

REGION LEVEL EVALUATION
Caribbean Region

Final Report

Volume I: Main report

August 2012

Evaluation carried out on behalf of the Commission of the European Union





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Contract No EVA 2007/geo-acp

This evaluation is mandated by

The Evaluation Unit for:
EuropeAid Development and Co-operation Directorate General (DG DEVCO)

This evaluation is managed by the Evaluation Unit, which also chairs the Reference Group made up of members of DG DEVCO, DG TRADE, EEAS, and the EU Delegation in Guyana

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The opinions expressed in this document represent the views of the authors, which are not necessarily shared by the Commission of the European Union or by the authorities of the countries concerned.

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List of Acronyms and Abbreviations

ACRONYM	MEANING
ACP	African, Caribbean and Pacific partner countries
ACS	Association of Caribbean States
BIZCLIM	ACP Business Climate
BSO	Business Support Organisation
CA	Contribution Agreement
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum of ACP States
CARIFTA	Caribbean Free Trade Association
CARIPASS	CARICOM Travel Card System
CARTAC	Caribbean Regional Technical Assistance Centre
CBI	Caribbean Basin Initiative
CCCCC	Caribbean Community Climate Change Centre
CCJ	Caribbean Court of Justice
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CCS	CARICOM Secretariat
CDB	Caribbean Development Bank
CDE	Centre for the Development of Enterprise
CDEMA	Caribbean Disaster and Emergency Management Agency
CDEMA CU	CDEMA Coordination Unit
CDERA	Caribbean Disaster Emergency Response Agency
CDM	Comprehensive Disaster Management
CEDA	Caribbean Export Development Agency
CET	Common External Tariff
CFD	Caribbean Forum for Development (formerly CGCED)
CGCED	Caribbean Group for Cooperation in Economic Development, (now CFD)
CIDA	Canadian International Development Agency
CISNET	Caribbean Intelligence Service Network
CISP	Caribbean Integration Support Programme
CKLN	Caribbean Knowledge and Learning Network
COHSOD	CARICOM Council for Human and Social Development
COTED	CARICOM Council for Trade and Economic Development
CPDC	Caribbean Policy Development Centre
CRA	Caribbean Rice Association
CREP	Caribbean Renewable Energy Development Programme
CRIP	Caribbean Regional Indicative Programme
CRIS	Common Relex Information System
CRITI	Caribbean Regional Information and Translation Institute
CRNM	Caribbean Regional Negotiating Machinery
CROSQ	Caribbean Regional Organisation for Standards and Quality
CRSP	Caribbean Regional Strategy Paper
CSME	CARICOM Single Market and Economy
CSP	Country Strategy Paper
CTPSD	Caribbean Trade and Private Sector Development Programme
DAP	Drug Abuse Programme
DB	Doing Business (World Bank)
DCI	Development Cooperation Instrument
DFID	Department for International Development
DG AIDCO	Directorate General of the European Aid Cooperation Office
DG DEVCO	EuropeAid Development and Co-operation Directorate General
DG RELEX	Directorate General External Relations
DIPECHO	European Commission Humanitarian Aid department's Disaster Preparedness Programme

DOM	Départements d'outre-mer (French Overseas Departments)
DR	Dominican Republic
DR-CAFTA	Dominican-Republic Central America Free Trade Agreement
EBA	Everything But Arms
ECCB	Eastern Caribbean Central Bank
ECDG	East Caribbean Donor Group
ECHO	European Community Humanitarian Office
ECLAC	Economic Commission for Latin America & the Caribbean
EDF	European Development Fund
EDU	Export Development Unit
EEAS	European External Action Service
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
EPA	Economic Partnership Agreement
EQ	Evaluation Question
ETR	End of term review
EU	European Union
EUD	Delegation of the European Union
FDI	Foreign Direct Investment
GCCA	Global Climate Change Alliance
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IDB	International Development Bank
IMF	International Monetary Fund
IMPACS	Implementation Agency for Crime and Security
ISDR	International Strategy for Disaster Reduction
ISPRI	Institutional Support Programme for Regional Integration
JC	Judgement Criterion
JEU	Joint Evaluation Unit
LAC	Latin America and the Caribbean
LDC	Least Developed Countries
LDC	Less Developed Country (in CARICOM)
MCDDR	Multi-Country Drug Demand Reduction Programme
MDC	More Developed Country (in CARICOM)
MDG	Millennium Development Goal
MERCOSUR	Mercado Común del Sur
MFN	Most Favoured Nation
MTR	Mid-term Review
NAFTA	North America Free Trade Agreement
NAO	National Authorising Officer
NGO	Non-Governmental Organisation
NSA	Non-State Actors
OAS	Organization of American States
OAS/CICAD	Inter-American Drug Abuse Control Commission
OCT	Overseas Countries and Territories
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
OMR	Outermost Region
OTN	Office of Trade Negotiations
PRSP	Poverty Reduction Strategy Paper
PS	Participating States
PSC	Project Steering Committee
PSDP	Private Sector Development Programme
RAO	Regional Authorising Officer

RDF	Regional Development Fund
RG	Reference Group
REDTRAC	Regional Drug Law Enforcement Training Centre
RIO	Regional Integration Organisation
RIP	Regional Indicative Programme
RNM	Regional Negotiating Machinery
RPR	Rural Poverty Reduction
RPTF	Regional Preparatory Task Force
RSP	Regional Strategy Paper
SME	Small and Medium-Sized Enterprises
SPRD	Strategic Plan for Regional Development
SPS	Sanitary and Phyto-Sanitary Measures
TBT	Technical Barriers to Trade RPTF
TCF	Technical Cooperation Facility
TEI	Tertiary education / training institution
TL	Team Leader
TOR	Terms of Reference
UNAIDS	United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
US	United States
USAID	United State Agency for Development
USD	US Dollar
UWI	University of the West Indies
WB	World Bank
WTO	World Trade Organization
XCD	Eastern Caribbean Dollar

EXECUTIVE SUMMARY

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

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

METHODOLOGY: HOW WAS THE EVALUATION DONE?

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

As a first step, the evaluators reconstructed the **intended logic of intervention** based on an analysis of the Commission's region-

al strategy and other policy documents. The evaluation is based on nine Evaluation Questions (EQs) that were agreed with the Reference Group established for this evaluation. The questions cover major intended results and outcomes as well as different transversal issues of the Commission's strategy and its implementation.

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

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

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

In the **synthesis phase**, the evaluators analysed the information collected, checked its reliability, made cross-analyses and formulated conclusions and recommendations.

CONTEXT OF CO-OPERATION

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

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

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

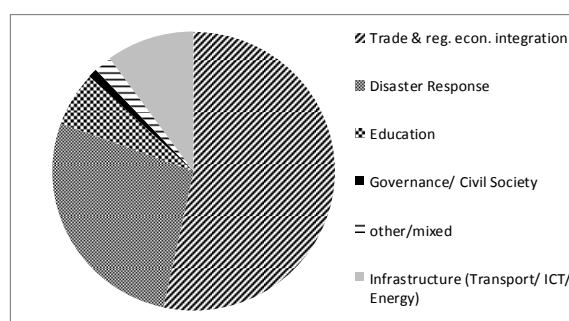
EU-CARIBBEAN RELATIONS

With the exception of Cuba, left out of this evaluation, all CARIFORUM states have signed the Cotonou Partnership Agreement with the EU, which entitles them to EDF

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

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

Figure 1: Disbursements of EDF9 and 10 funds 2003-2010 by sectors (€108.9M)



MAIN FINDINGS

1. Relevance of EU support

The EU co-operation with the Caribbean region responds adequately to the priorities of CARIFORUM and to the development strategies of the EU, but regional integra-

¹ EDF9 funds including open projects from EDF8

tion has lost political momentum in many Caribbean countries.

2. Efficiency of EU support

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

3. Regional Integration

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

4. Sub-regional integration

The exports of the countries of the Organisation of Eastern Caribbean States (OECS) to CARICOM members reached US\$161M in 2008, representing 76% of the total exports of OECS countries. The EU supported the development the OECS Secretariat's capacities. The EDF10 programme (€12.6M) will have a direct impact on integration as it is meant to enhance the tech-

nical capacity of OECS to conform an Economic Union. The EU interventions registered limited results on DR-Haiti co-operation, but are likely to have more impact under the EDF10.

5. Competitiveness of the region

The EU support to a more competitive Caribbean region was significant, but results are modest, due to a poor business climate. The only significant increase of exports of goods over the period² was crude materials, mineral fuels and chemical products, all related to Jamaican bauxite and Trinidad and Tobago oil and gas. There are a few exceptions like rum exports that grew from US\$6M in 2006 to US\$100M in 2008, or the DR becoming the third biggest ACP producer of banana. Business Support Organisations (BSOs) have been strengthened, but are far from being self-sustainable.

6. Economic Partnership Agreement

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

7. Reduction of crime and drug trafficking

EU interventions benefited law enforcement agencies through increased training and capacity development. With EU support, the Drug Councils' sharing of information contributed to better programmes for demand and supply reduction. Still, the intel-

² Available data refer to 2002-2009

ligence mechanisms and services available to member states of the region were not efficiently utilised. The regional network was expanded and a draft Regional Counter Narcotics Strategy elaborated, but there is no indication of improved policy coordination and formulation.

8. Disaster management

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

9. Education and Training

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

OVERALL ASSESSMENT

The relevance of the strategy designed for the time scope of the evaluation period is **high**. However, in sectors reviewed during the evaluation, with exception of the support to the EPA negotiations, the results of

EU interventions could have been improved by better selection of implementation partners, a more effective complementarity between the regional and the national programmes, strengthening of Delegations in charge of regional programmes and better visibility.

CONCLUSIONS

Principal conclusions

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

Complementary Conclusions

6. The Delegations report there is a lack of sufficient staff for effective programme management considering the many components of EDFs 9 and 10.

