%	23,293	5%	6,564	7%	456	6%	2,135	3%
<b>Total</b>	<b>684,361</b>	<b>100%</b>	<b>502,909</b>	<b>100%</b>	<b>100,946</b>	<b>100%</b>	<b>7,709</b>	<b>100%</b>	<b>72,797</b>	<b>100%</b>

Ranking of the sectors of intervention : 1<sup>st</sup>  2<sup>nd</sup>  3<sup>rd</sup>  4<sup>th</sup>  5<sup>th</sup> 

1. Disclaimer: Organisation for Economic Co-operation and Development - Development Assistance Committee (OECD-DAC) general budget support code is linked with Stabex EC instrument. But Stabex can be mobilised through FMO for project support aimed at restructuring related rural sectors.

The European Commission plays a relatively minor role in total ODA to the region, its commitments accounting for 8.4% of the total during the period 1997-2005. Only a few

<sup>4</sup> This figures arise form the OECD credit reporting system were General Budget Support is coded 51010.

Member States are active in the region: France, the United Kingdom and, in lesser measure, the Netherlands. Education is the main sector of intervention for European Union donors. It was the main sector for the European Commission, with 25% of commitments. For France and the United Kingdom it was the second and third most important sector respectively. Table 2-2 shows the allocation of ODA to the Pacific by sector and source.

## 2.4 Commission Strategy in the Pacific Region

The political and strategic foundations of the Commission's interventions in the Pacific region for the period 1997-2007 are established in the following documents:

- 1) **The Revised Lomé Convention.**<sup>5</sup> Commission interventions in the region in the EDF 8 period 1997-2002 were based on the Lomé IV Convention as revised in Mauritius in 1995. The Convention provides that cooperation be based on three fundamental principles: i) equality between partners, respect for their sovereignty, mutual interest and interdependence; ii) the right of each State to determine its own political, social, cultural and economic policy options; iii) security of their relations based on the *acquis* of their system of cooperation.
- 2) **The Cotonou Agreement.**<sup>6</sup> Commission interventions in the region in the EDF 9 period, 2002 to 2007, are based on the Cotonou Agreement of October 2000. The Agreement provides that: 'The partnership shall be centred on the objective of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy.' The Agreement gives the Commission the role of supporting the development strategies of the regional states: 'The partnership shall provide a coherent support framework for the development strategies adopted by each ACP State.'
- 3) **Regional Indicative Programme for the EDF 8 period 1997-2002.**<sup>7</sup> The strategy committed funds of €35m for the PACP region, concentrated on two focal areas: human resources development (45%); sustainable management of natural resources and environmental management and protection (35%).
- 4) **Regional Strategy for the EDF 9 period 2002-2007.**<sup>8</sup> The strategy notes that globalisation is the overarching issue facing the Pacific region. Funds of €29m were allocated<sup>9</sup>, concentrated on three focal areas: regional economic integration and trade (31%); human resources development (28%); fisheries (17%).

The synthesis Intervention Logic of the Commission, reconstructed by the evaluation team from these documents and other sources, is shown in Figure 2.2 below. The Intervention Logics for each period, EDF 8 and EDF 9, are shown in Annex 8.

Significant changes in the regional strategy for the PACP occurred between EDF 8 and EDF 9. This is mainly explained by identification of new priorities at partner level, one being

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<sup>5</sup> Lomé IV Convention as revised by the agreement signed in Mauritius on 4 November 1995.

<sup>6</sup> Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the One Part, and the European Community and its Members States, of the Other Part. 2000. (The Cotonou Agreement)

<sup>7</sup> Pacific ACP and European Community. Regional Indicative Programme for the Period 1997-2002.

<sup>8</sup> Pacific ACP and European Community. Regional Indicative Programme for the Period 2002-2007.

<sup>9</sup> This figure is based on the original RIP. It is important to note that the mid-term review for EDF 9 has revised and scaled up this amount from €29m to €39m

the introduction of the objective of **integration into the world economy**. The Cotonou Agreement provides for a more direct integration of PACPs into the world economy and for a shift from the trade regime inherited from the Lomé Conventions to one in which preferences are reciprocal through the negotiation of Economic Partnership Agreements (EPAs), thereby conforming to WTO regulations. Regional integration and trade became a focal area in EDF 9. Furthermore:

- commitments relating to human resources development changed from tertiary education in EDF 8 to a stronger emphasis on basic education in EDF 9, following the international change of paradigm in education support encouraged by the Fast Track Initiative;
- while natural resources were a focal area for EDF 8, this was narrowed to a focus on fisheries development for EDF 9.

**5) Country Strategy Papers (CSPs) for EDF 8 and EDF 9.** Each CSP is designed to respond to the specific context of the partner country and to be complementary to its national strategy. CSPs for PACP States commonly focus on rural and outer island development. Eight countries have an EDF 9 NIP below €10m. Three others are close to €20m. PNG NIP is €72.5m. An analysis of the strategic links between RSP and CSP can be found in Annex 8.

## 2.5 Commission Interventions in the Region

The main instrument of cooperation with the PACP States is the European Development Fund (EDF). The EDF includes funding modalities such as STABEX, FLEX, Sysmin and All-ACP finance. The 'programmable funds' of the EDF are allocated through Regional Indicative Programmes (RIPs) and National Indicative Programmes (NIPs). The Investment Facility managed by the European Investment Bank (EIB) is concerned with the strengthening of local capital markets and encouragement of regional and foreign investment.

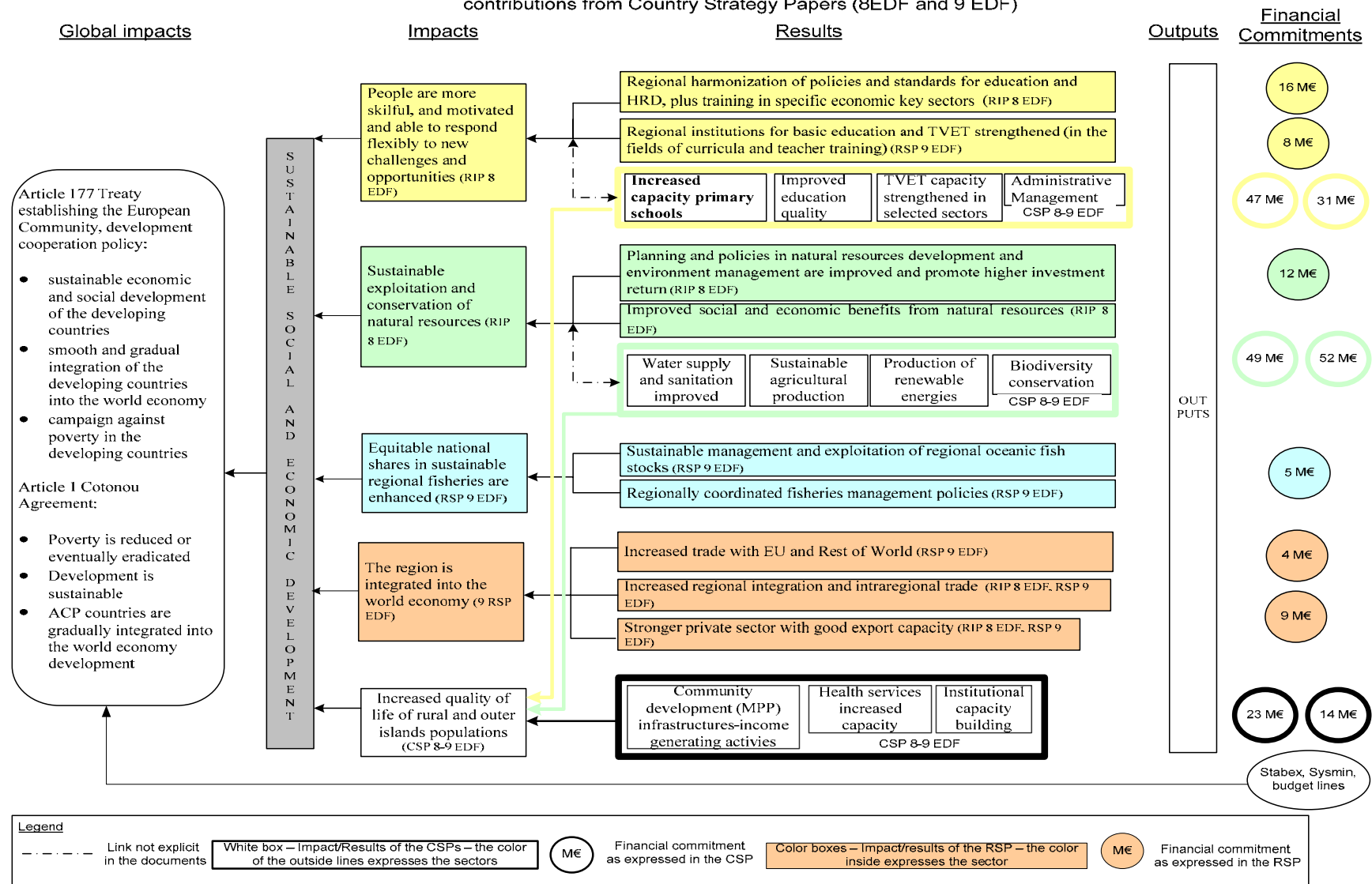
The Sugar Protocol governing trade in sugar between ACP States and the EU fixes prices for designated ACP sugar export quotas. Fiji has the second largest quota in the world under the Sugar Protocol. The prices are significantly above world prices and the benefit to the Fiji sugar industry is estimated at about €50m per year. This is substantially more than the support provided direct in annual aid by all donors to Fiji, as shown in Table 2.1 above.

During the period 1997-2005, €72,4m was committed<sup>10</sup> at regional level and €489,3m at country level. These amounts include funding from EDFs preceding the 8<sup>th</sup> and 9<sup>th</sup> EDFs. Stabex funds are very significant, accounting for 18% of funds committed under Country Envelopes. The Budget Lines are mainly CDC at regional level and CDC and DEV at country level. These play a minor role, accounting for 3.6% of commitments at regional level and 1.6% at national level. Table 2-3 shows Commission support allocations by financing instrument. Table 2-4 shows allocations of EDF programmable funds by sector.

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<sup>10</sup> Committed amounts correspond to the amount indicated in the signed Financing Agreements. Therefore the amounts may differ from the planned amounts shown in the Indicative Programmes

Intended impact diagram – Regional Strategy 1997-2007 (8EDF and 9EDF) and contributions from Country Strategy Papers (8EDF and 9 EDF)



**TABLE 2-3: ALLOCATIONS, AND IMPLEMENTED AMOUNTS FROM 1997-2005  
PER FINANCING INSTRUMENT (MILLION €)**

	Country Envelopes				Regional Envelopes			
	Allocations <sup>1</sup>	Committed	Contracted	Paid	Allocations <sup>1</sup>	Committed	Contracted	Paid
		(1997-2005)				(1997-2005)		
6 EDF	102.2	22.3	22.2	21.6	39	3.7	3.7	3.7
7 EDF	109.8	32.4	30.5	26.7	35	2.1	2.1	2.1
8 EDF	133	191.3	169.1	115.1	35	38.8	38.4	25.5
9 EDF <sup>2</sup>	179	150.3	49.6	25.9	29	24.8	24.1	5.0
Budget Lines	–	7.9	3.5	2	–	2.6	2.6	0.8
EIIB	–	9	9	9	–	–	–	–
Stabex	–	88.2	-	-	–	–	–	–
<b>Total</b>	<b>524</b>	<b>489.3</b>	<b>359.2</b>	<b>261.5</b>	<b>138</b>	<b>72.3</b>	<b>71.1</b>	<b>37.3</b>

Source: Common Relex Information System (CRIS) Consultation and CRIS production- For Stabex and other sources EuropeAid Cooperation Office (AIDCO C1) and DEV C 1 –The complete list of interventions can be found in Annex 8.

<sup>1</sup> The allocations are the amounts originally foreseen in the strategic documents (NIP or RIP) before the mid-term review.

<sup>2</sup> EDF 9 Allocations for envelope A.

**TABLE 2-4: PROGRAMMABLE FUNDS, NIP AND RIP, 8TH AND 9TH EDF  
TOTAL ALLOCATIONS BY SECTOR (€ M.)**

Sector	Allocation <sup>1</sup> 8 <sup>th</sup> and 9 <sup>th</sup> EDF		Commitments	
	Country	Regional	Country	Regional
HRD	123.1	23.8	202.7	23.9
SMNR of which:	108.9	12.2	194.2	20.2
Water & Sanitation	88.7	–	33.1	–
Mining	–	–	50.5	–
Energy	14.7	–	14.9	–
Trade Related Assistance	–	11.3	–	11.0
Fisheries	–	4.9	10.9	13.0
Community based Initiatives	15.8		43.1	
Transport	11.0		49.7	
Ins Capacity Building	19.9	Part from non focal sectors	19.5	0.3
Health	5.5		16.0	
General budget Support	-		14.6	
Loans	-		12.5	
Good Governance	-		6.2	
Non focal sectors, Other & Unspecified	16.9	6.9	15.1	3.6

 Regional Focal Sectors

Source: CRIS Consultation and CRIS production- For Stabex and other sources AIDCO C1 and DEV C 1 –The complete list of interventions can be found in Annex 8.

<sup>1</sup> The allocations are the amounts foreseen in the strategic documents (NIP or RIP) before the mid-term review.

Comparison of the allocations for the period with commitments by sector shows that there are more variations between commitments and allocations at country level than at regional level. This is mainly due to the range of non-programmable aid available at country level. For example, the commitment for Good Governance is in part attributable to the EIDHR Budget Line. Stabex raises country commitments in SMNR and HRD.

HRD is the dominant sector. At regional level support to HRD is characterised by a limited number of large projects. The projects illustrate well the strategic turn from the 8<sup>th</sup> to the 9<sup>th</sup> EDF, changing the focus from higher education to basic education. The most important sub-sectors are: vocational training, primary education, education policy, education facilities and higher education. Commission support to Fiji covers the whole range of sub-sectors.

The SMNR sector at regional level covers interventions in different sub-sectors: Environmental Policy and Administrative Management (47%); Plant protection and pest control (23%); Agricultural Development (20%); and Environmental Awareness (8%).

The difference between the allocated and committed funds for regional SMNR arises as a result of the provision of funding for new ACP States under the 9<sup>th</sup> EDF non-focal sector category. The provision was made to allow them to benefit from ongoing 8<sup>th</sup> EDF projects.

At country level, water supply and energy are prominent as focal sectors. Funds for mining are entirely destined for PNG.

Fisheries is a focal sector in EDF 9. Nevertheless, the higher amount committed to this sector derives from allocations under the 8<sup>th</sup> EDF to SMNR. Commitments under the 9<sup>th</sup> EDF amount to € 5,0m and are in line with the RIP allocation.

In the Regional Integration and Trade sector, amounts allocated in the 7<sup>th</sup> and 8<sup>th</sup> EDF periods were utilised for minor interventions supporting export activities and meetings. In 2003, substantial commitment was made under the 9<sup>th</sup> EDF to the Pacific Regional Economic Integration Programme (PACREIP), the sole component of which aims at providing support for the preparation and conduct of the EPA negotiations.

With good progress in implementation of the 9<sup>th</sup> EDF RIP, and on the recommendation on the MTR, an additional €10m was allocated to the Pacific in 2006. This sum is allocated as follows: €2m to the PACREIP project, €4m to the PPP, and €4m to the oceanic component of PROCFISH.

### 3. FINDINGS

This section covers the main findings of the evaluation on the basis of responses to the Evaluation Questions set out in chapter 1 (p. 10). Where necessary, findings fall outside the confines of the Evaluation Questions.

