



Evaluation of the European Union's cooperation with the Pacific Region 2006-2012 Final Report Executive Summary 2014

*Evaluation carried out on behalf of
the European Commission*

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**Evaluation of the European Union's cooperation with
the Pacific Region 2006-2012**

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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 involved.***

Cover pictures, clockwise from top left:

Timor Leste – 10th EDF 'Fourth Rural Development Programme'
Fiji – 'Retrofitting - Habitat for Humanity'
Timor Leste – 10th EDF 'Fourth Rural Development Programme'
Timor Leste – 10th EDF 'Fourth Rural Development Programme'
Timor Leste – 10th EDF 'Fourth Rural Development Programme'
Fiji - Vocational training – 'Social mitigation Programme 2010 - Habitat for Humanity'
Timor Leste – 10th EDF 'Support to Health Sector'

Executive Summary

Objectives and challenges

This evaluation aims to provide an overall independent assessment of the European Union's cooperation and partnership relations with the Pacific region over 2006-2012. On the basis of this assessment, it provides recommendations to improve the EU's current and future strategies, programmes and actions. The evaluation scope covers regional cooperation implemented in 15 Pacific island states¹ and four Overseas Countries and Territories of the EU Member States². Country-level cooperation is also considered, but only insofar as it aids assessment of the coherence and complementarity of the regional cooperation. The key challenge faced by the evaluators was to provide an accurate assessment of EU regional cooperation across such a diverse and disparate range of partner countries and territories.

Evaluation context

EU-Pacific cooperation has a long history, dating from the 1975 Lomé convention with African Caribbean and Pacific (ACP) states and continuing through the Cotonou Agreement (2000) to the present day. Over the period 2006-2012, the evaluators identified €792 million committed by the European Commission to development cooperation in the Pacific.

€149 million of this was committed at the regional level, with the remainder constituting country- or territory-specific commitments.³ Published in 2014, the evaluation provides an assessment of this portfolio of regional commitments, whilst targeting recommendations towards the design and implementation of the forthcoming programming cycle for 2014-2020.

Methodology

The evaluation was conducted in line with the methodological guidance of the DG DEVCO Evaluation Unit. The approach involved the collection and processing of both qualitative and quantitative data. In total, the evaluation analysed financial information for 214 interventions over the period. Documentary and field-based review covered all 25 regional interventions in addition to 3 country-level programmes in the education sector. The evaluators interviewed 172 stakeholders across 7 Pacific Island countries and territories and Brussels. Stakeholders were met from the European Commission, the European External Action Service, the European Union Delegations, Pacific Regional Organisations, national administrations and civil society groups.

¹ Namely the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu and Vanuatu.

² Namely French Polynesia, New Caledonia, Pitcairn Islands and Wallis and Futuna.

³ The €149 million figure covers all *regional* commitments to the Pacific Region and OCTs over the evaluation period. This includes commitments made under both the 9th and 10th EDF. It does not include country-level commitments.

Overall assessment

The broad picture that emerges from this evaluation is that the overall performance of the Pacific regional programme was satisfactory. The EU supported the Pacific Plan⁴ for regional cooperation and integration in the region. But the objectives of the Plan were too generic to provide an adequate basis for the EU's regional strategy. Nevertheless, the EU focused its regional support on two focal sectors of key importance to the region (natural resources and the environment, and trade & regional integration) which absorbed 77% of the commitments identified in the evaluation inventory. In addition, the EU supported organisational strengthening and functional cooperation initiatives that built capacity among regional organisations and non-state actors.

In the specific area of marine resource management, EU support has greatly improved regional stock assessment methods, but there remain serious concerns about long term sustainable management of the resource due to lack of transparency issues, overfishing, and remaining risks of Illegal, Unreported and Unregulated fishing.

The EU has promoted regional economic integration as an engine for trade and growth. The approach insufficiently addressed key constraints to trade and growth in the Pacific region: the business environment and the trade facilitating infrastructure. The new Aid for Trade strategy, which was prepared with strong involvement of the Delegation, duly takes these aspects into consideration. An

interim EPA was concluded with two countries but implemented only in PNG⁵. Its benefits for that country are real but, so far, not shared across the region.

The EU opted to support regional organisations in order to supplement the weak national administrations. This decision was appropriate given the absorption constraints at national level, but it nevertheless limited the results at the national level and weakened sustainability. There were two main challenges to national-level impact: (i) the evolving complexity of the regional context and (ii) the lack of conditionality clauses in the contribution agreements between the EU and the regional organisations.

The challenges for tightening relationships between ACP countries and Overseas Countries and Territories in the Pacific were underestimated, although the EU did promote some joint actions covering both ACP and OCT beneficiaries.