7. The coordination and complementarity between national and regional programmes was weak.
8. Finding the right implementing agency for the regional programme remains a challenge.
9. Taking into account the recommendations of the previous evaluation, all crosscutting issues have been taken into consideration in the EDF10 Regional Programme.
10. EU Visibility remains low in the case of disaster management projects and the CKLN project.

Sector-related Conclusions

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

RECOMMENDATIONS

The general recommendations are:

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

The sector-related recommendations are

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

Figure 2: Map of wider Caribbean Region



Source: European Commission (DG Trade), 2006 "European Union- Caribbean Economic Partnership Agreement"

RESUME EXECUTIF

POURQUOI LA PRESENTE EVALUATION ? POUR TIRER DES LEÇONS POUR L'AVENIR

Ce rapport présente les conclusions de l'évaluation 2011 de la coopération de la Commission de l'Union Européenne (UE) avec la région des Caraïbes. L'évaluation a été effectuée pour fournir des commentaires utiles à la Commission et au Service Européen pour l'Action Extérieure (SEAE), mais aussi pour le grand public sur les résultats obtenus par les stratégies de coopération de la Commission et leur mise en œuvre pour la période 2003-2010 dans la région des Caraïbes. Cela signifie que cette évaluation a couvert les documents de stratégie régionale pour le **neuvième Fonds Européen de Développement (FED9)** et **FED10**, mais tenant également en compte les activités financées avec des ressources **FED8** au cours de la période d'évaluation. Elle couvre les différents secteurs que la Commission a soutenus et toutes les modalités de financement utilisées au cours de cette période. Thématiquement, l'accent était mis sur l'intégration économique et politique régionale, mais aussi le développement du secteur privé, le développement des ressources humaines, la prévention et l'atténuation des catastrophes naturelles, et la réduction de la criminalité liée au trafic de drogues. Les leçons de cette évaluation devront améliorer les stratégies actuelles et futures de l'Union européenne dans sa coopération avec la région des Caraïbes. Les évaluateurs ont aussi vérifié à quel point les recommandations de l'évaluation précédente de niveau régional, couvrant la période 1996-2002, ont été prises en compte.

METHODOLOGIE : COMMENT L'EVALUATION A ETE FAITE ?

L'évaluation a été menée en quatre grandes phases, avec activités prédéfinies et rapports intermédiaires. Au cours du processus, l'équipe d'évaluation a collaboré étroitement avec un Groupe de Référence (GR).

Dans un premier temps, les évaluateurs ont reconstruit la **logique d'intervention** basée sur l'analyse de la stratégie régionale de la Commission et les autres documents de politique de coopération. L'évaluation est basée sur neuf Questions évaluatives (QE) élaborée avec le GR. Ces questions couvrent les principales réalisations et résultats attendus ainsi que les différentes questions transversales dans la stratégie de la Commission et dans sa mise en œuvre.

Durant la **phase documentaire**, les évaluateurs ont recueilli des renseignements sur les interventions pertinentes pour répondre aux QE, fournis par des **preuves appuyées sur documents** des résultats, sous la forme de rapports d'évaluation, d'avancement, ou de suivi de l'intervention et de documents provenant d'autres partenaires de développement. L'équipe a également mené **des entretiens** avec des fonctionnaires de l'UE à Bruxelles, a tenu des discussions préliminaires avec la Délégation de l'Union Européenne (DUE) et le Secrétariat de la Communauté des Caraïbes (SCC) au Guyana, et elle a effectué une **enquête** auprès des ordonnateurs nationaux ainsi que des entreprises et des organisations du secteur privé. Les évaluateurs ont utilisé les informations provenant de ces sources pour élaborer un ensemble de réponses préliminaires et une méthodologie pour les recherches au cours de la **phase de terrain**.

Pendant la phase de **phase de terrain**, les hypothèses ont été vérifiées par le biais de **réunions** avec la DUE au Guyana et le SCC, des **visites** de membres de l'équipe dans **sept pays des Caraïbes** (Barbade, République Dominicaine, Grenade, Guyana, Jamaïque, Sainte-Lucie et Trinité-et-Tobago) et une présentation des résultats lors d'une **réunion du groupe de référence** à Bruxelles. L'équipe a également effectué des **études de cas** sur quatre programmes représentatifs.

Dans l'ensemble, l'équipe a interviewé plus de 160 personnes dans les Caraïbes et Bruxelles et consulté plus de 200 documents au cours de l'évaluation. L'échantil-

lon des programmes évalués représente 90% du volume total du soutien de l'UE à la région.

Dans la **phase de synthèse**, les évaluateurs ont analysé les informations recueillies, vérifié leur fiabilité, fait des analyses croisées et formulé des conclusions et recommandations.

CONTEXTE DE LA COOPERATION

Le Forum des pays ACP de la région Caraïbe (CARIFORUM) a été créé en 1992 comme base pour la coopération régionale et le dialogue économique avec l'UE. Il comprend **15 États membres de la Communauté des Caraïbes (CARICOM), Cuba et la République Dominicaine (RD)**. L'Organisation des États de la Caraïbe Orientale (OECS) et le CARICOM sont des organisations régionales d'intégration liées par des traités, tandis que le CARIFORUM est un mode de coopération régionale.

Sur le plan économique, la région des Caraïbes est peu intégrée. Les exportations intra régionales du CARICOM s'élèvent en 2008 à seulement 15% du total de ses exportations totales, comparées à 67% au sein de l'UE et 25% au sein de l'Association des Nations du Sud-Est Asiatique (ASEAN). Les transferts de fonds des émigrés représentent une contribution élevée au Produit Intérieur Brut (PIB) dans de nombreux pays, passant sur l'ensemble des pays du CARICOM de 1,70 Mrd US\$ en 2000 à 4 Mrd US\$ en 2009. La région des Caraïbes se remet d'une sévère récession. L'ampleur des difficultés économiques est résumée dans le fait que sur les 30 pays les plus endettés du monde, on compte 15 pays de la région. Les préférences commerciales n'ont pas livré les résultats escomptés. La forte concentration de produits, la petite taille des marchés et des coûts de transport élevés sont d'importants facteurs de **faible compétitivité**.

La « **fuite des cerveaux** » de la région des Caraïbes est la plus élevée dans le monde. Le trafic de **drogues** illicites affecte particulièrement Haïti et la République Dominicaine, Trinité-et-Tobago, le Guyana et la

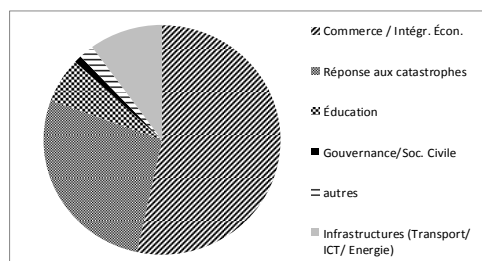
Jamaïque, mais aussi la région de façon plus générale avec la célèbre « Route des Caraïbes » utilisée pour le transit de drogues illicites principalement vers les États-Unis et l'Europe. En outre, les Caraïbes sont l'une des zones du monde les plus sujettes aux **catastrophes naturelles**.

RELATIONS UE-CARAÏBES

A l'exception de Cuba, hors champ de cette évaluation, tous les États CARIFORUM ont signé l'Accord de Partenariat de Cotonou avec l'UE, qui leur donne droit au soutien du FED. Les accords commerciaux ont été remplacés par l'Accord de partenariat économique (APE) CARIFORUM-UE signé en octobre 2008 par 13 États des Caraïbes et peu de temps après par le Guyana et Haïti. La distinction essentielle entre l'APE et les accords commerciaux régionaux traditionnels, c'est que la dimension du développement, notamment l'appui au processus d'intégration régionale, est prise en compte. CARIFORUM a nommé un coordonnateur de l'APE au sommet ministériel CARIFORUM de Belize en 2011. L'Assemblée parlementaire paritaire EU-CARIFORUM s'est réunie pour la première fois en juin 2011. Seule la formation du Comité de consultation de la société civile est toujours en attente.

Les **fonds du FED9 pour la région (97,8 M€)** ont été très concentrés sur le secteur « **Commerce et Intégration régionale** », suivi par le secteur « Transports et Infrastructures », puis « Réponse aux catastrophes et situations d'urgence » et enfin « Éducation ». Le décaissement lent du FED9 jusqu'à la fin 2010, dû principalement à l'inefficacité du SCC, est indiqué par la grande différence (presque 100 M€) entre le montant total alloué et le montant total payé. Dans le FED10 (16 M€), la concentration sur **l'intégration économique régionale** est restée la même, avec la différence que les domaines prioritaires de l'APE ont été ajoutés au secteur de concentration.

Figure : Débours 2003-2010 du FED9 et 10 par secteurs (108,9 M€)



PRINCIPALES CONCLUSIONS

1. Pertinence du soutien de l'UE

La coopération de l'UE avec la région des Caraïbes répond adéquatement aux priorités du CARIFORUM et des stratégies de développement de l'UE, mais l'intégration régionale a perdu un élan politique dans de nombreux pays des Caraïbes.

2. Efficacité du soutien de l'UE

Les cadres institutionnels et les modalités d'aide n'étaient pas les plus appropriés : l'efficacité et l'efficacités des interventions ont eu tendance à diminuer entre le FED8 et le FED9, la mise en œuvre du FED8 a pris beaucoup de retard, de même que la programmation et l'exécution du FED9. La programmation du FED10 a subi des retards. L'UE appuie le SCC mais n'a pas réussi à augmenter considérablement sa capacité. Les salaires du personnel du SCC restent faibles. La capacité d'appliquer des politiques régionales est limitée au niveau national. La coordination des donateurs a été mal prise en charge par le SCC et est déficiente sauf dans les secteurs gestion des catastrophes et énergie, et pour la conduite négociations de l'APE. Des commissions de travail réunissant SCC et bailleurs de fonds ont été créées lors d'une conférence en juillet 2011. Elles devaient se réunir avant la fin de l'année, mais ne l'ont pas fait. Une nouvelle conférence de coordination est censée se réunir en milieu d'année 2012.