Associated with each Evaluation Question are one or more Judgement Criteria which specify the basis for answering it. On the basis of assigned quantitative or qualitative Indicators and under the subtitle *Validation*, the extent to which each Judgement Criterion (JC) can be considered validated or fulfilled is then stated. The references in brackets (I 1.1.1 etc.) refer to the Indicators related to the Evaluation Questions contained in Annex 9.

#### 3.1 Evaluation Question 1

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

This Evaluation Question is meant to assess the extent to which the EC regional strategy was formulated in response to needs common to the countries of the PACP region. The working of the Intervention Logic partly depends on the extent to which the Commission's strategy adequately fits within the framework of the local regional strategies. The question therefore also aims at checking whether the EC regional strategies were conceived in such a way as to respond to existing regional strategies and to needs identified at regional level, and the extent to which the regional strategy evolved over time in accordance with the evolution of the priorities of regional authorities.

The question covers the strategies identified in the Regional Strategies Papers (RSPs) for the ACP Pacific Region during the period 1997-2007.

#### **Answer to Evaluation Question 1:**

Commission strategies respond to the needs of the PACP States as articulated by regional authorities. This is largely because Commission strategies have been derived from dialogue at global, ACP, regional and national levels on development issues, in which the PACP States also participate. This dialogue results in strategies relevant to the needs of PACP States, as defined through the same processes. The Commission strategies can be seen as rational distillations of the accords reached through these processes of consultation.

The quality of the policy dialogue also helped the Commission strategies to evolve in line with the priorities established by regional authorities. This is for instance reflected in the changes in the focal sectors between the EDF 8 and 9 strategies which closely followed a shift in the orientation of the regional authorities' objectives.

Dialogue quality has also been helped by notable advances in the technical capacities of regional institutions. This has improved the definition of regional needs. However, there seems to be a gap between the objective needs of the region and those identified by regional authorities on key issues directly related to poverty.

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

Identification of needs by regional bodies has constantly increased in scope and detail over time. At the beginning of the evaluation period, the identification of needs, such for instance as was encompassed in the Forum's vision in 1995, is relatively broad and mainly amounts to defining general orientations in a limited number of domains, including trade, regional



integration, vulnerability to natural disasters, human development, and resource management. Identification capacities have however been improved, in particular with the development of specialist regional organisations, notably members of the Council of Regional Organisations of the Pacific (CROP). These organisations have increasingly played a prominent role in the identification of regional needs and strategies as there has been a marked strengthening of their capacities in the period under evaluation, to which the Commission has contributed. This has facilitated reliable specification of regional needs in more detailed and technical terms. For instance, documents such as the Forum Basic Education Action Plan (FBEAP) and the fisheries conventions have reflected sound technical analysis of regional needs, which is fed into regional debates and moulded into actionable strategies (I 1.1.1, I 1.2.1)

The Pacific Plan of 2005 represents a further step in the identification of regional needs. Prepared in the PIFS and adopted by leaders of the Pacific Forum in 2005, the Plan provides the first comprehensive statement of regional objectives and will serve as a valuable reference for donor interventions. The number of issues covered is much wider and more specific than in preceding regional authorities' documents. The Plan recognises moreover that it should serve as a contribution to a regional debate: 'The Plan provides a framework for effective and enhanced engagement between Forum countries and with their Non-State Actors and development partners.' The Plan may effectively replace the 'shopping list' approach to project identification that was a source of concern to the Commission during the EDF 8 period (I 1.1.1, I 1.2.1).

However, even though social issues are explicitly tackled, the Pacific Plan remains mainly oriented to achievement of objectives related to economic growth. Most particularly, aspects related to poverty, like the high ratio of the incidence of poverty to GDP per capita, the uneven distribution of income and its impact on the region's political stability, the persistent and high level of unemployment, and the relatively high levels of infant mortality, are not specifically referred to in the Plan (I 1.1.1).

#### Validation

Overall this JC can be considered validated on two grounds: comprehensive account taken of needs in the regional strategies, and improved capacity to identify the needs.

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

EC regional strategies reflect those of the regional authorities since they largely emanate from dialogue between regional stakeholders. The regional dialogue involves debates between the Commission and representatives of Pacific States, regional organisations and other donors. The Commission regional strategies represent a rational distillation of the outcome of the debates and this has culminated in the EC's strategic focal sectors clearly corresponding to priorities established by the regional authorities, their content being adapted accordingly. For instance, adoption of fisheries as a regional focal sector for the EDF 9 programming period reflects concern for environmental protection across the region and the good quality of technical analysis carried out by those regional organisations concerned with fisheries (I 1.2.1).

#### Validation

The above arguments justify the validation of this JC.

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

Changes in the EC strategy largely reflect the evolution of needs and priorities as established by regional authorities. In particular, globalisation was recognised as a leading issue for EDF 9 and trade was adopted as a focal area, reflecting the increasing concern of regional bodies about the need to integrate the region's economies more fully into the world trading system (I 1.1.3).

Adaptation to evolving regional needs is also reflected in the emphasis on basic education in EDF 9, as opposed to the emphasis on tertiary education in EDF 8. Concern for 'grassroots' development and poverty alleviation became increasingly prominent in the global debate on development, adoption of the Millennium Development Goals having put the issue of poverty at the centre of the global debate. These developments have contributed to the promotion of basic education to a higher level of priority by regional authorities. The FBEAP was established at the time the RSP for EDF 9 was in preparation (I 1.1.3).

Similarly, the Commission strategy for EDF 9 with regard to environmental conservation was adapted during the period to take account of more specifically regional considerations. The Pacific region has long recognised the vulnerability of small islands to environmental degradation and the need to protect their natural resources from excessive commercial exploitation. Strategies under EDF 8 focused on sustainable management of natural resources and environmental protection. In EDF 9 the focus narrowed to fisheries, in recognition of the importance of Pacific fish stocks to the PACP States and the established capacity of the Commission to make valuable interventions in this area (I 1.1.3).

#### Validation

There is enough evidence to justify the conclusion that this JC is validated.

### **3.2 Evaluation Question 2**

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

The EC intervenes in the Pacific region by means of both regional and country strategies.

The question seeks to verify whether these strategies have been mutually supportive and whether appropriate choices were made when selecting the location of interventions.

#### **Answer to Evaluation Question 2**

Regional and country strategies have not been designed to be mutually supportive in addressing the needs of the region. The regional and the country strategy documents only refer superficially to each other, complementarity being limited to avoidance of duplication. Complementarity and synergy effects have been underexploited. Few interventions are implemented at both levels in the same area, and even in these cases interactions between the interventions have been the exception, and grounded more in *ad hoc* linkages between them than in their respective designs. Nevertheless no overlapping has been observed.

Regarding the appropriateness of the level of intervention (regional or country), first it is important to note that the rationale underlying the choice of level has not been made explicit in the planning documents. Second, it is noteworthy that since the Commission's regional and country strategies have been formulated through different consultation channels and for addressing different needs, they have developed different foci. However an appropriate

underlying logic is nonetheless observable: regional interventions are preferred wherever (i) regional dialogue has pre-existed, (ii) negotiations on a collective basis are needed, or (iii) regional expertise is available.

The question has been answered by means of three judgment criteria that represent the ideal situation where the strategy involves selection of the best level for intervention on any particular issue, and harmonisation of activities at regional and national levels, viz.:

- regional and national strategies are designed to be complementary,
- interventions at both levels are designed and implemented in complementarity,
- regional interventions address problems that can more effectively be tackled at regional level.

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

Regional and Country Strategy documents refer only superficially to each other. Each NIP and CSP mentions a number of preferred areas for regional cooperation (see table 3-1 below). These areas are merely mentioned in passing without justification or enlargement on the mode of interaction during implementation of the two strategies. (I.2.1.1)

**TABLE 3-1: AREAS MENTIONNED IN 8TH NIP AND 9TH CSP FOR REGIONAL COOPERATION**

	8 <sup>th</sup> NIP				9 <sup>th</sup> CSP			
	<u>Trade &amp; Private Sector</u>	<u>NRM</u>	<u>HRD</u>	<u>F</u>	<u>Trade &amp; PS</u>	<u>NRM</u>	<u>HRD</u>	<u>F</u>
<b>Cook Islands</b>	-	-	-	-	X			X
					Also mentions banking regulation and supervision			
<b>Fiji</b>	X	X	X	X	X		X	
<b>Kiribati</b>	X	X	X	X	X			
<b>Marshall Islands</b>	-	-	-	-	X		X	X
<b>Micronesia</b>	-	-	-	-				X
<b>Nauru</b>	-	-	-	-	X	X		X
<b>Niue</b>	-	-	-	-		X		X
<b>Palau</b>	-	-	-	-	X			X
<b>Papua New Guinea</b>	Annex 3 non available				X			
<b>Samoa</b>			X		X			
<b>Solomon Islands</b>	X	X	X	X	X			
<b>Tonga</b>	X	X	X	X	X	X	X	
<b>Tuvalu</b>		X	X			X		
<b>Vanuatu*</b>	Annex 3 non available				X	X		X

Source: 8<sup>th</sup> NIP and 9<sup>th</sup> CSP for PACP.

In the RIP and RSP there is a call for coherence with NIP resources as part of the other financing resources of the Community. However there is no reference in the RSPs to expressions of interest included in the NIPs. Generally the RSP and CSPs do not demonstrate how they will be mutually supportive or complementary. And apart from formal references in RSP to the CSPs and vice versa, there is no elaboration of strategic interaction between the two levels. RSP negotiations usually take place after the CSP negotiations.

#### Validation

These findings do not permit validation of this Judgement Criterion. Regional and Country Strategies appear to be independent rather than complementary.

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

At macro-level, sectoral correspondence between regional- and country-level interventions can be found on a large scale for NRM and HRD (I.2.1.2). In NRM, the objectives are similar at both levels. In HRD, the national level emphasised support to primary education infrastructure under the 8<sup>th</sup> and 9<sup>th</sup> EDF periods, whereas the regional level focused on regional tertiary education under the 8<sup>th</sup> EDF period and switched to primary education management, planning and policy support under the 9<sup>th</sup> EDF. Interventions at regional and country level are minor in REIT and in Fisheries and interactions have not been developed.

Contacts between EC-funded regional and country interventions have been limited even when regional interventions have had national components. No instances of complementarity in intervention design have been observed. Cases of complementarity and mutual valorisation during implementation have been the exception and have depended on the discretion and willingness of the regional and national implementers. This applies to the RVP programme which concentrated its support to Samoa on such areas as hazard and risk assessment and withdrew from the water sector since it was supported by the NIP. Another case is Samoa's use of the PPP programme for policy and technical advice in setting up a pest control facility named 'Heat Treatment and Forced Air (HTFA)' financed with STABEX funds. (I 2.2.1). The 'Hubs and Spokes' component of the Trade.com project, administered by the Commonwealth Secretariat and financed by the Commission, has given some national level support to the regional PACREIP programme (I 2.1.2). In Fisheries, interventions have been strongly regionally focused and designed in such a way that they can be implemented without substantial dependence on work at national level. (I 2.1.1).

There are also examples of regional interventions providing services at national level, that is to say support for national administrations' programmes rather than Commission interventions at national level. In NRM the DSAP, focusing on household and farm production and participatory rural development, has required links between the regional programme and the national agricultural offices (I.2.2.1). In HRD, PRIDE is expected to provide services to national education authorities and to fund national sub-projects. This intervention is seen as a model for further interventions involving provision of services by regional programmes to national agencies. The project is specifically referred to in this context in the Pacific Plan. (I.2.3.1).

#### Validation

Regional and national interventions in the same sector are never designed in complementarity. In exceptional cases there is complementarity in implementation but this is based on *ad hoc* rather than systematic arrangements.

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

Regional and country strategy documents do not explicitly develop arguments supporting allocation of interventions to regional or national levels. (I.2.3.1) The choice appears to be influenced more by differences in the consultation channels used for development of the strategies; indeed Regional and Country Strategies have different aims, respond to different needs and are integrated in different contexts, and as such are developed in parallel through different consultation channels. Whereas Regional Strategies rely on extensive consultations with regional organisations, Country Strategies are developed through bilateral dialogue with national governments and are therefore widely focused on issues relating to rural and outer island development.

Nevertheless, from these debates there has emerged what may be seen as a rational and complementary division of Commission activity between regional and national levels. Regional interventions have been preferred for issues where regional dialogue has pre-existed, where there is interest in maintaining negotiations on a collective basis and where regional expertise has been available to compensate for a national lack of high technical skills. All regional interventions are anchored to one or other of these preconditions. For example, REIT development requires specialist skills and involves multilateral negotiations; fisheries interventions concerning conservation of migratory species require a regional approach.

#### Validation

The judgement criteria may be regarded as validated. Although supporting arguments are not explicit in the strategy documents, an appropriate underlying rationale seems to emerge from an analysis of the regional interventions.

### **3.3 Evaluation Question 3**

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

Fundamental concern is expressed in both the Lomé IV Convention and the Cotonou Agreement, and in subsequent Commission development policy, over the need to reduce poverty. Reduction and eventual eradication of poverty is one of the intended global impacts of Commission interventions.

To achieve such impact it is necessary to establish how different interventions can be expected to impact on poverty, and what are likely to be the most effective interventions in this respect. Accordingly the answer to this Question aims at verifying whether EC strategies are aligned with regional strategies that aim at reducing poverty and whether related policy papers clearly show how selected intended impacts will contribute to poverty reduction.

#### **Answer to Evaluation Question 3:**

The Cotonou Agreement makes the reduction and eventual eradication of poverty the central concern of the partnership between the Commission and ACP States. It cannot be said that the Commission's Regional Strategies for the Pacific or Commission regional interventions are consistently oriented in this way, first because the poverty reduction goal was not explicit in the supported regional strategies until the publication of the Pacific plan in 2005, and second because, despite sector-to-sector variations, globally the poverty-related strategies are based more on a general assumption that sound interventions will produce general economic and

welfare benefits, and that these will in turn reduce poverty. Even in HRD, where there is important potential for poverty reduction, references in strategy documents relate to conventionally-accepted links between education and poverty reduction rather than specifically tracing how specific interventions will contribute to this end. Finally, although the Commission has investigated global links between, for example, expansion of international trade and poverty reduction, it has made no systematic attempt to identify a cause-effect relationship between the intended impacts of Pacific regional strategies and poverty reduction.

## Strategies for the Reduction of Poverty

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

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

The Cotonou Agreement, as noted in Section 2.4, makes a very strong commitment on poverty: “*The partnership shall be centred on the objective of reducing and eventually eradicating poverty consistent with the sustainable development and the gradual integration of the ACP countries into the world economy.*” The commitment suggests that Commission support should aim to advance the living standards of poor people at a faster rate than those of the better-off. However it cannot be said that the Commission regional strategies and interventions for the Pacific are consistently oriented in this way. The first reason for this conclusion is that the poverty reduction goal is not explicit in the supported regional strategies during the 1997-2005 period. The Pacific regional strategy was indeed not clearly defined prior to the publication of the Pacific plan in 2005. However there is now a more explicit reference to poverty reduction. Indeed, the plan:

- Recognises quite severe and significant levels of poverty in the region ;
- Identifies “reduced poverty” as one of its objectives ; *and*
- Defines quantified targets in this respect.