Finally, the relevance of the EU strategy was enhanced during formulation and implementation of regional programmes but complementarity proved easier to develop between regional and thematic programmes than between regional and country programmes.

Conclusions

The evaluation drew conclusions across 5 clusters, covering strategy; implementation approaches; trade and regional integration; natural resource management; and human capital and energy. The following text presents the key conclusions from the evaluation.

⁴ The Pacific Plan is the Pacific Leaders' master strategy for strengthening regional cooperation and integration in the Pacific.

⁵ Papua New Guinea.

Strategy:

The evaluation found that **EU support was relevant and well aligned but lacked strategic prioritisation.** The EU justifiably aligned its programme with the Pacific Plan, which remains the key expression of the Pacific Forum Leaders' vision of regional cooperation and integration in the Pacific. But the Pacific Plan itself is a broad political document, which does not constitute a programming tool in-and-of-itself. The EU conducted insufficient background analysis to establish the strategic priorities within the wider framework of the Pacific Plan. Nor did it provide detailed expected results with the performance indicators assigned to specific regional organisations. As a result the EU's regional programme in the Pacific was quite relevant but its effectiveness could have been improved. (C1)

However, the evaluation also concluded that the **location of the Regional Authorising Officer in the Pacific Islands Forum Secretariat is open to question.** The EU continued to work with the Pacific Islands Forum Secretariat (PIFS) as the Regional Authorising Officer (RAO) throughout the evaluation period. This conformed to the PIFS mandate and to the request of the regional authorities. In practice, however, the complexity and ambiguity of its governance framework and the evolution of the regional context raise the question of its suitability to fulfil the role of Regional Authorising Officer for the region as a whole. (C2)⁶

Implementation approaches:

The EU channelled its regional programme through the key regional organisations in the Pacific. This had the effect of **building regional capacity to supplement national administrations, which proved effective for implementation but limited country-level impact.** Faced with the low absorption capacity of many Pacific Islands, the EU focused on building regional capacity to supplement national resources. Overall, this approach was effective in enhancing natural resource management capacity. However, the benefits of the regional programme were questioned by the national stakeholders who did not perceive its spill-over into their countries. (C4)

Moreover, **limited project management capacity at national level presented a challenge for most of the EU's instruments and modalities.** Contribution agreements with regional organisations helped reduce the administrative load on EU Delegation staff. But the EU was confronted by capacity limitations at national level, on both government and non-state actors' sides alike, which hampered implementation of regional projects at national level. (C5)

Finally, **despite EU support for encouraging OCT integration with ACP countries, OCTs remained more aligned with other OCTs and regional powers.** The EU configured its support along two separate programming lines: one for ACP countries and one for OCTs. This removed the possibility of having a single common regional indicative

⁶ It should be noted that the regional context has already evolved since the end of the evaluation period (e.g. with the appointment of a new Secretary General of PIFS). This conclusion, and its associated

recommendation, must therefore be understood in the context of these evolutions.

programme for the entire region and furthermore failed to reflect the diversity that exists among OCTs. OCT engagement in regional integration remained primarily limited to sub-regional cooperation whilst free movement of goods and people remains problematic between Pacific OCTs and ACP states. Import duties for ACPs are still imposed in order to protect OCT domestic markets, and ACP passport holders require visas for travel to the Pacific OCTs. (C7)

Trade and regional integration:

Despite considerable EU support for regional economic integration, expansion and diversification of trade has been limited. Only limited progress has been recorded in terms of expansion and diversification of Pacific countries' trade and economic growth. The focus on strengthening the institutional capacity of the regional institutions permitted improvements in their functioning but insufficiently addressed the key factors constraining trade and growth. (C9)

Natural resource management:

EU support to regional fishery organisations has greatly improved regional stock assessment methods, but there remain serious concerns about long term sustainable management of the resource due to lack of transparency issues, overfishing, and remaining risks of Illegal, Unreported and Unregulated fishing. The absence of transparency on resource management by sub-regional organisations raises concerns about conservation and overfishing. This creates an issue for the long-term sustainable management of fishery resources. (C11)

Regarding land-based natural resource management, the EU built up regional capacity to manage natural resources and adapt to climate change, but concerns remain at national level. Regional capacity for climate change negotiations and disaster risk reduction were improved. But mainstreaming of climate change in national development policy frameworks, for example, was more problematic. (C12)

Recommendations

The following section presents a selection of the recommendations stemming from the above conclusions. The importance of each recommendation is marked below.