3. Intégration régionale

En soutenant le SCC le plan de mise en œuvre du Marché et de l'économie unique des Caraïbes (CSME), l'UE a facilité le processus d'intégration régionale. Toutefois, les interventions de l'UE n'ont pu

aider à surmonter les retards dans cette mise en œuvre. La libre circulation des personnes est encore très limitée. Les exportations intra caribéennes, en dehors du pétrole, sont encore marginales. Le commerce intra caribéen de services n'a pas significativement augmenté ces dernières années et l'achèvement de l'économie unique est en attente.

4. Intégration sous régionale

Les exportations des pays de l'Organisation des États de la Caraïbe Orientale (OECO) aux membres du CARICOM ont atteint 161 M US\$ en 2008, ce qui représente 76% du total des exportations des pays de l'OECO. L'UE a soutenu le développement des capacités du Secrétariat de l'OECO. Le programme du FED10 (12,6 M€) aura un impact direct sur l'intégration car il vise à renforcer la capacité technique de l'OECO à avancer vers une union économique. Les appuis de l'UE à la coopération RD-Haïti ont enregistré des résultats limités, mais sont susceptibles d'avoir plus d'impact sous le FED10.

5. Compétitivité de la région

Le soutien de l'UE à une région des Caraïbes plus compétitive a été important, mais les résultats sont modestes, en raison d'un climat des affaires assez pauvre. La seule augmentation forte des exportations de biens sur la période 2002-2009 relève des matières premières, combustibles minéraux et produits chimiques (liés à la bauxite de Jamaïque et aux hydrocarbures de Trinité-et-Tobago). Il y a quelques exceptions comme les exportations de rhum qui sont passés de 6 M US\$ en 2006 à 100 M US\$ en 2008, ou la RD qui devient le troisième plus grand producteur ACP de bananes. Les organisations d'appui au secteur privé (OASP) ont été renforcées, mais sont loin d'être autonomes.

6. Accord de Partenariat Economique

Le financement régional de l'UE a été essentiel pour le processus de négociation. Le soutien aux négociations a été un modèle de coordination pour les donateurs. Le soutien de l'UE a considérablement contribué à la création des capacités de négocia-

tion de l'Organisation de négociation régionale de la Caraïbe (*CRNM*), ce qui a été révélé par la facilité avec laquelle le CARICOM a entamé les négociations d'un accord commercial avec le Canada. Néanmoins, les progrès réalisés dans la mise en œuvre de l'APE sont lents, tant au niveau régional que national. Peu de pays ont des unités de mise en œuvre opérationnelles. Les fonds alloués aux acteurs non étatiques (ANE) sur Programme d'appui à l'intégration des Caraïbes (*CISP*) du FED9 sont restés essentiellement inutilisés.

7. Réduction de la criminalité et du trafic de drogue

Les interventions de l'UE ont bénéficié aux institutions anti-drogue à travers une formation accrue et le développement des capacités. Avec le soutien de l'UE, les échanges d'information des comités anti-drogue ont contribué à réduire la demande et l'approvisionnement. Cependant, les mécanismes de renseignement et les services offerts aux États membres de la région ne sont pas efficacement utilisés. Le réseau régional a été élargi et un projet de stratégie régionale de lutte anti-drogue a été élaboré, mais il n'y a aucune indication d'amélioration dans la formulation et la coordination des politiques.

8. Gestion des catastrophes

L'UE a soutenu la Stratégie régionale de gestion intégrée des catastrophes 2007-2012 en renforçant les capacités nationales. Cependant, les résultats sont apparus plus tard que prévu. L'UE a été efficace pour renforcer les capacités locales et a également contribué à la Stratégie régionale. L'appui à l'installation de quatre radars sera une partie importante de la capacité de gestion améliorée des catastrophes. L'UE est reconnue pour son appui solide après les catastrophes et son leadership dans la coordination de la programmation. Cependant, la visibilité des initiatives de l'UE dans la gestion des catastrophes est faible dans la région.

9. Education et formation

Les résultats des interventions dans le secteur ont été modestes, à cause de trois rai-

sons: 1) retards considérables dans la mise en œuvre des projets du *Caribbean Knowledge Learning Network (CKLN)*; 2) les projets ont donné (plus que prévu dans les objectifs de stratégie régionale) la priorité aux infrastructures d'Information et Technologie de la Communication (ITC) ; 3) d'autres projets prévus dans cette stratégie régionale ont été abandonnés. Aucune preuve d'une meilleure adéquation au marché du travail n'est disponible encore. La viabilité financière du CKLN, initialement prévue par des ressources commerciales, dépendra apparemment de subventions publiques.

ÉVALUATION GLOBALE

La pertinence de la stratégie conçue pour la période d'évaluation est **élevée**. Toutefois, dans les secteurs examinés lors de l'évaluation, à l'exception de l'appui à la négociation de l'APE, les résultats des interventions de l'UE auraient pu être améliorés par une meilleure sélection des partenaires de mise en œuvre, une complémentarité plus efficace entre les régions et les programmes nationaux, un renforcement des DUE chargées des programmes régionaux et meilleure visibilité.

CONCLUSIONS

Conclusions principales

1. Les stratégies régionales du FED9 et du FED10 ont été très sensibles aux priorités du CARIFORUM, grâce à un dialogue politique accru. Elles sont cohérentes avec les politiques CARIFORUM sur la réduction de la pauvreté, le développement durable et l'intégration dans l'économie mondiale.
2. A l'exception des pays membres de l'OECO, la région des Caraïbes est encore peu intégrée. L'efficacité des efforts internationaux pour renforcer l'intégration régionale a été sensiblement réduite par l'absence d'un cadre de coordination des donateurs.
3. Deux questions d'efficacité importantes sont les faiblesses du SCC et la capacité limitée au niveau national pour mettre en œuvre des politiques régionales.

4. L'efficacité et l'impact de l'appui de l'UE à la région sont limités par le fait que l'intégration régionale a perdu son élan politique dans de nombreux pays de la Caraïbe.
5. Dans la plupart des domaines passés en revue lors de l'évaluation, les réalisations et les résultats des interventions de l'UE sont modestes, à l'exception positive de l'appui à la négociation des APE et de la croissance de certaines exportations comme le rhum pour toute la région et les bananes pour la RD.

Conclusions complémentaires

6. Les DUE affirment qu'elles manquent de personnel pour la gestion efficace du programme régional, compte tenu des nombreuses composantes du FED9 et du FED10.
7. La coordination et la complémentarité entre les programmes nationaux et régionaux ont été faibles.
8. Trouver l'organisation adéquate pour la mise en œuvre des programmes régionaux reste un défi.
9. Tenant compte des recommandations de l'évaluation précédente, les thèmes transversaux ont été prises en considération dans le programme régional du FED10.
10. La visibilité de l'UE est restée faible dans le cas des projets de gestion des catastrophes et le projet CKLN.

Conclusions relatives aux secteurs

11. La monnaie unique est devenue un objectif à long terme après la décision du Sommet des chefs d'État en juillet 2011 de se consacrer plutôt à surmonter les obstacles et les retards encourus dans l'achèvement du marché unique.
12. Seulement dans de rares cas (p. ex. rhum pour l'ensemble de la région, bananes pour la RD) les interventions de l'EU ont contribué à accroître la compétitivité internationale des industries de la région.
13. En dépit de l'appui de l'UE et d'autres donateurs, la coopération RD-Haïti n'a pas beaucoup progressé.

14. Le soutien de l'UE est susceptible d'avoir une incidence positive sur l'intégration sous régionale de la Caraïbe orientale.
15. Les ressources européennes ont été essentielles pour la réussite des négociations de l'APE mais l'implication des ANE a été minimale.
16. Alors que l'UE est reconnue comme le principal bailleur de fonds du secteur gestion des catastrophes, la coordination interne peut être améliorée et son soutien au renforcement des capacités de gestion des catastrophes a produit des résultats modestes.
17. Les résultats des interventions en développement des ressources humaines ont été limités et les perspectives de viabilité financière des projets CKLN ne sont pas entièrement claires.

RECOMMANDATIONS

Les recommandations générales sont :

1. L'UE devrait continuer à favoriser le développement et l'adoption d'un système de coordination efficace des donateurs qui devait être présenté par le SCC en juin 2011.
2. En application des nouvelles directives de programmation, la complémentarité devrait être renforcée par l'élaboration de la stratégie régionale avant les stratégies nationales et en faisant de cette programmation régionale un cadre de référence pour la coopération bilatérale des États membres avec la région.
3. Les délégations doivent appuyer l'application des règles de visibilité par tous les projets et programmes financés par l'UE dans la région.

Les recommandations relatives aux secteurs sont

4. Le FED10 devrait inclure la présence et la participation des ANE dans la mise en œuvre de l'APE.
5. Les progrès dans l'intégration régionale exigent une amélioration de la compétitivité des économies des Caraïbes. Les interventions devraient être coordonnées avec les autres donateurs soutenant la compétitivité.

6. La participation de la DG ECHO de la Commission dans la programmation de la gestion des catastrophes devrait être renforcée.
7. L'UE devrait développer une stratégie de gestion des catastrophes (ou cadre de programmation) pour les Caraïbes et la diffuser largement parmi les bailleurs de fonds et les pays concernés, tout en veillant à ce que les agences d'exécution sélectionnées respectent les règles de visibilité de l'EU.
8. L'UE devrait analyser comment les interventions régionales dans l'éducation et la formation peuvent ajouter de la valeur dans une interaction synergétique avec les interventions sectorielles nationales, y compris par le biais de l'harmonisation avec les besoins du CSME des interventions post secondaires, des évaluations du marché du travail et de la gestion des connaissances.

RESUMEN EJECUTIVO

¿POR QUÉ ESTA EVALUACIÓN?