This lack of a strategy for poverty reduction in the supported regional strategies can to a certain extent be explained by the specificities of the Pacific region. Indeed, the commitment to poverty reduction in the Cotonou Agreement was made in the context of dialogue at ACP level and was strongly influenced by global dialogue on development issues that had already established poverty reduction as a major priority. The Millennium Development Goals were adopted at about the same time as the Cotonou Agreement was signed. The commitments at that level may have had less resonance at the Pacific regional and national levels, and this may have influenced the Commission’s approach to poverty reduction in the region. Poverty has indeed not been seen in the Pacific as such an important issue as in other parts of the world, Africa for example; destitution is not an obvious problem in the Pacific. A recent study notes that ‘poverty’ has connotations in the Pacific region different from elsewhere, being equated more with ‘hardship’ than the life-threatening deprivation that is understood elsewhere.<sup>11</sup>

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<sup>11</sup> The study mentions that « it is important to understand the nature of poverty in the local context in order to devise appropriate strategies to combat it and to determine the institutional setup required to translate policies into actions... The term “poverty” is perceived to have connotations of hunger and destitution that do not properly reflect the nature of poverty in most of the communities consulted. Instead, the term “hardship” has been suggested. ‘Hardship translates to “an inadequate level of sustainable human development”...11’ See Asian Development Bank. Millennium Development Goals in the Pacific: Relevance and Progress. March 2003. Manila. Asian Development Bank. Millennium Development Goals in the Pacific: Relevance and Progress. March 2003. Manila.

Without pressure emanating from dialogue at regional level for direct attention to poverty reduction, the issue may have been allowed to slide down the priority rankings. Nevertheless, poverty has emerged in recent years as a much more important issue in the Pacific. The study mentioned above recognises the different perception of poverty in the Pacific, but also acknowledges quite severe and significant levels of poverty in the region (I. 3.1.1).

The second reason for the foregoing conclusion on the orientation of the Commission's strategies is that, although the linkages to poverty reduction vary from sector to sector, globally the strategies relating to poverty are based more on general conventional assumptions that sound interventions will produce general economic and welfare benefits which in turn will reduce poverty.

Engagement in **international trade**, for example, has raised economic growth rates for many nations and had important effects in reducing poverty. It is assumed that similar benefits will accrue from trade liberalisation in the Pacific. The Commission has given significant attention to the links between international trade development and reduction of poverty on a global basis. But global studies<sup>12</sup> show no straightforward and infallible links between trade expansion and poverty reduction. Moreover, no studies have been made on links in the Pacific between trade development and poverty reduction (I 3.2.1).

In **HRD** the links with poverty reduction are clearer. Strategies are oriented to the lower end of the income scale, if not specifically to poverty alleviation. The Commission responded to the regional initiative on basic education (FBEAP) by strengthening the commitment to basic education in its strategy and interventions for EDF 9. In **NRM** some Commission regional interventions have also been targeted on people at the lower end of the income scale (I 3.2.1).

**Agriculture** is the major source of livelihoods, both subsistence and cash, for many poor people in the Pacific. (I 3.2.1) The Commission's DSAP project, mentioned under the findings relating to Evaluation Question 2 above, targets small farmers and is likely to have a significant impact on poverty alleviation. However, the potential impact of these interventions on poverty reduction has not been subject to an *ex ante* analysis (I 3.2.1).

**Fishing** is an important source of subsistence and cash income for many poor people on small Pacific islands. A programme specifically oriented to poverty reduction would be expected to help poor fisher-people raise their incomes through fishery improvements. But the Commission programme (which started well before the Cotonou Agreement was signed) has been oriented towards conservation of regional fish stocks and regulation of DWFN activity. Benefits to the poor are thus derived indirectly from increased welfare expenditures by governments using the revenues from licensing of fishing in EEZs. (I 3.2.1)

### Validation

The above-mentioned judgement criteria cannot be considered as validated, except in the most recent years. Indeed, EC strategies are not aligned with regional strategies that aim at reducing poverty, as such strategies were only explicitly developed from 2005 onwards. Furthermore strategies relating to poverty are based on general assumptions that sound interventions will produce general economic and welfare benefits which in turn will reduce poverty, but specific analyses on how selected impacts will contribute to poverty reduction are not available.

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<sup>12</sup> Global studies such as European Commission. Trade and Development: assisting developing countries to benefit from trade (COM(2002)513) and "Trade, Growth and Poverty", Dollar and Kraay, mimeo, 2001.



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

Part of the findings relating to this judgement criterion have already been presented above. Indeed, as clear links between intended impacts and contributions to poverty reduction have not been provided, one can expect that the same applies to the conditions under which poverty reduction can be attained. With respect to Regional Integration and Trade for example, conditions contributing to poverty reduction are identified globally without specifying which causal links lead from enhanced Regional Integration and Trade to poverty reduction. Moreover, the pre-conditions identified as necessary have only partly been attained, for instance in private sector development, as explained in question 5 below. The pre-conditions under which activities in the education sector can contribute to poverty reduction are more clearly identified, but no specific indicators have been defined in this respect.

Validation

The pre-conditions necessary for achievement of poverty reduction have not materialised as such, or have done so only at a global level, and even then only partially.

**3.4 Evaluation Question 4**

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

This question aims at verifying whether the Commission's interventions have been realised under the best conditions of implementation management. This encompasses several aspects such as availability of human resources, efficiency of administration, timeliness and cost of project activities, procedures adopted and selection of aid delivery channels.

One can conclude that organisational and administrative arrangements are efficient if three assumptions are fulfilled:

- Inputs are delivered by the due date and within planned cost, and are well managed ;
- Delivery channels were adapted where necessary to increase efficiency;
- EC organization and management procedures have been adapted to increase efficiency.

**Answer to Evaluation Question 4**

The overall efficiency of the organisational and administrative arrangements for Commission support in the Pacific has been satisfactory: the majority of projects delivered inputs by the due dates and within planned cost, and were efficiently managed on a day-to-day basis. In this respect, the change in PIFS authorisation structures and the evolution from several to a single RAO has simplified and accelerated decision-making processes.

Over the period there has been a clear trend towards the use of contribution agreements (CAs) at regional level. There are several indications that the satisfactory results in terms of efficiency may be linked to this trend, including stakeholder views and the fact that the CAs allowed improved definition of responsibilities and ownership by project implementers, as well as exploration of synergy effects arising from mandating of Regional Organisations.

Despite the positive assessment of efficiency, no conclusive findings in terms of reduction of project costs were possible. In the fisheries sector, however, it appears that most projects have similar levels of project cost and that there is no significant trend in this respect.



It appears that over the period the organisational and management capacities of the Commission have improved, notably as a result of devolution, increased human resources and intensified cooperation with CROP agencies.

A number of developments have also led to an improvement of the management capacity of the RAO, such as the improved coordination between the RAO and sector PIF Commissions. There is however no evidence of increased RAO management capacity in the HRD sector.

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

The Commission's regional and national development interventions between 1997 and 2006 in the different focal sectors were mostly initiated and completed by the due dates and within planned cost. Delays mainly occurred in the project development and inception phases. Some variations between sectors were observed. In REIT delays were experienced with the PACREIP project. These delays related for instance to the use of PFTAC as implementing agent for financial and fiscal reforms and was due to a lack of compatibility in terms of accounting procedures between the Commission and PFTAC. 11 of the 13 fisheries projects (85%) were finished in due time; in the NRM sector this was the case for 20 out of 24 projects (83%). In HRD three large regional projects were implemented of which one experienced delays.

The reasons for the observed delays related mainly to (I.4.1.1):

- region-specific staffing problems: recruitment and availability of international experts,
- project team management problems also varied from sector to sector and were observed in between 8% and 17% of projects. They mainly concerned the HRD, fisheries and NRM sectors and for example were related to problems of vacancies staffing, high staff turnover, or difficulties in adjusting to EC procedures (I.4.1.3),
- distance, travel costs, communication, size of markets, *and*
- management deficiencies among national and regional counterparts, particularly in the six new member states.

Further to this last point, it should be noted that since 1998 the change in PIFS authorisation structures and the significant reduction in the number of Regional Authorising Officers to a single RAO has simplified and accelerated decision-making processes. Consequent necessary changes in the structure and lines of responsibility from TAs to the RAO have equally contributed to more consistent and coherent technical-level programming and implementation of Commission interventions.

Validation

Overall this judgement criterion can thus be considered validated. The vast majority of projects delivered inputs by their due dates and at planned cost, and were efficiently managed on a day-to-day basis. This generally positive assessment has been confirmed by several programme reviews and evaluations (see Annex 3 for the bibliography).

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

At regional level, most programmes in HRD, Fisheries and NRM have used contribution agreements (CAs). As examples, all 8<sup>th</sup> and 9<sup>th</sup> EDF regional fishery sector projects were or are

being conducted under CAs, while in NRM, as an evolution from the 8<sup>th</sup> EDF, CAs have been applied to all Regional Programmes implemented by CROP agencies.

In national programmes, project approaches were mostly used, but also a Sector Wide Approach in the water and sanitation sector (9<sup>th</sup> EDF) and a Micro-projects Programme in Samoa using 8<sup>th</sup> EDF funds (I.4.2.1). CAs with a regional organisation (SOPAC) have also been used to implement national projects in Fiji and in Kiribati.

Efficiency in the use of CAs at regional level varies by sector. In the fisheries sector, stakeholders interviewed considered the efficiency of Regional Commission projects under CAs as very high, both *per se* and in comparison with former country-level projects. In HRD, however, efficiency was judged as rather limited owing to persistent management deficiencies on the part of USP as the Commission's core implementing partner. But there are several indications that the overall positive efficiency assessment as explained under JC 4.2 may be linked to the increased use of CAs. Indeed, the Commission's choices of the PIFS as the central coordinating regional organisation and sector-specific CROP agencies as implementing counterparts in the region have allowed (i) improved definition of project implementers' responsibilities, (ii) improved project ownership by implementers, and (iii) synergy effects deriving from mandating of Regional Organisations. However, efficiency performance has to be considered in the light of effectiveness and impact criteria (see EQ 5, 6, 7, 8).

At country level, the above-mentioned SWAp allowed better coordination with other national and regional agencies and hence better potential for creating synergies, in turn leading to higher efficiency. Other interventions used project approaches (I.4.2.2.).

With respect to reductions in project running costs, no conclusive findings were possible. No significant variation could be found in changes in running-cost efficiency as between delivery channels such as FA/TA or CA (I 4.2.3), or between regional and country-level interventions. However a breakdown of project operating costs *vis-à-vis* total project costs for EC-supported regional and country-level project in the fisheries sector in the PACP region between 1997 and 2007 shows that operating costs vary between 6% and 25%, but are in the 20-25% range in five of the eight cases. As no basis for comparison is available (for instance with similar projects or other sectors) it is difficult to conclude to what extent these results may or may not be judged satisfactory. However the fact that costs are similar for most of the projects and that they do not vary strongly over time may be an indication that the results are in line with what can be expected for this type of intervention.

#### Validation

This judgement criterion can be partially validated. It appears that there is a clear trend towards more CAs. Although there were several indications that these contribute to higher efficiency no conclusive evidence can be provided to substantiate this judgment.

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

The efficiency of the Commission's regional and national programme in the PACP Region has benefited from the devolution process over the past decade, with the transfer of the comprehensive management mandate and responsibility to the four Commission Delegations/reporting offices in the region (Fiji, Papua New Guinea, Solomon Islands, and Vanuatu). This has permitted the Commission to take better administrative account of the very special geographical, political, social and economic situation of the PACP region. More generally, the Commission's management capacity has improved through several beneficial developments such as (i) increased numbers of Commission Programme Officers in

Delegations, (ii) intensified cooperation with CROP agencies, and (iii) full European Commission membership of the WCPFC in 2005 (I 4.3.1).

A number of developments have also led to an improvement in the management capacity of the AO, notably the improved coordination between the RAO and sectoral PIF Commissions such as the Fisheries Commission, and the use of PMUs and TAs in key positions at RAO and NAO level, in planning departments or in sectoral (CROP) institutions with responsibilities for focal areas of cooperation. There is however no evidence of increased AO management capacity in the HRD sector, at either regional or country level, or of improvement HRD measures aiming at improved AO management capacity (I.4.3.2).

The use of PMUs and TA has permitted swifter implementation but not strengthening of local counterparts' know-how and capacities.

#### Validation

This judgement criterion is validated: over the period EC organisation and management procedures have evolved mostly in terms of quality of support. Little is known of the related costs. The management capacity of the RAO has also improved.

### **3.5 Evaluation Question 5**

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

One of the main intended global impacts incorporated in the Intervention Logic is that of assisting the integration of ACP countries into the world economy. Support for regional economic integration as a stepping-stone to integration into the world economy is seen in Commission strategy as a major means of achieving this global impact. Regional economic integration in the Pacific has been initiated from and sustained within the region and the EC has played an important role in regional integration, *inter alia*, by supporting development of regional institutional capacity, trade negotiations and trade-related technical assistance. Evaluation Question 5 seeks to assess the effectiveness of EC interventions in supporting the integration of PACP countries into the world economy.

#### **Answer to Evaluation Question 5:**

Commission interventions in regional economic integration and trade are of recent origin and their effects on integration of PACP States into the world economy cannot yet be assessed. In any case it is difficult to measure the extent to which regional trade flows have been affected by EC interventions (JC 5.1). However regional trade treaties, supported through PACREIP, are specifically seen as steps on the path towards integration into the world economy, and the Commission's interventions have generally contributed substantially to increasing the trade-related capacities of regional bodies as well as to their cohesion on trade-related matters (JC 5.2). On the other hand, their impact on the generally low competitiveness of the region's private sector is likely to be either limited or impossible to assess owing to the recent start of the activities concerned. (JC 5.3)

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

PACP States are already heavily engaged in international trade, as indicated by the value of their external trade relative to their GDP. Some (Papua New Guinea, Fiji, Solomon Islands and Tonga) are already members of WTO, whilst Samoa and Vanuatu have applied for membership (I 5.1.1).

Commission support to the PACP has built on this established engagement in international trade. It has, nevertheless, for the most part been undertaken only during the past few years, following an increased Commission commitment to trade as an important factor in development. The groundwork for interventions in EDF 9 was completed during the EDF 8 period, but the interventions have taken place during the EDF 9 period, and most intensively since 2003 (I 5.1.1). Their full effectiveness has thus yet to become apparent. This evaluation can therefore offer only limited evidence on the effectiveness of the outcomes. Moreover, projects operating in other sectors or on an all-ACP basis may have impacted on trade flows but their exact contribution in this dimension is not clearly established (I 5.1.1). As far as trade with the EU is concerned, the share of PACP States in the import and export trade of Europe is very small and has shown little variation over the last decade (I 5.1.4, EQ 5 Table 5.9), and therefore the impact is likely to have been rather limited.

It must be noted that reforms of the CAP involved reductions in prices paid for sugar quotas from Fiji to the EU. The support provided to Fiji under the Sugar Protocol has been very significant for the sugar industry and the Fiji economy as a whole, and the Commission is assisting in the restructuring of the sugar industry to meet the new conditions. This cannot of course significantly affect the main trends which imply a considerable fall in the value of Fiji's exports to the EU. This is an unavoidable but adverse consequence for Fiji of changes in agricultural trade arrangements (I 5.1.4).

#### Validation

This JC cannot be considered to have been validated. First, the most prominent EC interventions in this field are too recent to be properly evaluable in terms of their effectiveness. Second, the region being already heavily engaged in international trade, it is difficult to estimate how far the evolution of the PACP States' trade flows can be attributed to EC interventions.