Strategy:

The EU should define more specific intervention areas whilst emphasising links with the National Indicative Programmes (R1). Conclusion 1 argued that the EU's focal areas were aligned to the Pacific Plan but could have been more tightly focused if supported by more in-depth needs analysis. In response, the EU should continue to draw on a combination of in-house analysis and work by other donors and Regional Organisations. But it should also consider helping the Regional Organisations to conduct periodic needs assessments at the regional level, building on the work of the Secretariat of the South Pacific's joint-country strategies and the regional policy dialogue coordinated by the Pacific Islands Forum Secretariat. The focus of regional programmes should also take into account the EU's National Indicative Programmes and Single Programming Documents for Overseas Countries and Territories. *Importance: high*

The EU should consider the option of appointing several Regional Authorising Officers (R2). Conclusions 2 argued that the suitability of the Pacific Islands Forum Secretariat to fulfil the role of Regional Authorising Officer is open to question. The EU should therefore consider introducing a degree of differentiation of the Regional Authorising Officer function, as already established in some other ACP regions. In addition, the EU should support the elaboration of a regional development strategy encompassing all Pacific ACP countries and territories. To that end, it should widen the consultative framework on the EU Regional Strategy Paper to include sub-regional groupings where appropriate. *Importance: medium*

Implementation approaches:

Improve the subsidiarity between regional and national programmes (R3). Conclusion 4 points to the challenge of ensuring that regional capacity development was utilised at the national level. The evaluation therefore recommends that the regional programme is restricted to (i) activities in which one can demonstrate that they will allow clearly identified economies of scale and (ii) cross-border activities. Moreover, the evaluation recommends that regional projects identify a share of resources to be earmarked for individual countries to implement national sub-projects themselves, whilst benefitting from the guidance and critical mass of expertise of the regional organisations in charge. Good practice could also include using the regional programme to promote pilot activities by national actors, with support for scaling-up of successful initiatives.

Importance: high

The EU should encourage performance-based approaches with regional organisations and demand-driven technical assistance (R5). Conclusions 4 and 5 point to the difficulty of ensuring that the effects of regional programmes reach national stakeholders. The evaluation therefore suggests that the EU's contracting mechanisms are used to incentivise regional organisations to maximise the national benefits of their interventions. Suggested actions could include: using alternative delivery mechanisms such as basket-funds for demand-driven projects designed by both regional organisations and national administrations; or using performance-based contracts with regional organisations based on the number of country-level interventions and results achieved (tranche indicators).

Importance: high

The EU should increase the flexibility of its approach towards the OCT/ACP divide, in order to foster joint programming on a demand-driven, sub-regional basis (R8). The evaluation recommends that the EU works to encourage cooperation between ACPs and OCTs while taking better account of their diversity. One option would be to design a joint regional programme covering both OCTs and ACPs within existing EU regulations, for example through a trust fund managed by a single regional organisation. The EU could also consider demand-driven twinning projects between ACP countries and Pacific OCTs. Finally the evaluation recommends that the EU seeks to encourage Pacific OCTs to take the lead in strengthening ties with ACP countries, e.g. by allocating specific resource to regional integration under the OCT Programming Documents.

Importance: medium

Trade and regional integration:

Reallocate resources from support for negotiations in favour of true trade facilitation activities (R10). The evaluation concluded (Conclusion 9) that the support to regional economic integration has included abundant resources to support trade negotiation capacity in regional organisations. Although this work is important, the results were disappointing largely because insufficient resources were directed towards key constraints faced by economic operators, such as trade facilitation, development of the private sector export capacity, etc. The evaluation therefore recommends that the EU should adhere to the two priorities of the new Aid for Trade strategy: private sector support and trade infrastructure. In the above two areas, the EU should focus on the effective benefits for the operators. Within countries, the EU should organise more private sector and trade support activities that contribute to implementation of the Aid for Trade strategy. *Importance: high*

Natural resource management:

The EU should build upon its past efforts by working closely with its partners in the regional fisheries organisations in order to ensure long term sustainable management of the fisheries resources (R15). Conclusion 11 highlights the success of the EU programmes in improving the scientific

knowledge and monitoring of marine resources in the Pacific. However, concerns remain about the long term sustainability of the stocks due to data transparency issues, overfishing, and risks of illegal, unreported and unregulated (IUU) fishing. The evaluation recommends that EU support for scientific and managerial improvement of fisheries resources should be continued in future regional programmes, but that it should be complemented by a concerted effort to engage with regional partners in their management of the fisheries resource. More specifically, the EU should undertake additional efforts to promote the transparent use of the improved scientific data as a basis of policy decision-making. *Importance: medium*

The EU should work more closely with national administrations to ensure that policy frameworks include climate change and disaster risk reduction and management (R16). Conclusion 12 highlighted the relevance of the EU's activities in the areas of natural resource management, climate change and disaster risk reduction and management. But it also noted the limited follow-through at national level. The EU should therefore continue to support this area whilst providing additional resource to ensure that national policy frameworks embed climate change and disaster risk reduction and management. *Importance: high*