APRENDER LECCIONES PARA EL FUTURO

Este informe presenta las conclusiones de la evaluación 2011 de la cooperación de la Comisión de la Unión Europea con la región del Caribe. La evaluación se llevó a cabo para proporcionar información a la Comisión, al Servicio Europeo de Acción Exterior (SEAE) y al público en general sobre los resultados obtenidos por las estrategias de cooperación de la Comisión y su implementación para el período 2003-2010 a nivel de la región del Caribe. Esto significa que esta evaluación cubre los documentos de estrategia regional para el **Noveno Fondo Europeo de Desarrollo (FED9)** y **FED10**, pero también toma en cuenta actividades durante el período de evaluación que han sido financiados con recursos del **FED8**. Han sido cubiertos los diferentes sectores apoyados por la Comisión y todas las modalidades de financiación utilizadas en este período. Temáticamente, se centra en la integración regional económica y política, pero también en el desarrollo del sector privado y de los recursos humanos, en la prevención y mitigación de desastres naturales y reducción de delitos relacionados con las drogas. Las lecciones de esta evaluación sirven para mejorar las estrategias actuales y futuras de la Unión Europea en su cooperación con la región del Caribe. El equipo ha demostrado también que se han tomado en cuenta las recomendaciones de la evaluación previa de nivel regional para el período 1996-2002.

METODOLOGÍA: ¿CÓMO SE REALIZÓ LA EVALUACIÓN?

La evaluación se llevó a cabo en cuatro fases principales con actividades predefinidas e informes intermedios. Durante el proceso, el equipo de evaluación interactuó estrechamente con un Grupo de Referencia (GR).

Como primer paso, los evaluadores reconstruyeron el **marco lógico** basándose en un análisis de la estrategia regional de la Comisión y otros documentos de política. La evaluación se basa en nueve Preguntas Evaluativas (PE) acordadas con el Grupo de Referencia. Las preguntas abarcan los principales efectos directos y resultados previstos así como los diferentes temas transversales de la estrategia de la Comisión y de su implementación.

Durante la **fase documental**, los evaluadores recolectaron información sobre las intervenciones pertinentes para responder a las PE a través de **evidencias documentadas** de resultados, en forma de evaluaciones o informes de progreso, de monitoreo, de datos y documentos de otros donantes para el desarrollo. El equipo también realizó **entrevistas** con funcionarios de la UE en Bruselas, entrevistas preliminares con la Delegación de la UE (DEU) y la Secretaría de la Comunidad del Caribe (SCC) en Guyana, llevó a cabo una **encuesta** dirigida a los ordenadores nacionales así como a empresas y organizaciones del sector privado. Los evaluadores utilizaron información de estas fuentes para desarrollar un conjunto de respuestas preliminares y elaborar una metodología de pruebas para la **fase de campo**.

Durante la **fase de campo**, las hipótesis fueron validadas a través de **reuniones** con la DEU de Guyana y con la SCC, de **visitas** de los miembros del equipo de evaluación a **siete países del Caribe** (Barbados, República Dominicana, Granada, Guyana, Jamaica, Santa Lucía y Trinidad y Tobago); los hallazgos fueron presentados en una **reunión del GR** en Bruselas. El equipo realizó también **estudios de caso** en cuatro programas representativos.

El equipo contactó con más de 160 personas en el Caribe y Bruselas y consultó más de 200 documentos durante el curso de la evaluación. La muestra de programas evaluados representa 90% del monto financiero total del apoyo regional de la UE.

En la **fase de síntesis**, los evaluadores analizaron la información recopilada, comprobaron su fiabilidad, cruzaron información, y formularon sus conclusiones y recomendaciones.

CONTEXTO DE LA COOPERACIÓN

En 1992 se creó el Foro del Caribe de los Estados ACP (CARIFORUM) para la cooperación regional y el diálogo económico con la Unión Europea. Incluye **15 Estados miembros de la Comunidad del Caribe (CARICOM), Cuba y República Dominicana**. La Organización de Estados del Caribe Oriental (OECS) y CARICOM son organizaciones de integración regional regidas por tratados, mientras CARIFORUM es una organización de cooperación regional.

Económicamente, la región del Caribe está poco integrada. Las exportaciones intrarregionales de CARICOM alcanzaron en 2008 solo el 15% de las exportaciones totales, al contrario del 67% en el seno de la UE y al 25% en la Asociación de Naciones del Sudeste Asiático (ANSA). Las remesas en muchos países contribuyen de manera significativa al Producto Interno Bruto (PIB) y a nivel de CARICOM pasaron de 1,7 billones US\$ en 2000 a 4 billones US\$ en 2009. La región del Caribe se está recuperando de una severa recesión. La magnitud de las dificultades económicas se resume en que entre los 30 países más endeudados del mundo, 15 se localizan en la región del Caribe. El sistema de preferencias comerciales acordadas no ha dado los resultados esperados. La alta concentración de productos, el pequeño tamaño de los mercados y el elevado costo del transporte son importantes factores que determinan una **baja competitividad**.

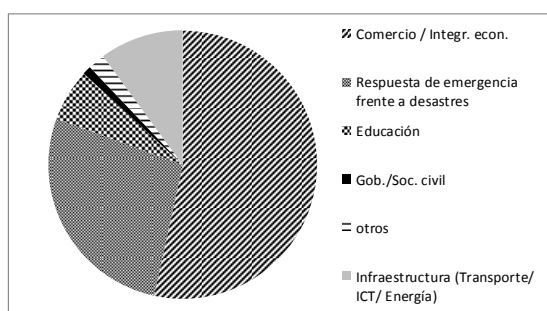
La «**fuga de cerebros**» de la región del Caribe es la más alta del mundo. El problema de las **drogas** ilícitas afecta especialmente a Haití, República Dominicana, Trinidad y Tobago, Guyana y Jamaica, pero también la región con la famosa "ruta del Caribe" utilizada

principalmente para el tránsito de drogas hacia Estados Unidos y Europa. Además, el Caribe es una de las zonas más afectadas por **desastres naturales** del mundo.

RELACIONES UE-CARIBE

Con excepción de Cuba, excluida de esta evaluación, todos los Estados del CARIFORUM han firmado el Acuerdo de Cotonou con la UE, por el cual son elegibles para la ayuda proporcionada a través de los fondos FED. Los acuerdos de acceso preferencial unilateral fueron substituidos por el Acuerdo de Asociación Económica (AAE, o EPA por sus siglas en inglés) CARIFORUM-UE firmado en octubre de 2008 por 13 Estados del Caribe y poco después por Guyana y Haití. La distinción clave entre el AAE y los acuerdos comerciales regionales tradicionales es que se toma en cuenta la dimensión de desarrollo, particularmente el apoyo al proceso de integración regional. CARIFORUM nombró a un coordinador de la AAE en la Cumbre Ministerial de CARIFORUM en Belice en 2011. La Asamblea Parlamentaria Paritaria EU-CARIFORUM se reunió por primera vez en junio de 2011. Solamente la conformación de la Comisión de Consulta de la Sociedad Civil está todavía pendiente.

Los **fondos para la región del FED9 (97.8 M€)** fueron altamente concentrados en el sector focal de **Comercio e Integración Regional**, seguido por los sectores de transporte e infraestructura, de respuesta de emergencia frente a desastres y de educación. El lento desembolso de los fondos del FED9 a finales de 2010, debido principalmente a la ineficacia de la SCC, se evidencia en la gran diferencia (casi 100 M€) entre el total asignado y el total pagado. Con el FED10 (165 M€), la concentración en la **integración económica regional** sigue siendo la misma además de las prioridades definidas en los AEE.

Figura: Desembolsos 2003-2010 de los fondos del FED9 y 10 por sectores (108,9 M€)

PRINCIPALES HALLAZGOS

1. Importancia del apoyo de la UE

La cooperación de la UE con la región del Caribe responde adecuadamente a las prioridades del CARIFORUM y a las estrategias de desarrollo de la UE, pero la integración regional ha perdido impulso político en muchos países del Caribe.

2. Eficiencia de apoyo de la UE

Los marcos institucionales y las modalidades de ayuda no fueron los más adecuados: la eficiencia y la eficacia de las intervenciones bajaron entre el FED8 y el FED9. La implementación del FED8 se atrasó mucho, al igual que la programación y la ejecución del FED9. La programación del FED10 sufrió también retrasos. La UE ofreció apoyo la SCC pero no logró aumentar de manera substancial su capacidad. Los salarios del personal de la SCC siguen bajos. Las capacidades para aplicar políticas regionales a nivel nacional son limitadas. La coordinación entre donantes recibió escaso apoyo de parte de la SCC y fue débil salvo en asuntos de negociaciones del AAE, de energía y de gestión de desastres. Se crearon comités de trabajo de la SCC y de donantes en una conferencia en julio de 2011. Se suponía que debían reunirse antes del fin de ese año, pero no lo hicieron. Una nueva Conferencia de coordinación está prevista a mediados del año 2012.

3. Integración regional

La UE facilitó el proceso apoyando la SCC en la implementación del Plan de Trabajo del Mercado y Economía Única del Caribe (CSME). Sin embargo las intervenciones de la UE no lograron evitar retrasos en la

implementación. La libre circulación de personas es aún muy limitada. Las exportaciones de mercancías dentro del Caribe, aparte de petróleo, son todavía marginales. Los actores consultados están de acuerdo que el comercio de servicios dentro del Caribe no ha aumentado significativamente en los últimos años y que la realización de la Economía Única queda en espera.

4. Integración subregional

Las exportaciones de los países de la Organización de Estados del Caribe Oriental (OECS) a los miembros de la CARICOM alcanzaron 161 M US\$ en 2008, que representan el 76% de las exportaciones totales de los países de la OECS. La Unión Europea apoya el desarrollo de capacidades de la Secretaría de la OECS. El programa del FED10 (12,6 M€) tendrá un impacto directo sobre la integración, ya que se pretende aumentar la capacidad técnica de la OECS para conformar una Unión Económica. Las intervenciones de la UE registraron resultados limitados en la cooperación DR-Haití, pero es probable que tengan mayor impacto en el FED10.