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

The main regional initiatives towards regional economic integration are the PICTA and PACER treaties, the latter confined to Pacific Island States and the former including Australia and New Zealand. Through PACREIP the Commission has assisted the region in implementing the PICTA treaty and developing its involvement with the WTO through representation in Geneva. PACREIP is also contributing to trade facilitation in the Pacific, with support for development of bio-security legislation, SPS conformity, training of customs officials and product testing and standards. The description of PACREIP in the Annex to the Contribution Agreement specifically notes that PICTA is seen as a "... 'stepping stone' towards the closer integration of the Pacific ACP countries into the global economy, which is envisaged as coming about both through the negotiation of free trade arrangements with major trading partners, and, for Pacific ACP countries that are WTO members, through participation in the WTO-based multilateral trading system." (I 5.2.1).

Moreover six Pacific countries (Cook Islands, RMI, Palau, FSM, Nauru, Niue) joined the ACP group during the period under evaluation. One consequence of this was the alignment of Pacific Islands' membership of the PIF with PACP status. This in turn made it possible for the PACP States to mandate the PIF to conduct negotiations on their behalf for the Economic Partnership Agreements of the Cotonou Agreement (I 5.2.2). EDF 9 funds were made available to support engagement of the new PACP States in programmes started under EDF 8.

### Validation

This JC can be considered validated as the support for regional integration provided to the PACP States within the framework of the EC regional strategies has contributed to enhancing the participation of the region in broader trade arrangements.

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

The success of Commission interventions in expanding the trade of PACP States with the EU and other countries has depended on the capacity of the private sector to respond to the opening up of markets. The PACP States have limited capacity in their private sectors. Although present levels of trade show clearly that export skills exist, there is a lack of capacity for business innovation that would allow advantage to be taken of new opportunities arising from trade liberalisation

The Commission has until now made only a limited contribution to development of private sector capacity and its competitiveness. Interventions in the general development of business have been organised *via* the all-ACP provision. In particular, the following programmes have been mobilised: The centre for the Development of Enterprise (CDE) provided around 10% of its activities in the region; Proinvest produced a study for identification of the potential areas of investment and its Trinnex component has been approached by PIPSO (see below) for funding; the European Business Assistance Scheme is also active in the region promoting the market for business consulting services. All ACP programmes are designed as to cover general aspects with the aim of benefiting all ACP countries regardless of geographical interests. There have been difficulties in building the contacts in the region and in establishing a presence in the region which has impeded a successful identification and response to the specific requirements of Pacific businesses. (I 5.3.1).

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

The Commission's regional interventions also include projects that support private sector development but they are for the most part very recent and their effects have yet to be felt. PACREIP includes a component on the general development of tourism, including a sub-component specifically designed to promote SMEs in tourism. PACREIP has also contributed to the establishment of the Pacific Islands Private Sector Organisation (PIPSO). This organisation, the constitution of which was approved at the end of 2005, is intended to strengthen links between government trade officials and the private sector, and encourage emergence of new trading organisations (I 5.3.1).

### Validation

This JC cannot be considered as validated, owing (i) to the limited involvement of the Commission in private sector development and (ii) to the fact that the activities implemented are rather recent.

### 3.6 Evaluation Question 6

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

The question aims at verifying the extent to which EC interventions during EDFs 8 and 9 have contributed to capacity building. More specifically this concerns, for EDF 8, enhancing the harmonisation of HRD policies, improving skills in key sectors and strengthening of the institutions; and for EDF 9, bringing HRD strategies closer to support for the strategies of the PACP States.

#### **Answer to Evaluation Question 6:**

Most activities directly targeted on the achievement of these objectives started quite recently, and data on results are so scarce that the extent of the impact in terms of precise indicators cannot be established. However, assessment of project content and early qualitative results suggests that EC interventions are making useful contributions to improvements in skills, motivation and capacity for flexible response on the part of people in the region. There are also indications that EC interventions contributed to the strengthening of the capacities of the regional institutions. No progress has however been made in harmonisation of policies and standards for education.

The emphasis of Commission strategy during the evaluation period moved from tertiary education to basic education, following the trend in the global and regional debate. The Forum Basic Education Action Plan (FBEAP) was launched in May 2001 as the guiding document for regional cooperation in the HRD sector. The change in emphasis should lead to wider improvements in skills, motivation and flexibility, although the changes may be more difficult to measure precisely than when confined to a few.

Issues of sustainability are covered in documents relating to Commission interventions and the prospects for their sustainability are generally good.

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

The Evaluation Question and JC 6.6 derive from the Overall Objective of the HRD strategy of EDF 8: *'to improve the region's living standards and international competitiveness by making people more skilful, and motivated and able to respond flexibly to new challenges and opportunities'*. The RIP of EDF 9 describes the Specific Objective as: *'Providing enhanced basic education and TVET opportunities for the acquisition of life skills so that Pacific islanders can more easily enter the workforce and gain confidence to be able to respond flexibly to new challenges and opportunities, while at the same time supporting good governance at all levels.'*

The strategies were translated into three major HRD projects:

- Fiji School of Medicine Human Resource Development Project (FSchM-HRD);
- University of the South Pacific Human Resource Development Programme (USP-HRD);
- Pacific Initiatives for the Delivery of Basic Education (PRIDE).

The two projects (FSchM-HRD and USP-HRD) under EDF 8 started late. FSchM-HRD has been completed but entailed the construction of a new campus for FSchM, and consequently

the impact on skills, motivation and flexibility will be indirect and long-term. The tourism component (TSP) of USP-HRD is proceeding satisfactorily but there have been problems with the management (MDP) and employment (ELMS) components. The PRIDE project started in 2004 and shows considerable promise although quantified results are not yet available. (JC 6.6)

There are problems in measurement of designated impacts. For USP-HRD, planning documents proposed measurement of outcomes in terms of increased skills at the level of '*improved exit performance*', that is performance as revealed by end-of-course evaluations or examinations. Increase in skills is, however, more usefully evaluated in terms of increased performance in the workplace. This is not followed up either by Public Service Commissions or by client ministries or companies. USP intends to undertake a tracer study later this year. The planning documents of PRIDE indicate that outcomes will also be measured at the level of '*improved exit performance*'. (JC 6.6)

The EDF 8 strategy targets 'improved living standards' and 'increased competitiveness'. The log-frames of both the USP and PRIDE projects propose verification of progress towards these targets by reference to the United Nations Development Programme's Human Development Index (UNDP-HDI) and other macro-economic statistics. It is difficult to establish a relationship between Commission-funded projects and HDI development. It is widely accepted that education and HRD in general contribute to economic and social development, but it has not been possible to establish the precise impact of specific education and HRD interventions on overall economic and social development. The UNDP-HDI is too broad a measure to provide an indicator for the effectiveness of Commission interventions in HRD.

#### Validation

This judgement criterion can only be considered as partially validated. For two of the three major projects results are not yet available, while for the third, impacts on skills, motivation and the ability of people to respond flexibly to new challenges and opportunities can only be expected to be indirect and long-term.

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

Commission interventions are not directly addressing the issue of regional harmonisation of standards. It is an issue that reappears in changing formulations at strategic level in regional documents, for example in Commission strategy documents and in regional policy documents such as the FBEAP or the 2005 'Pacific Plan'. During the period of EDFs 8 and 9, however, no official agreements on education standards have been developed or signed. So far national leaders in the region have taken little action on harmonisation. (I 6.1.1 to I.6.1.4)

Limited influence on harmonisation of national policies is exercised by PRIDE through its support for national strategic planning exercises. Although support is more at the level of methods than content, PRIDE has developed a list of benchmarks for educational planning that translate some of the principles of the FBEAP in such a way as can be considered a step towards harmonisation (e.g. gender equity as a principle). (I 6.1.1)

#### Validation:

The judgement criterion cannot be considered as validated. Indeed Commission interventions were not directly addressing issues of regional harmonisation of standards and, during the EDF 8-9 periods, no official agreements on education standards have been developed or signed.

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

A number of EC interventions aimed at improving training in specific economic key sectors and health. The RIP mentions training in the health sector as well as training and TA directed at the needs of the economic sectors and industry, including fisheries, agriculture, forestry, and tourism. In the HRD sector training took place under EDF 8 in the areas of public management, tourism and health (I. 6.2.1). The upgrading of FSchM has been achieved successfully, enabling it to respond better to the regional need for trained personnel in the health sector. The provision of trained personnel in the health sector is complicated by the high incidence of migration among qualified doctors with a few years' experience. (I 6.2.2)

The three components of the USP-HRD programme (TSP, MDP, ELMS) show markedly differing performance. The TSP component is on the way to becoming a centre of excellence in the region. The MDP had a slow start but performance improved significantly in the second and third years. The ELMS component has not been well-defined. It has started to develop a database on regional labour markets to provide information for regional planners, mainly in the areas of basic education and TVET. However, various difficulties have been encountered in developing the database. (JC 6.6, I 6.2.1) The TSP component is effective in its delivery of training. The MSD and ELMS components have yet to show that they can be effective. Overall, there is a lack of quantitative data on additional training courses in respect either of need, or of percentages of participants satisfied with training results, or of performance improvements. (I.6.2.3 to I.6.2.5)

#### Validation

The judgment criterion can be considered as partially validated. EC interventions have indeed aimed at providing training in key sectors. There is however a lack of data on performance, and, when available, they show markedly differing results.

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

The Commission is supporting USP at regional level and various institutions at national level in the region. PRIDE is specifically concerned with the provision of support to national institutions through such activities as planning exercises and workshops. It operates from the USP campus in Fiji, but it has established national PRIDE coordinators as its counterparts in each country, which seems an appropriate structure although in practice some communication problems were encountered. It is not yet possible to assess whether this has resulted in increased competence in regional institutions. The MTR of the PRIDE project scheduled for later this year may produce such evidence. It seems likely that participants in PRIDE-supported activities have gained experience in practical planning and confidence in their own capacity. The provision of regional consultancy services from one country to another under the PRIDE project has been appreciated and regarded as productive. (I 6.3.1 to I.6.3.1.4)

The Commission has strengthened the FSchM with the construction of a new campus. (I 6.2.1) The FSchM is the main regional institution for the training of health personnel. The new campus represents a positive Commission contribution to support for TVET.

#### Validation

The judgement criterion can be considered as partially validated. EC interventions indeed aimed at strengthening the regional institutions. Although it is too early to provide specific results, first indications show that these interventions succeeded in building up capacities.



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

**JC 6.5: Civil Society was fully involved in EC interventions relating to human resource development**

In the HRD sector there is limited evidence of synergies of EC interventions with the activities of PACP States. Some national education ministries are however progressing towards the establishment of SWAps, which should allow for synergies between strategic planning support and sector coordination at national level (I. 6.4.1).

In terms of participation of Civil Society, the involvement of NSAs only took place under EDF 9 in the PRIDE project, where it has been made one of the basic principles. Overall participation in education and training delivery can be found at national level, but scarcely at regional level. Coordination with the private sector did not take place (I. 6.5.1 to I. 6.5.2).

Validation

The judgement criteria can be considered as partially validated. Apart from a favourable trend towards SWAps, there is little evidence of complementarities between EC interventions and activities of PACP States. Participation can be found at national level, but hardly at all at regional level.

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

The Financing Agreements of all programmes address the issue of sustainability. Ownership is understood as a major factor in achieving sustainability, and measures have been taken to increase ownership. (I 6.7.1)

FSchM-HRD came to an end in 2004 and has since shown that it is able to sustain the new level of operations. The other programmes are still continuing, so it is too early to make definitive statements. There are, however, good prospects that the PRIDE project and the TSP component of USP-HRD will be sustained.

The TSP component of USP-HRD is regarded as very likely to be sustainable, since it is integrated into the USP degree programmes. The Fiji Government and other regional governments are committed to contributing to its financial requirements. The sustainability of the regional or in-country short-term courses under the MDP component is not discussed in any of the reports. They will probably terminate along with the project. Some newly-created courses under the ELMS component will continue after the end of the project. However the database will not be sufficiently well established to be sustainable. (I 6.7.1)

The high level of ownership by national governments and NSAs in the PRIDE project is expected to ensure sustainability. (JC 6.7, I 6.7.1)

Validation

The judgement criterion can be considered as validated: the FAs of all programmes address the issue of sustainability and measures were taken to increase ownership, which can be considered as one of the major pre-conditions for sustainability.

### 3.7 Evaluation Question 7

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

Given the geographic and environmental characteristics of the Pacific countries and regions, fisheries are a major issue and have been the object of significant Commission support.

The Evaluation Question addresses two key and deeply intertwined elements of the support provided by the Commission to fisheries in the Pacific region: (i) sustainability of the regional fisheries and of the results achieved through support for them, and (ii) equity in the distribution of national shares. The question is thus important and justified in two key respects:

- Fish is a major source of revenue in the region.
- Fish is a renewable natural resource but its sustainability depends on sound management and control. Given its mobility in the ocean its management has to be regional. On the other hand revenues, whether from domestic fishing or from the sale of fishing rights which constitute the major form of exploitation of fish in the region, are raised by individual countries.

Hence the issues of equity and sustainability are closely linked since unfair distribution can induce competitive over-fishing or lack of interest in sound management, while mismanagement of the resource would inevitably hamper its sustainability with negative effects on the poor.

This question is thus fundamentally one of effectiveness, impact and sustainability.

#### **Answer to Evaluation Question 7:**

The Commission's support to the Pacific Regional Fishery Sector has been designed and implemented with a view of contributing to improvements in sustainable co-management of shared regional fish stocks. This objective has been achieved and co-management, increased participation in regional fisheries and organisations, development of harmonised regulations, and regional rules and procedures have all taken place. These achievements are sustainable and they were maintained when the supporting projects were terminated. Important developments have taken place where assessment of stocks, organisation of information databases and sharing of information are concerned. In this field, too, measures adopted to ensure regional ownership and sound management of fisheries resources have ensured that outputs and results are sustainable.

However, when it comes to enforcement of regulations governing the control of catches at coastal state level, severe limitations remain evident, owing to insufficient resources and confidentiality of information that preclude accurate estimates of the stock and risk biasing the information underlying the re-negotiation of fishery agreements.

Fishing revenues remain essentially based on the selling of fishing licences and there is no significant increase in the national shares in regional fisheries; nevertheless both increased involvement of Civil Society and the fishing populations at national level, and improved coordination of national and regional fisheries, are ensuring that higher attention is being given to the needs of populations depending on fish.

The question is answered by addressing three categories of assumptions regarding, respectively: sustainability of management and exploitation; coordination of management and policies at regional and national level; and the distribution of shares.

**JC7.1 and JC7.6: The interventions promoted sustainable management and exploitation of fish stocks and were designed so as to ensure sustainable outputs and results**

The Commission has devoted substantial resources to sustainable management of fish resources. Three major projects have been launched at regional level:

- PROCFISH: Pacific Regional Oceanic and Coastal Fisheries, 8 ACP RPA 4, 2002-07, €m8.1.
- CO-FISH: Pacific Regional Coastal Fisheries Development Programme, 9 ACP RPA 4, 2003-09, €m2.
- DEV-FISH: Development of Tuna Fisheries in Pacific ACP Countries, 9 ACP RPA 8, 2004-10, €m3.

These projects included, as major objectives or main components, promotion of scientific and technical capacity to assess the stocks of oceanic and coastal fish resources (development of databases, links between national and regional databases, etc.)

These projects ensure continuity with previous 7<sup>th</sup> EDF projects aiming at resource assessment, surveillance and monitoring, and fisheries management.

In complementarity with the regional projects, bilateral projects were initiated, mostly prior to the evaluation period, to strengthen national fisheries. (JC7.1, I.7.1.1)

The activities undertaken within the regional projects have generally produced the expected outputs : regional assessment of tuna fisheries, production of studies (National Tuna Fisheries Status Reports). Studies and scientific advice have been regarded as of excellent quality and have been taken into consideration in strengthening management policies. (J7.1, I.7.1.1, I.7.1.2)

The outputs substantially generated the required results as far as assessment and monitoring of the resource is concerned: fish resource data bases are reliable and well maintained, and their results are disseminated; on average catch levels are mostly fully covered. Results were more limited in management and exploitation of the fisheries, owing to slow implementation of the redefined management policies and a lack of resources for maintenance. (J7.1, I.7.1.1)

Notwithstanding the previous point, fisheries are not a sector of intervention in any of the Pacific region NIPs, indicating either a lack of awareness of their importance by the partner countries and the Delegations or - which is more likely - a view that regional interventions cover the ground and that there is therefore no need for national interventions. (I.7.1.3)

Sustainability has been placed very high in the priorities of the various EC-supported interventions. It has taken a number of forms:

- Long term conservation and sustainable use of resources being written as pre-conditions into a growing number of activities and projects supported by the Commission, as well into the region's medium term policies (ten-year Pacific Plan, e.g.) ;
- Commitment of the FFA to work on a sustainable tuna development framework ;
- In-country training on diverse techniques to assess and monitor resources (underwater census, distant sampling, etc.) ;

- Provision of appropriate manuals, software etc. to the fishery organisations in the region. (JC.7.6, I.7.6.1)

There is convincing evidence that several Commission interventions have generated results that survived their termination. Examples are found at regional and national level: regionally interventions leading to participation of PACP countries in regional and national fishery management bodies, quasi-unanimous ratification of conventions and treaties related to oceanic fisheries, and active participation in the Pacific Islands Forum Fisheries Committee (FFC); nationally, NTFSR, TMP, training activities, use of web-based SPC and of information bases which have survived the projects that initiated them. (I.7.6.2)

#### Validation

Overall the judgment criteria can be considered as validated. The objective of sustainability has been dominant in all Commission interventions in the fisheries sector and it has been factored into projects and their implementation. Sustainable results are observed insofar as a number of activities and practices introduced with Commission support were not discontinued when the support ended. There is a particularly good level of sustainability in the constructive participation of institutions and organisations in charge of management and assessment of resources, and in harmonisation of rules and controls.

### **JC7.2 and JC7.3 The interventions contributed to coordination of regional fisheries management policies and it has been enhanced by the participation of national fisheries authorities**

To strengthen coordination of fisheries management, the Commission has supported numerous activities aiming at:

- Provision of information and guidance to regional and national fishery policy making and regulatory bodies: this is visible and is being used ;
- Development of mechanisms for harmonisation of national fishing policies; these mechanisms (participation in international conventions, regional commissions and committees, specialised agencies and regular meetings of high-level regional authorities) are all supported by the Commission and are in place. They have contributed to development of action plans aimed at enhanced harmonisation. Some institutions, like the Forum Fisheries Agency (FFA) that has benefited from long-lasting EC support, have issued recommendations for harmonised regulations that have been implemented and are in force ;
- Development of sharing of scientific information as well as networking and exchange of information (factual, statistics, economic, geographic, etc..) and data between fisheries (regional and national). Commission projects have made available to the operators web-based information processing and networking systems. (JC7.2, I.7.2.1., I.7.2.2, I.7.2.3)

The effectiveness of these regulations in terms of joint enforcement activities in response to unauthorised fishing or poaching seems, however, to have been very limited and kept confidential. Catch documentation and reporting procedures are not uniform and assessment remains under the responsibility of the coastal States with serious constraints on means and effectiveness. As a consequence, the Written Evaluation of the Expiring Protocol, a document serving as a basis for negotiation of a successive Fisheries Agreement with a coastal State, often excludes information on the state of the resource. (I.7.2.1, I.7.2.4)

#### Validation

The degree of *validation* of this judgement criterion is mixed. The Commission's interventions have provided useful guidance, enhanced awareness and increased willingness to develop

management and regulatory aspects of fishery activities. This has produced visible results, particularly in terms of adhesion to harmonised rules and development and sharing of scientific and economic information. However, when it comes to enforcement of rules and reporting of correct and up-to-date information by the coastal States on the state of the resources, there is no visible progress.

#### **JC 7.4, JC7.5 The interventions involved the participation of Civil Society, and contributed to enhancing equitable national shares in regional fisheries**

The main findings are:

- 1) All individual PACP countries are participating actively in the WCPFC and the FCC which both receive substantial support from the EC. The staffing of these institutions includes professionals from many countries of the region. . (I.7.3.1; I.7.3.2)
- 2) This broad participation certainly increases the credibility and representation of the bodies but there is no way of demonstrating that it increases their effectiveness. (I.7.3.3)
- 3) A particular effort has been made, in the design and implementation of EC-supported activities, to involve Civil Society in programming, planning and implementation. This is proving effective and the evaluation was able to verify that several projects were based on participation of civil groups and in particular of fisher-people. (JC7.4, I.7.4.1, I.7.4.2)
- 4) The JC also aims at verifying whether there has been a change in the distribution and magnitude of the three main forms of fishing revenues:
  - The national shares from total regional tuna fisheries are available for the period 1997-2004 for six selected countries ; together they represent hardly 1% of the total regional tuna catch and they are fairly stable with the exception of the share of Fiji that rose from 0.26% to 0.97%.(I.7.5.1)
  - By far the main source of revenue remains the selling of fishing licences. The members of the EC-supported Forum Fisheries Agencies could benefit from a continuous increase in revenue from their tuna resources. (JC7.5, I.7.5.3)
  - There is no available information on revenue generated by national fish processing industries. (JC7.5, I.7.5.2)

#### Validation

These judgement criteria can be considered as partially validated insofar as substantial efforts have been successfully undertaken to involve Civil Society and fisher-people in Commission-supported activities; but there is no evidence that this could contribute significantly to enhancing the equity of national shares in regional fisheries.

### **3.8 Evaluation Question 8**

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

The Pacific region countries are highly dependent on natural resources. Aware of these specificities the authorities in the partner countries and region and the Commission Services have shared a concern about the conservation of natural resources and their exploitation in a sustainable manner. Hence the importance of this question for verifying the extent to which this has been achieved.

### Answer to Evaluation Question 8

Sustainable management of natural resources has been supported in Commission projects and programmes *via* strengthening of capacity in planning and policy formulation and *via* developing the exploitation and management of natural resources that would generate economic and social benefits. There is evidence that many Commission-supported activities and projects have been conducted with a direct view to achieving these goals and have produced results such as transfers of know-how and creation of institutionalised think-tanks which the authorities can mobilise for policy formulation and monitoring. Outside the fisheries sector, discussed under EQ 7, the results of these projects in terms of economic benefits such as income generation are difficult to establish for want of reported evidence.

Awareness-raising and sensitization of stakeholders to the importance of sustainable resource management has been effective as a result of involvement of regional and national services as well as of Civil Society. However, an absence of coordination between regional and national programming meant that the full potential benefits of the actions undertaken were not realised, while stakeholder involvement has resulted more from the good quality of implementation of many projects than from initial design and programming.

The indicators point to limited viability of the activities undertaken and the barest sustainability of the results they achieved. Part of the problem arises from the fact that sustainability was not factored into the design of the projects; remedial action proposed at the stage of the mid-term review either came too late or has not yet had time to materialise.

This question of effectiveness and sustainability is answered by testing four groups of assumptions, the first three being factors conducive to sustainability, the fourth being verification of the materialisation of their results:

- EC interventions aimed at improving the planning and the formulation of sustainable management of the natural resources;
- EC interventions improved the social and economic returns from the NRM
- The activities were designed and implemented to ensure ownership by the authorities and Civil Society,
- The supported activities and their results survived the termination of the project or programme.

#### **JC 8.1: EC interventions aimed at improving the planning and formulation of sustainable management of natural resources.**

Improving planning and policy formulation with a view to promoting sustainable NRM has been part of the priorities of the Commission since the very beginning of its interventions in the region. It started with specific strategic and policy advice components included in 6<sup>th</sup> EDF agriculture programmes and progressively evolved to align with the resolutions of the WSSD and to take into account the major messages of the Barbados Programme of Action for Sustainable Development of Small Islands.

Commission-supported regional programmes and projects in the agricultural sector were not primarily targeted on planning and policy issues but were all pursuing an objective of sustainable management of the resource. Together with efforts to support the regional institutions, they contributed to enhancing the role of the SPC as a regional centre of excellence, policy advice and service provision for the PICs. Similarly in the energy sector programmes have contributed to developing alternative and renewable energy resources. Again the primary objective was not directed to improvement of planning or policy

formulation; but the regional and national authorities envisage, in the context of their Pacific Plan, using the results of these activities and the lessons learnt for the elaboration of the regional policy and strategy building process in the energy sector.

Thematic programmes such as “Reducing Vulnerability of Pacific ACP States” and “Pacific Regional Waste Awareness and Education Programme” were aimed at sensitisation and at strengthening the capacity of the countries of the region to plan water and sanitation systems and the related infrastructure and risk management activities. (I.8.1.1)

A large number of planning and policy orientation mechanisms relevant to sustainable development and natural resource management have been adopted in the region as a result of regional cooperation initiatives, some of which were supported by the Commission. While it is difficult to pre-judge how effective the operation of these strategic and policy mechanisms will be, it is important to note that where relevant their design has entailed use of networks and institutions developed with Commission support, such as the CROP and the SOPAC which are regarded as starting points for the development of regional centres of excellence and policy think-tanks. (I.8.1.2)

Shortcomings in coherence between the national and regional priorities and strategies may constitute an impediment to effective planning and policy formulation. However improvements in involvement of PACPs in national programming and enhanced dialogue, and interaction between CROP agencies and national institutions, indicate that there is a positive trend towards improved coordination and complementarity. (JC 8.3)

#### *Validation*

For this judgement criterion there is evidence that many EC interventions aimed at improving the planning and formulation of sustainable natural resource management, although this objective was often indirect rather than a primary target. Overall, while it is not possible to establish a firm causality link between the Commission’s interventions and improvements in formulation of policy on, and implementation and monitoring of, sustainable natural resources management, several elements indicate a positive contribution from the Commission’s efforts; for example:

- NRM has benefited from very important financial Commission support at regional and national levels. This support has always included some strategic and policy dimension, mostly in the form of support to institutions that could develop expertise and strategic thinking in the area of NRM, although not primarily targeted on assistance in policy-making.
- The regional and national authorities have engaged in a number of coordination mechanisms related to NRM. This reveals sensitivity to the issue that may have been stimulated, at least in some areas, by the Commission’s interventions. The point is of course not really verifiable. What is verifiable is the fact that the regional arrangements make use of the mechanisms developed or supported by the Commission’s programmes.

Whether the foregoing has already improved, or will improve, planning and policy making in the area of NRM cannot yet be judged, for lack of evidence.

### **JC 8.2: The development of sustainable natural resource exploitation permitted derivation of higher social and economic benefits.**

Several Commission-supported programmes in the region aimed directly at improving social and economic benefits from the sustainable exploitation of natural resources. Agricultural projects have aimed at improving viability of farming systems, food safety and access to international markets while protecting local biodiversity. Fisheries projects, addressed under

Evaluation Question 7, clearly had that objective in view. Eco-forestry projects aimed at sustainable exploitation patterns with improved returns for local communities. (I.8.2.1)

Several Commission-supported programmes that did not directly aim at generating revenue from sustainable exploitation of natural resources should contribute to improvements in the conditions and standards of living of the local populations. This applies for instance to water and sanitation projects, or to renewable energy policy projects intended to reduce dependence on external fossil fuel sources and improve livelihoods. (I.8.2.1)

The trends in the main local production of natural resources and its associated revenues have been variable:

- Agriculture has been strongly affected by globalisation and faces a difficult challenge. Conservation of the diverse agro-ecological environment and its valorisation in terms of tourism, together with the problems of land tenure and community livelihoods, all combine to make agricultural production, extension and land use national and local issues, whereas meeting the requirements of international agricultural trade demands a regional approach and strategy.
- Forestry, in the countries of the region where it is an important resource, has been depleted by illegal logging and has suffered from poor governance.
- Offshore fisheries and oceanic marine resources are the most recognised and consolidated common resources of the Pacific Region. Considerable effort has been made by the Commission to improve efficient and sustainable management in the sector and to increase revenues accruing to the populations of the PICs. As seen under Evaluation Question 7 (and JC7.5) tuna catches have been on a stable upward trend but national shares in regional fisheries have not increased (except for Fiji) and remain very small.
- Coastal fisheries are characterised by their vulnerability and dependence on the coastal ecosystems.

No data are available on natural resources trade balances. (I.8.2.3, JC7.5)

The establishment of terrestrial and marine protected areas is an object of increasing attention and there is a trend towards community-based and decentralised management practices. There are no quantitative data on these areas. Commission interventions take the form of funding of NGO projects through the Environment and Forest budget lines. A number of achievements were in part due to this indirect Commission support: marine protected areas in Solomon Islands and Vanuatu; and, as indicators of biological diversity, bird sanctuaries in Fiji, Palau, New Caledonia and French Polynesia. (I.8.2.5)

#### Validation

This judgment criterion is not validated. With the exception of the fisheries sector, addressed under Evaluation Question 7, it is not possible to observe a quantitative improvement in social and economic benefits from more sustainable exploitation of natural resources. Overall, persistent fragility and even (in the case of forests) deterioration seem to prevail. However, the Commission-supported activities have aimed at sensitisation of the importance of sustainable viable exploitation. There are qualitative indications of interesting achievements by NGOs at local community level with Commission support.



**JC 8.3: The regional authorities and PACP States have been involved and have developed complementary activities, and Civil Society was closely associated with the design and implementation of EC interventions.**

In all NRM sub-sectors other than those where interventions can only be national (mining, rural development and water), the Commission has channelled its interventions *via* both regional and bilateral programmes.

<b>EC Regional and national NRM commitments during the last decade (8th &amp; 9th EDF, budget lines) (000 €)</b>			
<b>Sub-sector</b>	<b>Regional</b>	<b>National</b>	<b>Total</b>
Agriculture	8.828	3.685	<b>12.513</b>
Environment	12.558	12.899	<b>25.457</b>
Energy	11.410	15.417	<b>26.827</b>
Forestry	1.955	8.454	<b>10.409</b>
Fisheries	13.097	6.786	<b>19.883</b>
Mining		50.500	<b>50.500</b>
Rural development		66.811	<b>66.811</b>
Water		64.735	<b>64.735</b>
<b>TOTAL</b>	<b>47.849</b>	<b>229.287</b>	<b>277.136</b>

There are activities that are clearly better conducted at regional level (agricultural research, oceanic fisheries) and others that require a local approach. However, it appears that the limitation of the number of focal areas (one sector) in the NIPs prevents either account being taken of common regional needs or relaying of regional interventions to national level. This results in somewhat weak articulation between the regional and national interventions and therefore limits the coherence of the involvement of the regional and national authorities. (I.8.3.1)

In all major NRM regional projects there has been significant involvement of those segments of Civil Society that in one way or another are project stakeholders. There is much evidence of the involvement of these stakeholders in programme implementation, but less at the level of programme design. (I.8.4.1)

Under the 8<sup>th</sup> and 9<sup>th</sup> EDF considerable resources are allocated in the NIP to non-state actors (NSAs) and to community development and micro-project schemes. Many of these are targeted on NRP and rural sector projects. (I.8.4.1)

Resources have been allocated in most interventions to development of websites, engagement in awareness campaigns, and creation of information networks. Press excerpts tend to indicate that they have been successful in creating a willingness to conserve the natural resources of the region. (I.8.4.2)

Validation

This judgement criterion can only be very partially validated. Development of complementarities between the regional authorities and the national States remains limited and imperfect, although progress is evident. The involvement of Civil Society stakeholders has been sought and realised in implementation of projects, less so in their identification and design.