5. Competitividad de la región

El apoyo de la UE para alcanzar mayor competitividad en la región fue significativo, sin embargo los resultados son modestos debido a un clima de negocios todavía poco favorecedor. El único aumento significativo de exportaciones de mercancías durante el período 2002-2009 fue de materias primas, combustibles minerales y productos químicos, relacionados con la bauxita de Jamaica y los hidrocarburos de Trinidad y Tobago. Hay algunas excepciones como las exportaciones de ron de la región, que crecieron de 6 M US\$ en 2006 a 100 M US\$ en 2008, o la República Dominicana convirtiéndose en el tercer mayor productor de los ACP de banano. Las organizaciones de apoyo al sector privado se han fortalecido, pero están lejos de ser autosostenibles.

6. Acuerdo de Asociación Económica

La financiación regional de la UE ha sido fundamental para el proceso de negociación. El apoyo a las negociaciones fue un modelo para la coordinación de los donantes. El apoyo de la UE contribuyó sustancialmente a la creación de capacidad de negociación de la Maquinaria de Negociación de la Región del Caribe (CRNM) demostrado por la facilidad con la que CARICOM se ha podido embarcar en un proceso de negociación para un acuerdo de comercio con Canadá. Sin embargo, el progreso en la aplicación del AAE es lento a nivel regional y nacional. Pocos países cuentan con unidades de implementación operativa. Los fondos asignados para actores no estatales en el Programa de apoyo a la integración del Caribe del FED9 (CISP) permanecieron mayormente no utilizados.

7. Reducción del crimen y narcotráfico

Los organismos policiales y jurídicos se beneficiaron de las intervenciones de la UE a través del aumento de entrenamientos y el desarrollo de capacidades. Con el apoyo de la UE, las agencias anti drogas compartieron informaciones, contribuyendo a mejorar los programas de reducción de la demanda y de la oferta. Aun así, los mecanismos de inteligencia y servicios disponibles para los Estados miembros de la región no fueron eficientemente utilizados. Se amplió la red en la región y se elaboró un borrador de estrategia regional de lucha contra las drogas, pero no hay ninguna indicación de una mejor formulación y coordinación de las políticas.

8. Gestión de desastres

La UE apoyó la estrategia regional de manejo de desastres 2007-2012 a través de la creación de capacidades institucionales a nivel nacional. Sin embargo, los resultados se vieron más tarde de lo planeado. La UE fue efectiva en el fomento de capacidades a nivel local para la prevención y preparación y también contribuyó a la estrategia de manejo de desastres. El apoyo a la instalación de cuatro radares será una parte importante de la capacidad de gestión de

desastres. La UE es reconocida por su importante apoyo a los manejos de desastres naturales y su liderazgo en la coordinación de la programación; sin embargo, la visibilidad de las iniciativas de gestión de desastres de la UE en la región, es baja.

9. Educación y formación

Los resultados de las intervenciones del sector han sido modestos hasta ahora, debido a tres razones: 1) considerables retrasos en la implementación de los proyectos de la Red de difusión de conocimientos del Caribe (CKLN); 2) los proyectos priorizaron las infraestructuras de la tecnologías de la información y la comunicación (TIC) más allá de lo previsto en los objetivos sectoriales de la estrategia regional; 3) otros proyectos previstos en esta estrategia regional fueron abandonados. Todavía no hay evidencia de una mejor adecuación del mercado laboral. La sostenibilidad financiera de la red CKLN, planeada inicialmente en términos comerciales, dependerá aparentemente de subsidios de los gobiernos.

EVALUACIÓN GENERAL

La pertinencia de la estrategia diseñada para el período de evaluación es **alta**. Sin embargo, en sectores revisados durante la evaluación, con excepción del apoyo a las negociaciones del AAE, los resultados de las intervenciones de la UE podrían haber sido más altos con una mejor selección de socios en la ejecución, una complementariedad más eficaz entre los programas regionales y nacionales, un fortalecimiento de las Delegaciones encargadas de los programas regionales y una mejor visibilidad.

CONCLUSIONES

Conclusiones principales

1. Las estrategias regionales de FED9 y FED10 fueron en línea con las prioridades del CARIFORUM, gracias a un mejor diálogo político. Fueron coherentes con las políticas CARIFORUM de reducción de la pobreza,

desarrollo sostenible e integración en la economía mundial.

2. A excepción de la OECO, la región del Caribe es todavía poco integrada. La eficacia de los esfuerzos internacionales para mejorar la integración regional se ha reducido considerablemente por la falta de un marco de coordinación entre donantes.
3. Dos cuestiones de eficiencia importantes son las debilidades de la SCC y la capacidad limitada a nivel nacional para aplicar políticas decididas a nivel regional.
4. La eficacia y el impacto de la ayuda regional de la UE están limitados por el hecho que la integración regional ha perdido impulso político en muchos países del Caribe.
5. En la mayoría de las áreas examinadas durante la evaluación, los efectos directos y los resultados de las intervenciones de la UE fueron modestos, con la excepción positiva del apoyo a las negociaciones de la AAE y el crecimiento de algunas exportaciones como el ron para toda la región y plátanos para la República Dominicana.

Conclusiones complementarias

6. Las Delegaciones señalan una falta de personal para la gestión eficaz de los programas teniendo en cuenta los componentes del FED9 y el FED10.
7. La coordinación y la complementariedad entre los programas nacionales y regionales fue débil.
8. Averiguar las instituciones adecuadas para implementar el programa regional sigue siendo un desafío.
9. Teniendo en cuenta las recomendaciones de la evaluación anterior, todos los temas transversales han sido tomados en consideración en el Programa Regional del FED10.
10. La visibilidad de la UE sigue baja en el caso de proyectos de gestión de desastres y del proyecto CKLN.

Conclusiones a nivel de sectorial

11. La moneda única se ha convertido en un objetivo a largo plazo después de la decisión de la Cumbre de Jefes de Estado en julio 2011 de concentrarse en la superación de los obstáculos y retrasos incurridos en la realización del mercado único.
12. Solo en algunos casos (por ejemplo, ron para toda la región, bananos para República Dominicana), las intervenciones de la UE contribuyeron a aumentar la competitividad internacional de las industrias de la región.
13. A pesar del apoyo de la Unión Europea y otros donantes, la cooperación entre la República Dominicana y Haití no ha progresado mucho.
14. Es probable que el apoyo de la UE impactaría positivamente en la integración subregional del Caribe Oriental.
15. Los recursos de la UE fueron claves para el éxito de las negociaciones del AAE, pero la participación de los actores no estatales fue mínima.
16. La UE está reconocida como el donante líder del sector de manejo de desastres, pero puede mejorar su coordinación interna y su apoyo para aumentar la capacidad de gestión de desastres que ha producido resultados modestos.
17. Los resultados generales de las intervenciones en el desarrollo de recursos humanos han sido limitados y las perspectivas de sostenibilidad financiera de los proyectos de la red CKLN no están claras.

RECOMENDACIONES

Las recomendaciones generales son:

1. La UE debería seguir apoyando el desarrollo y la adopción del sistema de coordinación entre donantes que debía ser presentado por la SCC en junio de 2011.
2. En aplicación de las nuevas directrices de programación, la complementariedad debe mejorarse mediante la redacción de la estrategia regional antes de

las estrategias nacionales y haciendo de la estrategia regional un marco de referencia para la cooperación bilateral de los Estados miembros de la UE con la región.

3. Las delegaciones deben presionar para la aplicación de las reglas de visibilidad por todos los proyectos y programas de financiación comunitaria en la región.

Las recomendaciones a nivel sectorial

4. El FED10 debe incluir la asistencia y las actividades relacionadas con la participación de los actores no estatales en el AAE.
5. El progreso en la integración regional requiere una mejora de la competitividad de las economías caribeñas. Las intervenciones deben coordinarse con los demás donantes apoyando la competitividad.

6. Debe fortalecerse la participación de la DG ECHO de la Comisión en discusiones programáticas de gestión de desastres.
7. La UE debe desarrollar una estrategia de manejo de desastres (o marco de programación) para el Caribe y difundirla ampliamente entre los donantes y los países, asegurando que los organismos de ejecución seleccionados respeten normas de visibilidad de la UE.
8. La UE debería analizar cómo las intervenciones regionales en la educación y en el sector de la formación pueden agregar valor en una interacción sinérgica con las intervenciones del sector nacional, incluyendo la armonización de las intervenciones en educación postsecundaria, evaluación del mercado de trabajo y en la gestión del conocimiento con las necesidades del CSME.

1 INTRODUCTION

The evaluation of the Commission of the European Union's support to the Caribbean Region (Regional Level Evaluation) is part of the 2010 evaluation programme approved by the External Relations and Development Commissioners. This evaluation has been allocated under the Consortium Contract "FWC EVA 2007/geo-acp LOT 3" lead by ECO Consult. The Evaluation's Terms of Reference (TOR) are included as an annex.

1.1 Objectives

As stated in the TOR the main objectives of the evaluation are to:

- Provide the relevant external co-operation services of the European Union (EU) and the wider public with an overall independent assessment of the Commission's past and current co-operation relations with the Caribbean Region;
- Identify key lessons in order to improve the current and future strategies and programmes of the EU's external co-operation services in regard to the Caribbean Region.

The focus in the evaluation of the EU³ geographical programmes lies on the results and impact (effects) against the background of greater concentration of external co-operation and increasing emphasis on result-oriented approaches, particularly in the context of the programmes of the EuropeAid Development and Co-operation Directorate General (DG DEVCO) and the European External Action Service (EEAS).

The evaluation seeks an appropriate balance between a) comprehensiveness in order to fulfil the contribution to fund management accountability and b) specificity in order to identify relevant lessons that can be used by the EU and its partners for increasing the amount of positive results deriving from its support both in regard to the region and in a more general, global context of external co-operation.