#### **JC 8.4: EC interventions relating to sustainable management of natural resources were designed to be and were sustainable.**

Most regional and national projects include components and actions that are absolute prerequisites for sustainability: capacity-building of recipients and beneficiary institutions, training and enhancement of human resources in the public and private sectors. On the institutional side two directions have been taken: on the one hand, project implementation agencies like CROP and DSAP have been developed with a view to their becoming regional centres of excellence or to integrating their trained staff into national services; on the other hand, several projects have been working with national line institutions, transferring skills and instruments to these permanent entities. (I.8.6.1)

The inclusion in the projects of explicit phasing-out strategies or of clear indication of continued donor support is not apparent from the project documents. Recent project mid-term reviews attempted to mitigate this deficiency by suggesting exit strategies, follow-up measures and continued donor support. This was all the more relevant insofar as most regional programmes covered by this evaluation are due to end during 2006-08. (I.8.6.2)

The materialisation of various actions that could ensure sustainability of the effects of ongoing programmes after their termination was very limited (and only observed in the DSAP):

- some national stakeholders have adopted improved NRM practices (DSAP);
- in Fiji laws on land use restrictions were adopted following DSAP activities, although it is as yet difficult to assess their degree of enforcement;
- most projects continue to depend on donors without financing support being ensured; only the SPREP has ensured continued UNESCO support in support of the PEIN;
- there is no evidence of provision in the national budgets for operational and maintenance costs of equipment and services provided by projects;
- project reports offer little evidence that skills and knowledge developed under the projects remain within the line agencies.

#### Validation

This judgement criterion cannot be validated. Sustainability was insufficiently factored into project and programme design. Remedial action suggested in mid-term reviews came too late or could not be implemented, with very few exceptions.

### **3.9 Evaluation Question 9**

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

The question relates to cross-cutting issues (CCIs - gender, environment, human rights and conflict prevention) in the Commission's support to the Pacific region and PACP States. First it aims at verifying to what extent these CCIs have been taken into account in the formulation of strategies, programmes and projects. Second, it seeks at identifying the degree to which Commission interventions have brought about improvements in gender balance, environmental protection, protection of human rights and conflict prevention.

### **Answer to Evaluation Question 9:**

Strategic documents, notably the RSP and CSPs, refer extensively to gender, environmental and, to a lesser extent, human rights and conflict prevention.<sup>13</sup>

Environmental issues are tackled both as a cross-cutting issue and through specific interventions of considerable size. The Commission has addressed policy, resource assessment, monitoring, rehabilitation, awareness and empowerment issues for the protection of the environment. As a result, environmental protection has been significantly advanced in the region through Commission interventions.

Gender commitments at strategic level are not fully reflected at implementation level. No specific interventions have been planned. As a cross-cutting issue, only community-based interventions directly considered gender. While the strategic commitment of the Commission and international donor community to promoting gender-sensitive approaches and women's role in society has helped to develop institutional recognition of their importance, these commitments have nevertheless been diluted in implementation and have not brought about deep-seated changes at grassroots level.

Issues of human rights and conflict prevention have not been integrated into non-specific interventions as cross-cutting issues. Human rights and conflict prevention have not been major areas of intervention for the Commission during the period under review. The Commission has nevertheless responded to recent outbreaks of violence in the region with appropriate interventions, mainly on a national basis.

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

Commission commitments on gender are largely confined to general commitments in strategy documents, without strong and systematic consideration of gender issues in the interventions themselves. Only community-based interventions have directly considered gender and the role of women in society as part of participatory needs assessments. Overall, no systematic monitoring of the advancement of the role of female beneficiaries is being undertaken. (I 9.1.1, I 9.1.3)

The role of women in the region is being increasingly recognised at institutional level, although this has not as yet been translated into systematic incorporation into all activities of measures to extend the role of women in the community. The advancement of gender issues at institutional level can partly be attributed to the commitment of the Commission and other regional donors. (I 9.1.1) The institutional advancement of gender issues is apparent in the incorporation of gender issues in regional declarations such as the FBEAP of 2001. The Plan places 'special emphasis on girls' and contains a commitment to 'eliminating gender disparities in primary and secondary education by 2005, and achieving full gender equality in education by 2015.' (I 9.1.4)

#### Validation

The extent of validation of this criterion is mixed. The Commission has taken into account gender issues and the role of women in strategy formulation but interventions have not addressed them systematically. Inclusion of the concern at strategic level by the Commission

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<sup>13</sup> Tabulation of all mentions of cross-cutting issues in CSPs is provided in tables in Annex 9, Evaluation Question 9.

and by other international donors has, however, incited the Regional authorities to devote more attention to gender issues. As a result progress has been made in terms of institutional recognition of the issue. Nevertheless deep-seated changes at grassroots level have not yet occurred.

**JC 9.2: EC commitments relating to environmental impact have been taken into account in the formulation of all EC interventions and as a result environmental protection has been improved.**

Environmental issues have been given great prominence in Commission support to the Pacific region during the period under evaluation, reflecting the commitment of the Commission and PACP States to environmental protection. Environmental issues are a central concern of the strategy and not only a cross-cutting issue. At both regional and national levels environmental issues are prominent. CSPs are prominently concerned with environmental protection, with a notable increase in commitment during the EDF 9 period (I 9.1.1).

More than 30% of the funds committed during the period have been for specific interventions for environmental protection. The Fisheries interventions PROCFISH and DEVFISH are primarily concerned with sustaining the marine resources of the region in the context of commercial development. The DSAP project involves environmental protection, while in the NRM area the RVP and PEIN are specifically concerned with environmental protection. (I 9.2.2) As a cross-cutting issue environment has been considered in USP-HRD and in PACREIP, including support for bio-security measures and provision for environmental assessments. (I 9.2.3)

*Validation*

The JC can overall be considered validated. Environmental protection has been substantially tackled by Commission interventions, including specific interventions for environmental protection and incorporation of environmental elements into other projects as a cross-cutting issue.

**JC 9.3: Consideration of human rights and conflict prevention has been incorporated in all EC interventions, where relevant, and clear and appropriate arrangements have been made to ensure that human rights are protected and risks of conflict are avoided.**

Commission strategy documents broadly make commitments to human rights and conflict prevention in the framework of the Lomé Convention and Cotonou Agreement. In the EDF 9 RIP the Commission noted the commitment of the regional countries on these issues in the Biketawa Declaration. (I 9.3.1) The strategy for EDF 9 mentions four common elements in conflict in the last twenty years: 'ethnic differences; land disputes; disparity of economic opportunities; and a lack of confidence in the government's ability to resolve differences fairly or satisfactorily.' (I 9.3.1).

The issue is not taken into account as a cross-cutting issue in the design or implementation of regional programmes. Only one specific intervention on this issue has been implemented at regional level through non-programmable funds: 'Transforming our Communities through Good Government'. It was signed in 2003 for implementation by USP and has been limited in size and scope.

The issue is more evident at national level. The intensity of the Commission response varies depending on the political situation of each country. Fiji, Solomon Islands and Papua New Guinea have polarised attention on this issue. Fiji has benefited from several projects on human rights and conflict prevention. It was also selected by the Commission as a focus country for the European Initiative for Democracy and Human Rights (EIDHR) for the period 2002-2004. (I 9.3.1, I 9.3.2) The Commission strategy for the Solomon Islands was

based on a post-conflict rehabilitation programme aimed at attenuating political instabilities rooted in racial tensions and ethnic conflict. (I 9.3.2)

Progress with respect to this issue is limited. At regional level, the 2000 Biketawa Declaration of Pacific Island Forum members made commitments on conflict prevention. But at country level the situation has not improved since then. The situation is still delicate in Solomon Islands, Papua New Guinea and, recently, in Fiji.

#### Validation

Human rights and conflict prevention have not been major areas of intervention for the Commission during the period under review. The Commission has responded at national level to recent outbreaks of violence in the region but the situation in the countries concerned remains fragile.

### 3.10 Evaluation Question 10

**To what extent did instruments of EC support and other EU policies contribute to the realisation of overall and sector objectives and to what extent was the EC support coordinated with the work of other donors so as to achieve complementarity and donor harmonisation?**

**A. To what extent were other European policies coherent with the different aspects of the EC interventions?**

**B. To what extent were the EC regional interventions coordinated and complementary with those of other donors?**

The question relates to the “3Cs” and attempts to verify to what extent coherence between the Commission development policies with other EU policies, as well as coordination and complementarity with the activities of other donors, have compounded the benefits to the partners of an integrated and coordinated approach; or on the contrary whether internal contradictions and inadequate coordination have limited the impacts. The question is of importance in the case of the Pacific region because, on the one hand, the region is confronted with major issues in areas that are the object of several EU and EC policies (trade, fish, agriculture, environment), while on the other hand the Commission is just one donor, significant but not the most important, among others.

#### ***Answer to Evaluation Question 10:***

##### **Regarding A:**

Commission policies relating to fisheries, the environment and the Overseas Countries and Territories (OCTs) have generally been fully coherent with EC development cooperation interventions, and have been drawn up to take specific account of EC policies towards developing countries and the ACP States in particular. The Commission's participation in international conventions and its support for their ratification and enforcement by the Pacific Countries has been beneficial in stimulating coherence in views and policies on these global challenges and in adjusting the Commission's interventions accordingly.

The CAP is not wholly consistent with the use of trade as a development tool; but the direct effects of the CAP on the PACP States are limited since other trading partners (Australia, Asia, USA) are much more important. The competitive position of the PACP States in Europe is strongly affected by high transport costs. CAP experience in the promotion of rural development in Europe has been applied with success to Commission interventions in the

Pacific. On the other hand, trade negotiations with a view to concluding the EU-PACP EPA, together with related EC interventions, have contributed to strengthening the capacity of and coordination between regional bodies in this area.

**Regarding B:**

The Commission supports CROP Working Groups in their role of coordination of aid for the PACP region. The Commission has thereby contributed to the effectiveness of these agencies, and the CROP WGs are recognised as playing a useful role in aid coordination. The Commission also plays an active role in the informal aid coordination processes in the region. These processes are of considerable importance in preventing duplication of activities at operational level.

Commission regional interventions have generally been complementary to other donor support. Moreover the Commission's intervention in the region can be regarded as focused on areas where it has a comparative advantage.

The question has been answered on the basis of three judgement criteria addressing respectively the issues of coherence, coordination and comparative advantage of the Commission's interventions.

**A° Coherence**

**JC 10.1 EC policies not directly concerned with ACP States or the Pacific region have reinforced the achievement of overall designated impacts of interventions in the Pacific region and were taken into account when designing specific sector strategies so as to ensure internal coherence**

The following EC policies or commitments have potential impact on the development of the Pacific Region:

- 1° The Common Agricultural Policy and the Sugar Protocol
- 2° The Common Fisheries Policy and the fisheries agreements
- 3° The Environmental policy
- 4° The Association with the Overseas Countries and Territories
- 5° The EU Trade Policy

These have been taken into account, as demonstrated by the fact that they are mentioned in the RSPs and RIPs and that their evolution over time is guided by an attempt to eliminate or mitigate the potential negative consequences on partners of some internal EU policies (fishery agreements, EBA, Fiji sugar restructuring) or to extend the benefits of some other internal policies (environment, rural development). (I. 10.1.1)

These policies have induced both *benefits* and *negative effects* for the countries of the Pacific Region.

In the fisheries, environmental and NRM sectors the participation of the Commission in a number of international conventions, notably the Law of the Sea Convention and the UN Conventions related to the WSSD, had beneficial effects because of the additional credibility such participation gave to these agreements and because the Commission provided direct support to Pacific countries in ratification and enforcement of these Conventions (Kyoto Protocol, UN Framework Convention on Climate Change, Convention on Biological Diversity, etc.). Moreover, participation in these Conventions had a indirect positive effect on EC strategies and policies in the related fields.

More specifically, in the context of the CFP the fisheries agreements have evolved to cover issues of control and regulation more effectively and thereby contribute to elimination of

over-fishing and promotion of sustainable exploitation. New fisheries agreements include explicit provisions and funding for sustainable exploitation and development.

The coherence of the Common Agricultural Policy (CAP) with the objectives of development cooperation with the region is ambivalent. The CAP is not by design wholly consistent with the use of trade as a development tool. In the case of the Pacific countries this is mitigated by two factors: first geographical distance, which reduces the EC's potential to be a major market for Pacific agricultural products; and second the EBA initiative that eliminates the negative effects (except temporarily for sugar, rice and bananas) of the CAP for six Pacific LDCs.

Aside from these limited negative impacts the CAP has been beneficial since the approach to rural development in the Pacific countries has been adapted to incorporate lessons from best CAP practice in the field: promotion of self-determination of rural development, decentralisation and communication, and similar rural-population-led policies.

The Sugar protocol deserves special mention. It gives the Pacific region access to the EU market at the price administered by the Sugar Market Organisation (CMO), which is more favourable than the world price. This factor permitted development of the Fiji sugar industry and higher incomes for the farmers. However, as the administered price policy proved unsustainable in Europe and the CMO price was adjusted downwards, the consequences for the Fiji sugar industry were dramatic and a radical restructuring has become necessary. The Commission will intervene in this restructuring to mitigate the negative consequences of the local industry having to operate under unsustainable conditions.

The five Pacific OCTs have benefited from the similarities between the objectives of the Association of OCTs, as laid down in the Treaty of Rome, and the priorities of the 8<sup>th</sup> and 9<sup>th</sup> EDF programmes. They could therefore benefit from converging support of the Cotonou Agreement and other Commission programmes.

The region is currently negotiating an EPA with the EU, due to enter into force in 2008. Through its regional strategy the EC has provided assistance aimed at supporting the regional authorities in the preparation and negotiation of the EPA. This has contributed both to building some significant trade-related capacities within regional bodies and also to increasing their cohesion, their mandate being to formulate and defend the region's common position in this negotiation process. (I.10.1.2 and I.10.1.3)

#### Validation

This judgement criterion cannot be fully validated. There is mention in the strategic and programming documents that other EU internal policies may have impacts on the development objectives of the Pacific region and countries. There has, however, been limited analysis of these potential impacts, as demonstrated by the Sugar protocol and the sudden need to provide funding for restructuring of an industry that was created and supported for years by the Commission without sufficient anticipation of the unavoidable move towards price liberalisation. Beneficial coherence of EU policies is to be found mainly in the ratification and enforcement of international commitments to sustainable development and natural resources management, and in the assistance given to the Pacific countries in this context. Finally, the transfer to the Pacific countries of best practice learnt from rural development activities in Europe has also proved beneficial.

**B° Coordination and Complementarity of EC Support**  
**JC10.2 EC support has been well coordinated with and complementary to the work of other donors in the Pacific region**

The formal coordination process in the PACP is the responsibility of the PIFS. Beyond the formal dialogue of the Post-Forum Dialogue, the CROP Working Groups (CROP WGs) are the mechanism for regional coordination closest to operational level. The CROP WGs are recognised as performing a valuable task in aid coordination and facilitating complementarity of donor interventions but seem to be limited by their sectoral basis; and they exhibit differences in efficiency and stakeholder involvement. They normally do not include donor representation but their recommendations for complementarity are followed up by nearly all donors. The Commission actively supports the coordination role of these agencies. (I 10.2.1)

There are also informal aid coordination processes which are of considerable importance in preventing duplication of activities at operational level. The Commission is active in such informal processes. The arrangements have ensured that the Commission programme is generally well coordinated and complementary to the work of other donors. (I 10.2.1).