1.2 Scope of the Evaluation

The scope of the evaluation covers the EU's co-operation strategies and their implementation for the period **2003-2010**, thereby covering the current programming cycle 2008-2013 and the previous one, 2003-2007. Though not specifically mentioned in the TOR, the evaluation also covers interventions programmed under the European Development Funds (EDFs) 7 and 8 still on-going at the start of the period under evaluation. Therefore, the evaluation has assessed:

- the relevance and coherence of the EU's co-operation strategies (all instruments included) for the period (strategic level);
- the consistency between programming and implementation for the same period;
- the value added of the EU interventions (strategic and implementation levels);
- the 3 Cs: Coordination and complementarity of the EU interventions with other donors' interventions (i.e. of EU member states), and coherence between the EU development co-operation and other EU policies likely to affect the partner region;

³ In this report the consultants will refer to the EuropeAid Development and Co-operation Directorate General (DG DEVCO) and the European External Action Service (EEAS) that was created with the Treaty of Lisbon (entry into force on December 1, 2009) as opposed to the former DG AIDCO and DG RELEX. The term 'EU support' will not include development support by EU Member States, but only development support managed by the Commission of the EU (e.g. in form of EDF or EU budget line funding) in coordination with the EEAS.

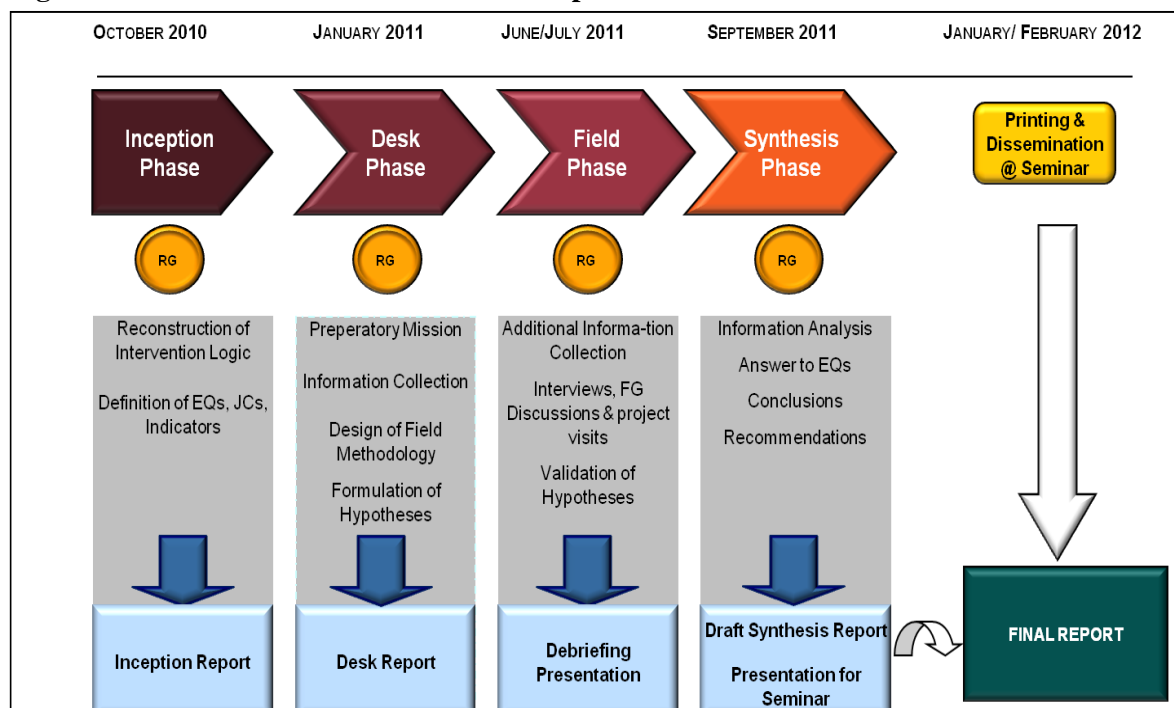
- the implementation of the EU’s co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period under the programming cycle;
- whether cross-cutting and key issues were actually taken into account all along from programming to implementation; and
- whether the recommendations of the previous regional level evaluation covering the period 1996-2002 have been taken into account.

Key documentation for the evaluation was assessed in order to avoid overlaps with the already completed and on-going related evaluations. The evaluation also took into account other relevant non-programmable financing available to the Caribbean region as far as they concerned the region and not just specific countries. Thematically, the evaluation team focused on Regional integration, international competitiveness, Economic Partnership Agreement, Crime and Illegal Drug Trafficking, Disaster Management and Human Resource Development.

1.3 Methodology and Phases of the Evaluation

As depicted in the figure below, the evaluation was conducted in four major phases with pre-defined activities and interim-reports (or in the case of the field phase, a presentation) standing at the end of each phase. The detailed methodology and description of the various evaluation steps can be found in Annex II.

Figure 3: Process of the evaluation in four phases⁴



* Note: The round shapes stating “RG” symbolise the four meetings with the Reference Group

During the process, the Evaluation Team interacted closely with a Reference Group (RG), composed by representatives of the concerned EU services in Brussels (namely DG DEVCO, DG TRADE and the EEAS) and at the Regional Delegation of the European Union (EUD) in Guyana, as well as representatives of CARIFORUM.

⁴ Contrarily to what is foreseen in EU methodology, the Final Report has not been presented at a Seminar in the region. It was cancelled due to budgetary problems and a certain lack of interest from major stakeholders.

In the **inception phase**, the team studied the EU-Caribbean relations and strategic planning documents in respect to:

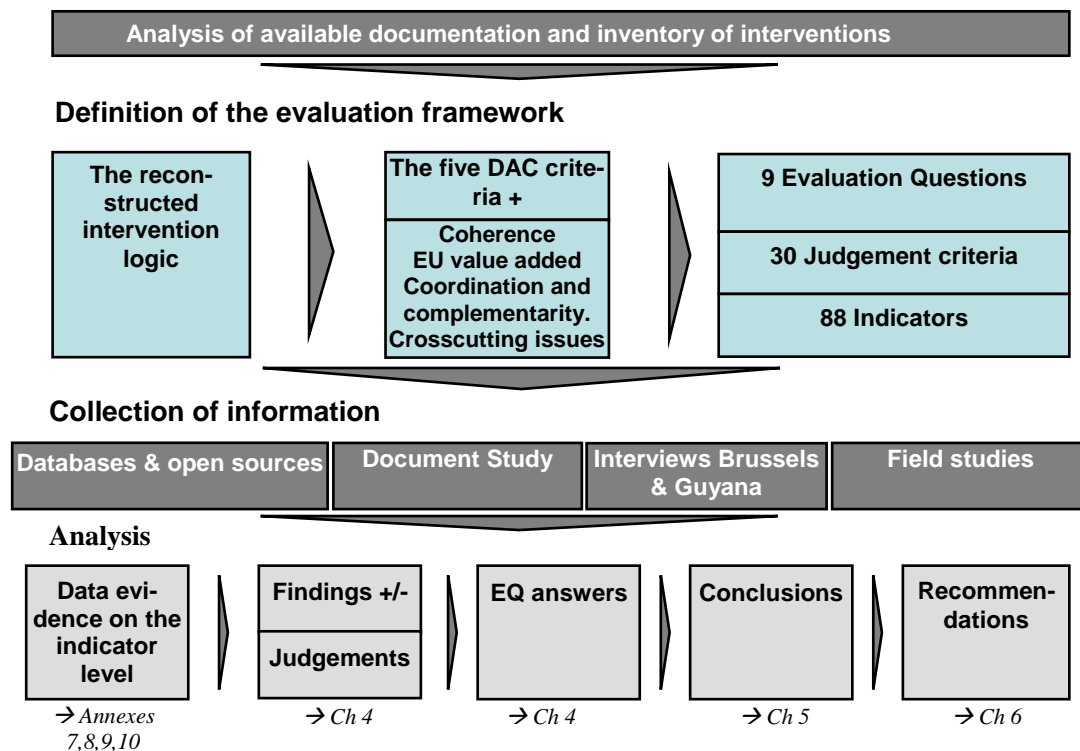
- The main sectors and modalities of intervention, and
- The “faithful” intervention logic applied under EDFs 9 and 10.

On this background, the team reconstructed the intervention logic for the whole evaluation period (see Figure 12). The reconstructed intervention logic, and the evaluation criteria and issues mentioned in the TOR, were the points of departure for the team’s identification of nine evaluation questions (EQs). With corresponding judgement criteria (JCs) and indicators, the EQs provided the framework for the further work of the evaluation.

For the elaboration of the **Desk Report**, the evaluation team:

- Collected data and project/programme documentation, including statistical information,
- Conducted interviews with the concerned EU services in Brussels,
- Held preliminary discussions with the EUD and the CARICOM Secretariat in Guyana,
- Elaborated questionnaires for a survey addressing the National Authorising Officers (NAOs) and Business and Private Sector Organisations in the region,
- Analysed the information provided through the above mentioned sources to elaborate preliminary answers to the evaluation questions and hypotheses to be tested during the field mission,
- Elaborated the methodology and a detailed work plan for the field phase.