The scope for co-financing is constrained by lack of harmonisation of donor practices and disparities in funding levels from different donors. The constraints arising from disparities in financial procedures can be significant obstacles to cooperation between agencies. The complexity of Commission procedures and the time they take up have been cited as impediments to cooperation. Nevertheless some cooperative engagements have been undertaken and more are envisaged. The introduction of CAs has reduced the administrative demands of Commission programmes and facilitated donor cooperation through CROP agencies. (I 10.2.3)

Validation

This judgement criterion can only be validated very partially. Formal and informal coordination mechanisms have been set up, essentially at sector level. The formal arrangements identified in the RSP, mainly in the Pacific Islands Forum (PIF), are confirmed but they are too general and infrequent (annual) and, in their present format, do not lead to effective coordination. The more operational CROP WGs are coordinated by the PIF but do not, with exceptions, include the donors. Opinions differ on the capacity of the CROP WGs to involve NSAs and on their ability to coordinate activities. There is evidence that much informal coordination takes place, particularly at project level, but it remains fragmented.

Overall the indicators point to the fact that existing mechanisms have not so far created an environment for constant information exchange and donor coordination covering programming, planning and implementation. Finally, there is evidence of a continued lack of harmonisation of donor practice.

**JC 10.3 EC Interventions have been focused on areas in which the EC has a comparative advantage over other donors**

Based on a study in 2005<sup>14</sup> the evaluation observes that a major Commission comparative advantage is its integrated approach to development issues, combining development with trade and political dimensions. The main related areas of community competence are regional integration and the trade, fisheries and agricultural sectors. In this context the Commission interventions in the region are well aligned with its comparative advantages.

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<sup>14</sup> European Centre for Development Policy Management (Instituto Complutense de Estudios Internacionales, Overseas Development Institute. Assessment of the EC Development Policy: DPS Study Report. February 2005)



## 4. OVERALL ASSESSMENT AND CONCLUSIONS

### 4.1 Overall assessment

The EC provides support to the Pacific region at both regional and national levels and conducts policy dialogue with both regional and national authorities.

Globally, the Commission's commitments to the region over the period 1997-2005 represent about 8.4% of the total ODA committed to the region (€561.6m). This support takes place in a region that is very distant from Europe and comprises small States, extremely dispersed and with very small populations (in total 7.8 million).

Under these circumstances of remoteness and given its small share in the total ODA to the region, the **EC has justifiably focused its regional interventions on support to the regional institutions and on themes which are priorities for the Commission** (fish, natural resources) and which in general are coherent with other EC policies. Support to these institutions has rightfully focused on capacity-building in two directions:

- Developing the capacities of these institutions to coordinate and manage regional functional cooperation ;
- Promoting the willingness of these institutions to join international Conventions where the Commission is also active, while enhancing the capacity of the institutions to enforce the commitments made in these Conventions.

The **strong reliance on regional institutions** was also commendable in terms of efficiency and **proved to be a factor of success where these institutions had strong capacity**, as shown by the sustainable results achieved, notably in the fields of fisheries and natural resources management.

At **bilateral level**, the limited resources provided by the NIPs permitted a **response to a wide variety of national demands, but little or no articulation with regional support** took place. The weak linkages between policy dialogue at regional and national levels has impeded the ownership of regional activities by the national governments. Moreover, there were shortcomings in national capacities which were not strengthened.

Within this context of reliance on the priorities identified at regional and national level and the emphasis on a more "demand-driven" approach, **poverty reduction does not appear to have been an overarching strategic objective of cooperation with the region**. Indeed, although lip-service is paid to it and it has been a side-effect of many national and regional interventions, the Commission RSPs and CSPs have not factored in poverty reduction as the central objective. This may to a certain extent be explained by the fact that poverty reduction was not – at least until recently – perceived by the Pacific national and regional authorities as a major issue. In this sense, it may be stated that **although the Commission supported valuable policies effectively and ensured coherence with most of its other policies, this was not fully in line with one of its major objectives, namely poverty reduction**.

### 4.2 Major Conclusions

The conclusions are organised in two groups. First, a set of three major conclusions relating to the strategic level of the cooperation with the Pacific region, which may be regarded as summarising the main message that emerge from this evaluation. The second group includes conclusions of a less general nature presented in five thematic clusters<sup>15</sup>.

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<sup>15</sup> It should be noted that this chapter aims at focusing on the main conclusions arising from the evaluation. This explains why there is, for instance, no specific conclusion for the HRD sector. This sector is indeed important in financial terms,

Both groups of conclusions are derived from and cross-referenced to the answers to the evaluation questions and form the basis for the subsequent recommendations.

#### **4.2.1 Strategic level conclusions**

**SLC.1 *The selection of the domains of intervention of the Commission in the Pacific region responded to the needs and priorities as identified by the partners but was not strategically directed to the overarching objectives of Commission cooperation, as illustrated in particular by the weak consideration given to poverty reduction.***

This conclusion is a strong message emanating from the findings of this evaluation. There is abundant evidence that the Commission has been deeply involved in debates with the Pacific regional authorities and stakeholders at different levels. The Commission's regional and country strategies rely on these debates and are formulated in response to priorities identified by the partners. The Commission has chosen to support the priorities for which the partners sought assistance. These were important priorities, corresponding to major Commission's goals. They offered the Commission the possibility of intervening and to developing technical and institutional capacity in areas of strong regional partners involvement and commitment without having first to induce a change in policies. It proved a factor making for effectiveness and contributed to ownership.

However, this option leaves the situation open to 'blind spots' or deviations from the Commission's overarching cooperation objectives as illustrated by the weak consideration given to poverty reduction. For a number of reasons, both cultural and factual (e.g. the existence of middle-income countries in the group), the partners - in particular the regional institutions - have not identified or postulated poverty reduction as a major priority in their own strategies and policy programmes. By failing either to question in its strategic documents the low apparent priority placed by the partners on poverty reduction, or to attempt to establish more firmly a link between its regional strategy and poverty reduction, the Commission has not helped focus the policies it supported on the overarching objective of its cooperation.

Sources : [Q1, Q3, Q6]

**SLC.2 *The Commission helped its Pacific partners addressing the global challenges they face in encouraging them to participate in and to enforce international commitments supported by the EU. This increased the leverage of the Commission's assistance and contributed to greater EC policy coherence.***

The Commission has concentrated a substantial share of its support to the Pacific region on natural resource management and conservation, and on the environment. These are sectors of evident strategic importance not only for the region but also in terms of global challenges. Support has always been planned in coherence with the Commission's international commitments such as the WSSD and specific international conventions with established objectives and directions to which the Commission subscribes, such the UN Convention on the Law of the Sea or the Barbados Programme of Action for the sustainable Development of Small Island Developing States. In practice the Commission has helped Pacific regional and

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but no major conclusions have been drawn for this sector, mainly because, as explained in the answer to question 6, delays in implementation have been observed and too few information on results is available. The strategic level conclusions however are based on the observations in the different sectors, including HRD.

national institutions to join conventions and other international mechanisms of which the Commission is a member or which it had promoted, the best example being the Regional Fisheries Organisation (WCFPFC in this case). The support was provided to help the Pacific actors to ratify and enforce the recommendations of these bodies.

This approach has permitted capacity building and institutional strengthening in the beneficiary organisations but it also created a virtuous dynamics insofar as it stimulated the Commission itself to adjust its own policies to the international agreements it ratified. With increasing membership and ratification and growing capacity to raise awareness and to enforce commitments, these international conventions gained in credibility and moral authority with the consequences that their members, including the Commission, accelerated the adaptation of their policies and practices. This undoubtedly led to greater coherence of concerns and policies at global level and also between the development and other policies of the Commission, as evidenced by the new generation of fisheries agreements.

This strategic approach therefore has proved commendable for addressing those “global challenges” that are particularly crucial for the Pacific partners in raising the awareness and capacity of their regional organisations, while also putting pressure on the Commission to increase the coherence of its own policies. Nevertheless, the rhythm of exploitation of natural resources in certain countries of the region shows that there is still a long way to go in effective application of sustainable management policies.

Sources [Q1, Q2, Q6, Q7, Q8, Q9, Q10]

***SLC.3 The Commission, in financial terms a small donor in the Pacific region, did not use the full potential of the coordination and complementarities of its regional and national strategies to maximise the impact of its assistance.***

The national and regional strategies of the Commission in the Pacific region have not exhibited the coordination and complementarities that could have helped them produce their full potential impact and increase the leverage and influence of the Commission. That is all the more regrettable as the Commission's interventions constitute only a small share of total international assistance to the Pacific region.

Regional and national strategies identify areas which are justified at their respective levels. Activities calling for functional cooperation to achieve economies of scale (higher education for instance), policies and regulations in issues of common interests (e.g fisheries) are handled at regional level whereas implementation of specific activities and interventions in local spheres (revenue raising activities, basic education) are logically conducted at national level. Great care is also taken to avoid duplication at one level of activities that are conducted at the other.

However, the regional and national programmes have been neither designed nor implemented so as to maximise the mutual support they could provide to each other. Country and regional strategy documents refer to each other but basically their formal linkage stops there and they are elaborated in relative independence. This compounded to the limited size of the Commission's assistance to the region was an impediment to the full development of the results of the activities supported by the Commission and to their transformation into sustainable impacts. For example, regional activities in the fisheries sector and in education could have been considerably strengthened if they had been better related to country level and in turn this would in turn have increased the leverage of the Commission's support.

Where such cross-linkage occurred, it enhanced the results but generally this was due more to the high standard of the implementation than to the design of the projects or programmes.

Sources [Inventory of activities, Q2, Q6, and Q7]

#### ***4.2.2 Thematic conclusions***

### **Cluster 1: Regional and National Dialogue**

#### **C1.1 Engagement of the Commission with regional and national agencies has been essential to the effectiveness of Commission strategies.**

The Commission has improved its capacity to engage in regional- and national-level debate through its decentralisation and devolution of managerial and administrative responsibilities to the Delegations. The Delegations in the region have had greater incentive to engage in regional debate, in the knowledge that they have the responsibility for acting in response to it. Closer engagement of the Commission has contributed to improvements in the capacities of regional organisations, in particular the quality of the CROP agencies' contributions to regional debate has improved in recent years. On the other hand interventions made on an all-ACP basis through agencies not in close contact with Pacific opinion have been significantly less successful. (see also Conclusion 3.1 below.)

Sources: [Q1, Q4, Q5]

### **Cluster 2: Linkages between Regional and National Interventions**

#### **C2.1 The separation between regional and national strategies and interventions arises in part because of the distinctive channels in which they are developed.**

The formulation of regional strategies and interventions involves the close participation of regional organisations such as SPC, FFA, SOPAC and SPREP. The technical capacity of these organisations enables them to influence strongly regional strategies and interventions. Since they are less knowledgeable and less concerned with national level interventions, there is some tendency for regional interventions to operate with limited reference to national activities in the same sphere. National technical capacities are for the most part weaker than regional capacities, particularly in the smallest states. The EC has, logically, designed and implemented its regional interventions via the regional organisations whereas implicitly or explicitly relying on their capacity to liaise with and influence the national organisations that would normally be involved in activities complementing or strengthening those conducted at the regional level. The articulation between the two levels has been insufficient and the weak capacity at national level proved a limiting factor that had not been factored in the design of regional interventions. Decentralisation and devolution have improved, as observed in C1.1, the policy dialogues but did not address sufficiently the issue or the articulation between the levels.

Sources: [Q1, Q2, Q7, Q8]

#### **C2.2 Maximum impact of regional programmes is only achieved with the full involvement of national agencies, which is best achieved through specific integration at the design stage.**

The weakness or even the absence of involvement of national agencies has been a factor limiting the success of the Commission regional programmes. National agencies have been

mostly passively involved in regional programmes by virtue of their status of institutions of PACP national States rather than actively committed in the valorisation of the results of the regional programmes viewed by the National governments as a priority in the context of their national interest.

Regional and national level linkages need to be identified and built into interventions at the design stage. The PRIDE and DSAP projects, both relatively new, suggest that there are significant returns to be gained from making provision in projects design for national level activities that are integral to the project. The Pacific Plan comments favourably on this type of national-level service provision for regional projects. It is for example a weakness of the PACREIP project that it lacks strong links to national trade agencies.

Sources: [Q2, Q5]

### **C2.3 Linkages between the Commission's own programmes at regional and national level have been weak because they were not built into the design of interventions.**

Regional and national programmes have not been designed conjointly and this has reduced their potential joint benefits in terms of better coordination of activities, greater cost-effectiveness in the use of resources, and more potential impact. The absence of identified positions of responsibility for organising the interaction and linkage of projects at both regional and national level is an obstacle to good complementarity between regional and national activities. But the evaluation results point to more fundamental causes, maybe less difficult to resolve. In reality the two main limiting factors are located at programming rather than at implementation level: (i) complementarity has not been factored into the design of regional and national programmes, and, therefore, (ii) adequate corresponding funding has not been provided in all the States involved.

Sources: [Q2, Q7]

## **Cluster 3: Economic Development**

### **C3.1 Difficulties have surfaced in the Pacific region in respect of using all-ACP Commission programmes in support of private sector development**

The Commission programmes for private sector development designed on an all-ACP basis do not meet effectively the needs of businesses in the Pacific region. All-ACP programmes offer general support and are demand-driven, although difficulties have surfaced in building the contacts necessary for successful use of such facilities and in adapting the services to the requirements of the region. For instance, significant misunderstandings appear to have arisen between the Fiji Trade and Investment Board (FTIB) and both CDE and PROINVEST. The FTIB is keen to utilise the services of these agencies as an intermediary for local businesses, but there have been shortcomings in response to proposals and the conduct of regional events. Effective business development support is nevertheless important to the realisation of the designated global impacts of increasing integration of PACP States into the world economy; and in this context the trade orientation of all-ACP programmes is rather superficial. From these points of view, support to PSD provided through PACREIP seems better adapted, being implemented in closer connection with regional needs and deliberately integrating some major trade related aspects such as the development of regional standards in line with the international requirements. Moreover, in general, the inclusion of the poverty reduction dimension of the private sector has only been slightly addressed by the Commission's interventions in this field in spite of the important vector of poverty reduction potential it represents.

Sources: [Q3, Q5]

### **C3.2 Commission interventions in fisheries have been strongly directed towards regional concerns over stock conservation and to a lesser extent towards the strategic objectives relating to development and poverty**

Commission support for fisheries development has been firmly directed to regional interventions through the main regional organisations concerned with fisheries development, namely the FFA and the SPC. The interventions are effective in the context of environmental protection. On the other hand, relatively little effort has been directed towards the exploitation of the opportunities that fisheries offer as a vector of *inclusive* economic growth, that is one which connects strong growth poles and the poorest segments of the populations. Commission interventions have mainly focused on promotion of scientific and technical capacity to assess stocks of oceanic and coastal fish resources which is certainly relevant to the objective of sound and sustainable management of this very important resource. However, although the objective of increasing the performance of the sector as a source of revenue for the poorest is mentioned in the Commission's programming documents, achievements in this direction have been more limited; for instance, national shares of tuna catches have not grown significantly. Viewed from the standpoint of the subsidiarity principle, such an objective could have been better tackled through interventions implemented at country level; but fisheries are not an intervention sector in any of the Pacific region NIPs.