Figure 4: Synthesis of the evaluation



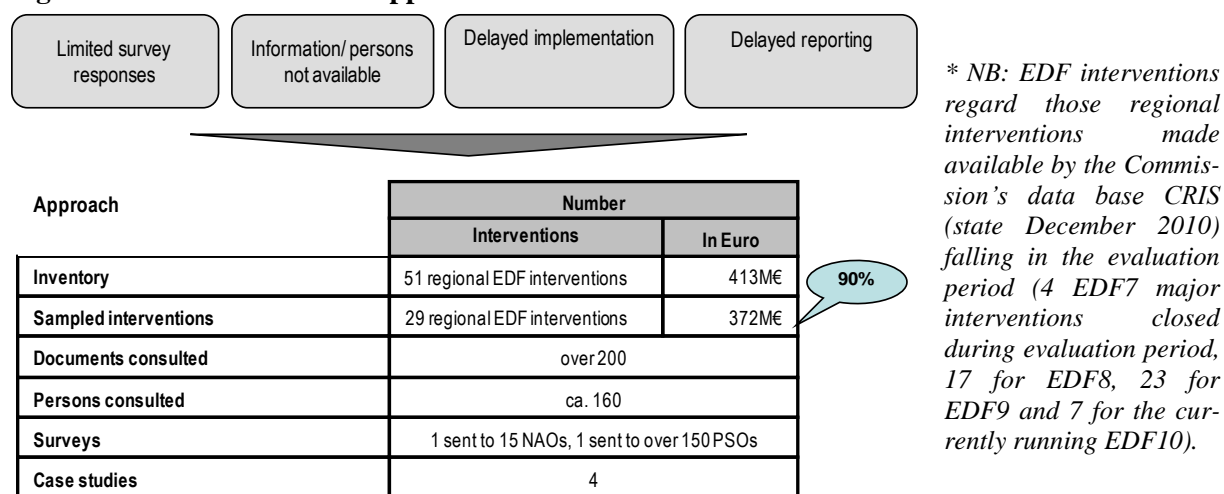
The **field phase** comprised team briefings at the EUD Guyana and at the CARICOM Secretariat (CCS), visits by team members to seven Caribbean countries (Barbados, Dominican Republic, Grenada, Guyana, Jamaica, St. Lucia, Trinidad and Tobago) and a presentation of the findings at a Reference Group meeting in Brussels.

In order to allow for in-depth analysis of specific programmes, projects or cooperation issues that may be of interest to the overall assessment, four **case studies** were carried out during the field phase:

- ❖ Caribbean Integration Support Programme (CISP, EDF9)
- ❖ Project supporting the Caribbean Regional Negotiating Machinery (EDF8)
- ❖ Multi-Country Drug Demand Reduction Programme (EDF8)
- ❖ Caribbean Knowledge and Learning Network (CKLN, centred on delays, EDF8)

In the figure below the **limitations** to this evaluation are summed up. Only four National Authorizing Officers (NAOs) and 19 Private Sector Organisations (PSO) responded to the surveys.

Figure 5: Limitations and Approach to the Evaluation



In the **Synthesis Phase**, the team adjusted the preliminary findings of the desk phase according to the field findings in order to arrive at the draft final EQ answers. Crosscutting analyses of the answers led to the overall conclusions in response to the objectives of the evaluation and to recommendations that originate from the conclusions. The revised findings, conclusions and recommendations are integrated in this Final Report.

1.4 Structure of the Report

The report is structured in six chapters. After the introductory chapter that will in the following also explain the methodology and phases of the evaluation, chapter 2 presents the context and the main challenges of the Caribbean region, reviews key issues of the EU-Caribbean relation and provides a quantitative analysis of the EU support to the region. Chapter 3 goes on by presenting the answers to the evaluation questions as well as the judgements and evaluation findings on which they are based. Chapter 4 draws general conclusions on the EU intervention strategy in general and by sectors. Finally, chapter 5 provides the main recommendations deriving from the evaluation.

The annexes include the Terms of Reference, the Information Matrix containing the findings at the indicator level on which the judgement criteria (JC) and EQ answers are based; a list of persons consulted; a bibliography; surveys that were sent to NAOs and PSOs in the Caribbean; the inventory of EU financed projects and programme within the scope of the evaluation and a number of data related to the context and the findings of the evaluation.

2 THE CONTEXT OF CO-OPERATION WITH THE CARIBBEAN REGION

2.1 Institutional Context

The wider Caribbean region, subject of this evaluation, includes 15 ACP countries. There are 16 CARIFORUM countries: 15 CARICOM countries minus Montserrat, plus Dominican Republic and Cuba. As ACP and CARIFORUM member, Cuba has signed a 'partial scope' free trade zone agreement with CARICOM. However, the country is not a signatory of the Cotonou Agreement and consequently not benefiting from EDF support, and is therefore not included in the Evaluation.

The region is mostly comprised of small island states (more than 7,000 islands, islets, reefs, and cays) scattered over a wide geographical area and surrounded by the Caribbean Sea and the Atlantic Ocean (see Figure 2: Map of wider Caribbean Region on page 6). While five (Barbados, Cuba, Jamaica, the Dominican Republic, and Trinidad and Tobago) can be seen as larger island countries and economies, seven (Antigua & Barbuda, the Bahamas, St. Kitts & Nevis, Dominica, Grenada, St. Lucia, St. Vincent & the Grenadines) are small-island states, and three are mainland countries (Belize, Guyana, and Suriname). The only Least Developed Country is Haiti.⁵

The variety of cultures, languages,⁶ levels of economic development and differences in population constitute a challenge for a comprehensive evaluation. Complexity is broadened by the historical background of the Caribbean states,⁷ as well as by the location of EU Outermost Regions (OMR)⁸ and Overseas Countries and Territories (OCTs)⁹ in the Region. There is a special EU-OCT cooperation framework, however, the OCTs also have access to regional programmes and they are encouraged to participate in regional cooperation¹⁰. Differently from OCTs, the French OMR are part of the EU, and may thus benefit from specific measures.

Regionalism as expressed in the Caribbean Community (CARICOM) helps the members to jointly tackle shared problems and to participate more in international affairs. The CARICOM as further described in box 1 is a community of 15 Caribbean countries.

⁵ These classifications are provided by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (August 2010); see: <http://www.unohrrls.org/en/ldc/related/62/>

⁶ English, French, Spanish and Dutch are official languages and spoken alongside indigenous languages and local dialects.

⁷ The great majority of the Caribbean countries were British colonies and only gained full independence in the 1970s/1980s.

⁸ OMRs in the Caribbean include: French Guiana, Martinique, Guadeloupe, Saint Barthélemy and Saint Martin (all are French, the first three being “départements d'outre-mer”/ DOMs).

⁹ OCTs in the Caribbean included in the evaluation period: Anguilla, Aruba, British Virgin Islands, Cayman Islands, Montserrat, the Netherlands Antilles and Turks & Caicos Islands (The Netherlands Antilles were formally dissolved by 10.10.2010. Out of the 5 islands that make up the Antilles, 2 of them gained country status within the Kingdom of the Netherlands (Curaçao and St. Maarten). They will remain OCTs. 3 of them acquired the status of Dutch municipalities with special status, but continue to have OCT status (Bonaire, Saba and St.Eustatius).

¹⁰ See Region Level Evaluation; Overseas Countries and Territories (OCT), Final Report, EU October 2011

Box 1: The Caribbean Community (CARICOM)

In 1972, Commonwealth Caribbean leaders decided to transform the Caribbean Free Trade Association (CARIFTA) into a Common Market and establish the Caribbean Community, of which the Common Market would be an integral part. The Treaty establishing the Caribbean Community (signed in Chaguaramas on 4th July 1973) was a defining moment in the history of the Commonwealth Caribbean. CARIFTA established a free trade area, but did not provide for the free movement of labour and capital, or the co-ordination of agricultural, industrial and foreign policies.

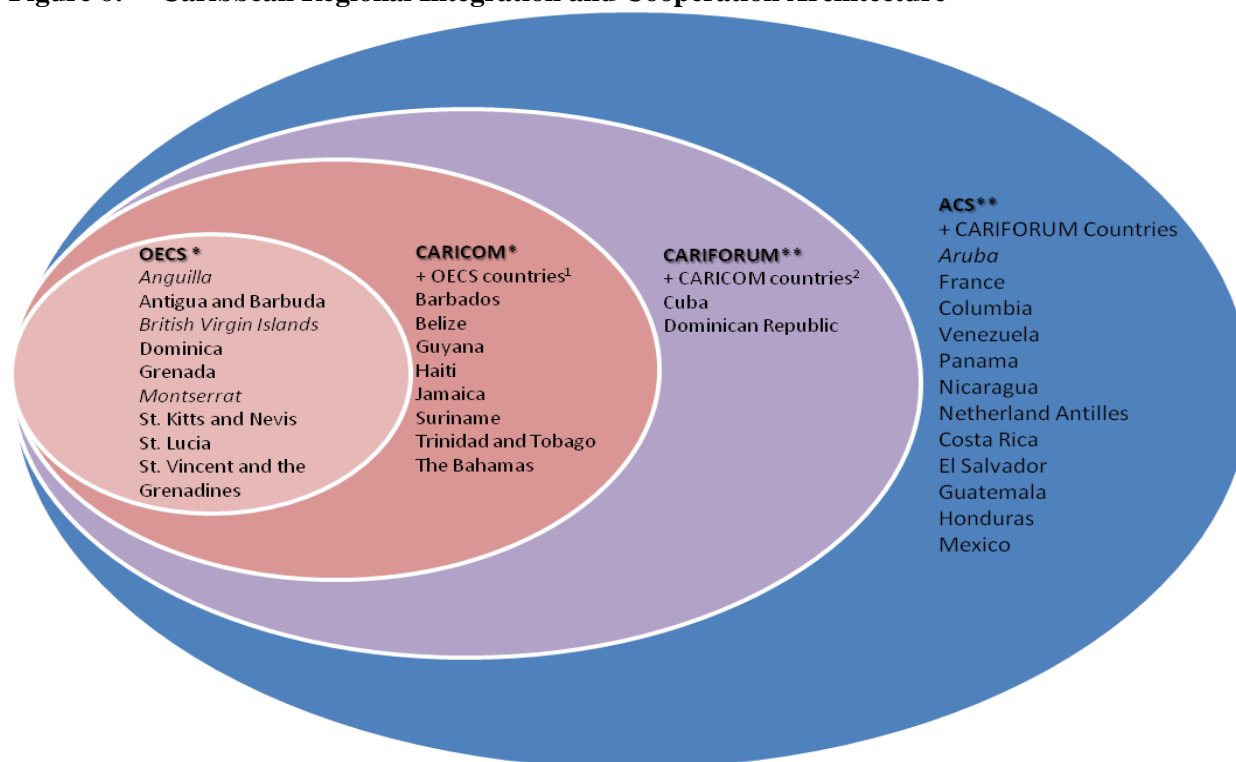
The objectives of the community (Article 6 of the Revised Treaty) are: to improve standards of living and work; the full employment of labour and other factors of production; accelerated, coordinated and sustained economic development and convergence; expansion of trade and economic relations with third states; enhanced levels of international competitiveness; organisation for increased production and productivity; achievement of a greater measure of economic leverage and effectiveness of member states in dealing with third States, groups of States and entities of any description and the enhanced co-ordination of member states' foreign and foreign economic policies and enhanced functional co-operation. In 1989, the Heads of Government decided to transform the Common Market into a single market and economy in which factors move freely as a basis for internationally competitive production of goods and provision of services. It was also decided that for the transformation to take place, the Treaty would have to be revised. Between 1993 and 2000, nine protocols amended the Treaty. These nine protocols were later combined to create the Revised Treaty of Chaguaramas Establishing the Caribbean Community, including the CARICOM Single Market and Economy (CSME). Allowances have been made for the subsequent inclusion in the Revised Treaty, by way of additional protocols, of new issues such as e-commerce, government procurement, trade in goods from free zones, free circulation of goods, and the rights contingent on the free movement of persons.