Sources: [Q3, Q7, Q8]

## **Cluster 4: Regional Integration**

### **C4.1 The Commission has given valuable support to movements within the region towards regional economic integration and has enhanced regional cooperation through its regional strategy and programmes.**

PACP States are pursuing regional economic integration through the PIF. The PICTA and PACER treaties are the most prominent recent expressions of the commitment to integration. The Commission is effectively supporting PICTA through the PACREIP project (EQ 5). Commission regional interventions in HRD, Fisheries and NRM have also effectively enhanced regional cooperation between PACP States. Regional programmes have encouraged recognition of shared interests and the value added that can be achieved through regional approaches. Commission interventions have contributed to strengthening of the CROP organisations, which have a central role in regional cooperation. It is also worth noting that the prospect of a future EPA with the EU has also contributed to reinforcing regional integration (i) as EPAs are negotiated at the level of the region and (ii) through the region's capacity-building stemming from the Trade Related Assistance (TRA) provided by the Commission in support of EPA preparations and negotiations.

## **Cluster 5: Management, administration, and coordination**

### **C5.1 Overall efficiency of the organisational and administrative arrangements for Commission support in the Pacific was satisfactory and evolved favourably during the period under review.**

The majority of projects delivered inputs by the due dates and within planned costs, and were efficiently managed on a day-to-day basis. This was particularly the case in the regional fishery and regional and national NRM sectors; it was more modest in the REIT and in both regional and national HRD sectors. In the period covered by this evaluation, the Commission's

regional and national programme efficiency has shown improvement, which can be linked to the following factors:

- i. The Commission's devolution process.
- ii. Evolution of delivery channels such as the introduction of Contribution Agreements, which allowed for improved definition of responsibilities and ownership by project implementers, and the selective mandating of regional organisations as implementing counterparts for regional projects.
- iii. Improvements in the Commission's and RAO's organisational and management capacities.

Sources: [Q4]

**C5.2 Through its support to the CROP Working Groups, the Commission has contributed to enhancing aid coordination in the Region.**

The formal coordination process in the PACP is the responsibility of the PIFS; the CROP Working Groups are the mechanism for regional coordination at operational level. The Commission has actively supported the coordination role of these agencies. Through this support the Commission has contributed to the effectiveness of the agencies and, hence, to strengthening and extending their role as aid coordinators for the PACP region.

Sources: [Q10]

## 5. RECOMMENDATIONS

The following recommendations are based on the foregoing conclusions and are formulated with the view to remedying to observed deficiencies or highlighting those good practices of which the generalisation, replication or further improvement could lead to greater impact of the Commission's interventions.

In parallel with the conclusions, three strategic level recommendations have been formulated. Recommendations corresponding to the thematic clusters are proposed both as a means of addressing the issues highlighted in the clusters and of contributing to the strategic-level recommendations, which should be regarded as those with highest priority.

The strategic level recommendations must be regarded as the ones with the highest priority.

All recommendations aim at being practical. In particular they attempt to specify:

- whom they address: the Commission services in Brussels, Delegations, regional and national institutions, etc;
- the level of the project cycle they address: strategic/pre-identification, design, implementation, monitoring and evaluation, follow up; these distinctions are important.

### 5.1 Recommendations derived from the strategic level conclusions

**SLR 1 The quality of dialogue with the regional organisations and the concern of the Commission to respond to the needs expressed by the authorities of the Pacific region are commendable and should be continued. The policy dialogue should be strengthened to raise the partner institutions' and authorities' awareness of the Commission's overarching cooperation objectives. In particular, awareness of poverty reduction issues and interventions should be developed to help them better identify their needs in this regard.**

It is recommended that the dialogue with regional partners should be sustained at both regional and national levels. Areas currently covered by this dialogue (natural resources management, environment, education etc.) should be kept on the agenda but the Commission should strive to mainstream its overarching objectives into this dialogue. This concerns in particular poverty reduction, as it has emerged from this evaluation that this issue was only weakly considered in the past (SLC1). This could be done by requiring that the perspective of the poor is explicitly included and analysed in every strategic or programming discussion on a specific sector.

In order to substantiate this policy dialogue the Commission should undertake or encourage research into the nature and extent of poverty in the Pacific and the linkages between different interventions and poverty reduction. This research should highlight the following:

- Poverty mapping and development of statistical indicators;
- Analysis with the partners of the quantitative targets included in the Pacific Plan for the reduction of poverty in the Pacific, and conduct of a policy dialogue on how to reach them; this dialogue should then guide the definition of the poverty reduction strategy by the partners and their demands of support to the Commission.

The recommendation addresses: Commission services in Brussels and in Delegations in charge of the preparation of strategic documents and those engaged in the policy dialogue with the



partners. In turn these actors should pass this recommendation onto their interlocutors in the policy dialogue.

The recommendation concerns primarily the strategic and programming level of the assistance programmes.

Based on SLC 1, C1.1

**SLR 2 The Commission should pursue, intensify and improve its efforts to help the Pacific region address the issues of environment and natural resources management. Its approach in addressing these issues both as local priority problems and at the same time in a context of global governance of common public goods is commendable and should be pursued, emphasising as well its consolidation and application.**

The Commission's approach and interventions in environmental protection and natural resources management have been generally successful. These successes should be built on them. Continuation of efforts undertaken is therefore recommended. The Pacific Plan of 2005 should be used as a point of entry because it is specifically formulated as a framework for regional dialogue and forms a stronger basis than has hitherto been available for identifying regional needs. However, the evaluation has also revealed that whereas regional activities in this sector have been effective, they have not been adequately relayed into national policies and concrete implementation. Firmer links should be established between the regional and national levels as mentioned in SLR 3. When establishing these links care should be taken not to disregard important environmental issues that are not at present well-perceived at regional level (e.g. illegal logging).

It is also recommended that the work on environmental protection is sustained in a manner parallel to the increased attention being given to exploitation of natural resources with a view to positive returns in the form of employment and income generation.

The recommendation addresses the same actors than SLR 1 above. It concerns primarily the strategic and programming level of the assistance programmes.

Based on SLC 2, SLC 3.

**SLR 3 Improve the articulation between regional and national strategies, ideally by complementing them with a "subsidiarity implementation study" prior to developing the RIP and NIPs or, if these have already been developed, by conducting a study aimed at optimising the linkages between regional and national levels in project identification.**

The RSP and CSPs are established rather independently from each other since they are elaborated within different policy dialogues involving different actors. It would not be practical, and probably not possible, to change this state of affairs. However, it leads to an absence of articulation between the two levels of interventions and is a source of reduced effectiveness and leverage of the Commission's interventions.

In order to remedy to this deficiency, this recommendation proposes a very practical measure consisting of the introduction of an intermediate step between the elaboration of the RSP and CSPs and the derivation of the corresponding RIP and NIPs. What is proposed is simply that,

once the strategic documents are prepared, a policy dialogue -possibly in the form of a regional workshop-, is organised to prepare a “subsidiarity implementation study”. The purpose of such a study would be as follows:

- identify, with appropriate justification, the regional activities in the RIP that need to be taken over at country level (identify in which countries) to develop their full potential;
- identify in the NIP, with appropriate justification, the national activities that need to be supported by the relevant regional activities envisaged in the RIP;
- identify areas of institutional strengthening that need to be undertaken in order for the relevant institutions to be able to implement agreed policy priorities ( see R2.1)

This should be done taking account of the interventions of other donors, for instance by involving them in the regional workshop so as to maximise coordination and complementarities.

The outcome of this study could usefully be written up to replace the current table “Areas privileged for regional cooperation” which is included in each CSP but which has not proved instrumental in improving the linkages between regional and national programmes.

Based on the findings of the study, the content of both the NIPs and the RIP could be further developed to display an enhanced understanding of the necessary linkages. The main practical difficulty would be the necessary synchronisation of the preparation of the CSPs and RSP but this should not be a fundamental obstacle.

This recommendation addresses the strategic level (CSP and RSP) and therefore the same actors as the other two but with a much stronger emphasis on the partners since it would require a comprehensive policy dialogue between the regional authorities and the Commission. It also relates to the identification of individual programmes and projects and in that respect focuses on the Delegation and EuropeAid Services whose responsibility it would be to ensure that the programmes of both levels are mutually consistent.

In the current case, the RIP and NIPs for the 10<sup>th</sup> EDF 2007-2013 have already been completed, and the recommendation would thus apply to future programming exercises. However the “subsidiarity implementation study” could still be applicable to the present situation and would be a valuable support prior to identification of individual programmes and projects even though its recommendations in financial envelope terms would be limited within the framework of the existing RIP and NIPs.

Based on SC3, C2.1

## **5.2 Cluster 2: Linkages between Regional and National Interventions**

**R2.1 In the preparation of regional programmes and projects, the Commission should develop templates and formats ensuring that strategic recommendations of the “subsidiarity implementation study” (see SLR3) are effectively transposed into the programmed activities and that the responsibilities for communication between levels are duly identified.**

Templates for programme and project documents should include sections requiring definition of the linkages likely to be advantageous and of the measures incorporated in the designs to realise those advantages. Responsibilities for liaison between regional and country interventions should be included in the terms of reference for technical assistance staff, where this will promote effective linkage.

This task would be made easier by the existence of the “subsidiarity implementation study” recommended as SLR.3 because it would then be prepared by at strategic level.

Additional questions, however, need to be addressed at programming stage:

1° Conclusion C1 raises the question of whether the Commission should withdraw from sectors in which there are no effective regional partners. The answer cannot be yes or no, but should emerge from the policy dialogue with the regional authorities and stakeholders. If priority areas emerge from a constructive policy dialogue (e.g. in the field of poverty reduction), but there is no institution strong enough to take forward the related policies, then the support, once the partners have agreed to incorporate these priorities in their own policy programmes, should be primarily focused on strengthening the partner institutions. If there are no such institutions and no willingness of the partners to “own” the priorities by placing them on their agenda, then the proposed support should not take place.

2° The Commission should consider whether it should itself intervene at both regional and national levels to ensure effective linkage, or whether national government involvement, or possibly involvement of another donor, will be sufficient. If necessary, specific provision should be made in Commission NIPs for funding of interventions at national level in support of regional programmes.

The recommendation addresses primarily the Commission services in charge of programming and implementation.

Based on C1.1, C2.2, and C2.3.

### **R2.2 Under the regional cooperation programme the use of ‘multi-country’ programmes should be extended.**

Multi-country programmes should be developed on the basis of specific commitments by sub-groups of PACP States to participate and play a positive role both in a regional programme and in national level counterpart activity. Countries positively opting to participate in multi-country programmes are likely to be well-motivated to participate in programme activities at national level. The recommendation appears as a response to the weaknesses mentioned in C2.2 and C2.3. The arrangement will potentially combine the close national involvement and detailed attention to needs, possible for national programmes, on the one hand, with the cost-effectiveness of regional delivery on the other. Multi-country programmes could be more easily designed so as to benefit from a mix regional and national financing. The multi-country approach is particularly appropriate for the delivery of national-level services. Analysis of lessons learned from the ongoing example is necessary to increase the chances of success of this approach.

Based on C2.3, C2.2.

## **5.3 Cluster 3: Economic Development**

**R3.1 The mainstreaming of poverty reduction in the most sectors of interventions, in particular trade, fisheries and other natural resources, human resource development and private sector development, should be enhanced and the interventions in these sectors carefully intertwined**

**R3.1.1 Trade** - Trade can generate an important growth impetus but also has powerful income distribution effects which, in developing countries, can be detrimental to the poorest.

This aspect is explicitly taken into account in the framing of the future PACP-EU EPA. It is essential that the Commission's interventions in the area of trade all provide the support most appropriate to accompanying the region's opening to trade, with a view to ensuring that progress in terms of integration of PACP States into the world economy does not exacerbate income distribution inequalities but rather effectively benefits the poorest segment of the local populations. This objective should also be mainstreamed into the Commission's TRA programmes, whether related to the EPA or to the general regional integration objective, particularly with a view to increasing the capacity of the region to shape its trade policy in coherence with development and poverty reduction objectives.

**R3.1.2 PSD** - The realisation of such a positive scenario strongly rests on the quality of growth stemming from development of the private sector, partly influenced by progress in opening economies up to trade. For this reason support to private sector development is unavoidable, even though past experience in the region has not been wholly positive. The private sector can be an essential determinant of poverty reduction but its development must be carefully oriented towards this dimension if its contribution to poverty reduction is to materialise. This concern is particularly relevant when development of the private sector is driven by trade, a condition under which the likelihood of a growth process mainly benefiting the upper income brackets is all too high.

This means that interventions in the area of private sector development should not only give a particular attention to trade aspects but should also contribute to fostering the correct linkages between trade and private sector development so as to create the necessary conditions under which trade can support a *inclusive* growth process. This implies, *inter alia*, prioritising development of economic activities (i) with high value added and (ii) which offer the possibility of the poorer segments of the population interacting with the emerging (and possibly export-oriented) growth poles.

**R3.1.3 HRD** – In this perspective it is also essential to ensure coherence between trade, private sector development and human development. Trade-oriented and high-value-added activities can only develop in parallel with the general education level of the population. Moreover, the chances of developing linkages between the poor and growing - and possibly export-oriented - sectors of economic activities can only be envisaged if the level of basic education received by the poorest segment of the population is sufficient. This therefore calls for (i) a careful balance between interventions at basic and tertiary education levels and (ii) strong coherence between HRD interventions and activities related to trade-related development of the private sector.

**R3.1.4 Fisheries and natural resources** – The above-mentioned linkages are more likely to be established in sectors (i) which offer strong economic growth potential, (ii) where participation by the poor in the potential benefits is possible and (iii) which are conditioned by the regulatory and incentive framework surrounding their development<sup>16</sup>. From this point of view, soundly-conceived exploitation of the numerous natural resources of the region is of interest as many Pacific islanders are dependent on natural resources for improvements in their living standards while offering dynamic economic perspectives. The Commission should therefore foster the inclusive growth potential of sectors such as fisheries. First, particular attention should be devoted to increasing the revenue-raising capacities of the sector, not only for the PACP States as a whole but also for low-income households, in which context the stagnation of the national shares of catch is a source of some concern. Second, since this type of support is more likely to succeed if provided in close proximity with the beneficiary

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<sup>16</sup> This is in order to avoid, for instance, development of economic activities in which the poorest effectively or potentially participate but where the benefits of growth only accrue to a minority.

populations, it is recommended that, during the next phase of fisheries development in the Pacific, regional fisheries management developments are complemented by support for country-level fisheries development, particularly in the areas of national fisheries management capacity and expansion of the private fishery sector. Caution should also be paid to the sustainability issue, given the actual illegal surexploitation of certain natural resources.

Based on C3.1 and C3.2.

### **5.3 Cluster 5: Management and Administration**

#### **R5.1 Further improvements should be made in management and administration in respect of cooperation with CROP agencies, regional and national linkages, and Contribution Agreements.**

The Commission's organisational and administrative arrangements have developed well over the period under review. It is recommended that further improvement be pursued through the following:

- Strengthened cooperation with sectoral CROP agencies as the preferred delivery channel for sectoral development support.
- Greater attention to counterpart activities at national level to reinforce regional interventions (cf R2.1).
- Linking of Contribution Agreements (CA) to results and improvements to their follow-up and monitoring.
- Addressing the lack of expertise in the institutions which is a particularly prominent feature of the region, either through capacity building or provision of technical assistance and training of regional and national counterparts.
- CAs should be improved through better definition of responsibilities and improved sharing of information. This involves assigning responsibilities to CA beneficiaries for:
  - Information exchange and coordination with, as appropriate, related regional and national programmes, EC offices and national stakeholders before and during implementation.
  - Provision of monitoring and other reports to the same agencies.
- Incorporation of these commitments into staff Terms of Reference as appropriate, and into sub-contracts arising from CAs. (C5.1, C5.2)