The **Forum of Caribbean ACP states (CARIFORUM)** of 17 countries was established in 1992 as a forum for regional co-operation that includes a broader group than the 15 CARICOM members: Cuba¹¹ and the Dominican Republic. It manages and coordinates both intra-regional and inter-regional policy dialogue, coordinates the allocation of resources and manages the implementation of Regional Indicative Programmes (RIPs) financed by the EDF. The CARICOM Secretariat (CCS) has now four Directorates, which include one for CARIFORUM. On April 2011, the 18th meeting of the Caribbean Community Council of Ministers decided that the new CARIFORUM structure should include both the Economic Partnership Agreement (EPA) Implementation Unit and the traditional programming and development co-operation function, with its own dedicated staff. It was also agreed that the current position of Assistant Secretary General of CARIFORUM should be designated as Director General and assume the position of CARIFORUM EPA Coordinator.

The broadest regional co-operation organisation in the Caribbean is the **Association of Caribbean States (ACS)** where, in addition to the CARIFORUM countries, neighbouring countries and France, through its OMR, are engaged. **The Organisation of East Caribbean States (OECS)**, a sub-regional organisation, and CARICOM are integration organisations bound by treaties and CARIFORUM and ACS are modes of regional cooperation. Figure 6 below schematically depicts the regional architecture.

¹¹ Cuba, being the 16th Caribbean ACP state is located in the Caribbean region, member of CARIFORUM and has signed a 'partial scope' free trade zone agreement with CARICOM. However, the country is not a signatory of the Cotonou Agreement and consequently not benefiting from EDF support. The EU relations with Cuba are based on the Common Position adopted in 1996. See: Common Position of 2 December 1996 defined by the Council based on Article J.2 of the Treaty on European Union, on Cuba. Cooperation was re-launched in 2008. An indicative allocation of €20M was earmarked for Cuba for the period 2011-2013 under the EU Development Cooperation Instrument (DCI).

Figure 6: Caribbean Regional Integration and Cooperation Architecture



OECS: Organisation of Eastern Caribbean States
 CARIFORUM: Forum of Caribbean ACP States

CARICOM: The Caribbean Community and Common Market
 ACS: Association of Caribbean States

* Regional Integration Organisations
 ** Regional Cooperation Organisations

¹ except *Anguilla and British Virgin Islands*
² except *Montserrat*

Source: Reconstruction from RIP 2003-2013.

Italics – Overseas Countries and Territories

The below standing table depicts the five different EU delegations that are in charge of project implementation within the Caribbean region. The implementation of the Caribbean regional programme is mainly the responsibility of the Delegation in Guyana. Still, some programmes covered under the Regional Strategy Papers (RSPs) are also supervised and implemented under the umbrella of other Delegations, in particular, the Delegation in Barbados responsible for seven East Caribbean states.

Table 1: EU Delegations in the Caribbean region

CARIBBEAN COUNTRIES (AND OCTs)	RESPONSIBLE EU DELEGATION
Barbados, Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines; (<i>Anguilla, Montserrat, British Virgin Islands</i>)	Barbados
Dominican Republic, Cuba	Dominican Republic
Guyana, Suriname, Trinidad & Tobago, (<i>Netherlands Antilles¹², Aruba</i>)	Guyana
Haiti	Haiti
Jamaica, Belize, the Bahamas; (<i>Turks & Caicos Islands, Cayman Islands</i>)	Jamaica

Source: Own compilation based on information of DG DEVCO and the Delegations' websites.

2.2 Socio-Economic Context

As indicated in the table below, most Caribbean countries are middle-income countries. However, the region is very heterogeneous in size and population. Likewise, the table shows wide differences of the Human Development Index (UNDP) and the Corruption Perception Index (Transparency International), with Barbados and Haiti standing at the extremes for both indexes.

¹² On 10 October 2010, the Netherlands Antilles were dissolved into several units. However, this does not affect their status as one OCT in the evaluation period.

Table 2: Overview of Caribbean Countries

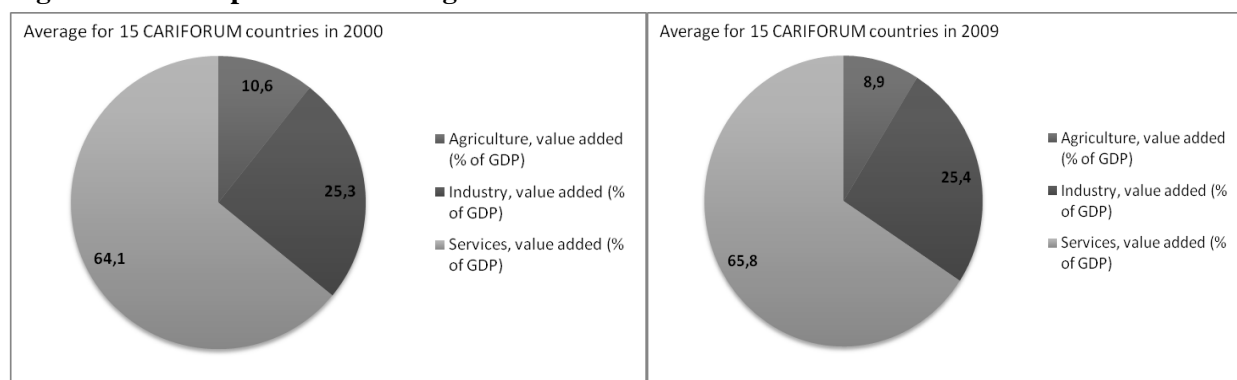
Country	Size in sq. Km	Population mid 2010 (.000 persons)	Per Capita GDP 2009 (in current USD)	HDI Ranking 2010	CPI Ranking 2010
Antigua and Barbuda	443	89	12,474
Bahamas	13,880	346	21,570	43 (high)	...
Barbados	430	257	13,820	42 (very high)	17
Belize	22,966	313	4,356	78 (high)	...
(Cuba)	110,860	11,203	5,560	...	69
Dominica	751	67	5,608	...	44
Dominican Republic	48,670	9,899	8,410	88 (medium)	101
Grenada	344	104	5,912
Guyana	214,969	761	2,658	104 (medium)	126
Haiti	27,750	10,089	653	145 (low)	146
Jamaica	10,991	2,730	4,566	80 (high)	87
Saint Kitts and Nevis	261	52	10,121
Saint Lucia	616	174	5,548	...	22
Saint Vincent & Grenadines	389	109	5,371	...	31
Suriname	163,820	524	4,190	94 (medium)	75
Trinidad and Tobago	5,128	1,344	15,777	59 (high)	73
TOTAL	622,268	38,061	118,661		

Sources: Size- CIA fact book / Population & Per Capita GDP- statistical yearbook, Latin America and the Caribbean UNDP/ CPI- Corruption Perception Index 2010 Report, Transparency International/ HDI- HDR 2010 UNDP

A recent report of the CCS notes that there is still a significant level of poverty in CARICOM countries, despite the middle level per capita income that has been achieved. The level of poverty is reported to be 27% in St. Kitts, 15.9% in Nevis, 37.7% in Grenada, 18.4% in Antigua and Barbuda, 14.5% in Jamaica, 28.8% in St. Lucia, and 16.7% in Trinidad and Tobago.¹³

In contrast to the majority of African and Pacific signatory countries of the Cotonou Agreement, the tertiary sector of most CARIFORUM member states makes close to two thirds of their GDP. The average percentage for those countries has grown slightly between 2000 and 2009 (see figure below). In Guyana and Haiti, the primary sector still contributes to about a quarter of the GDP. In the Dominican Republic, Suriname, Trinidad and Tobago and Antigua and Barbuda, it is the secondary sector that creates a proportion of around 25% of the national economy (2009). A detailed repartition of CARIFORUM GDPs (except Cuba) per sector can be found in the tables in Annex IX).

Figure 7: GDP per sector- average for CARIFORUM countries in 2000 & 2009



Sources: Calculation based on data for CARIFORUM member countries (except Cuba) from DG Trade website- statistics on bilateral relations <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/statistics/> (state March 2010), NB: Cuba is not included; data for Haiti is taken from CIA fact book for 2000 and 2010

¹³ CARICOM Trade and Investment Report, published by Ian Randle Publications for The CARICOM Secretariat, 2010.

Table 3: CARIFORUM trade in services by category for 2003-2008 (in million US\$)

Service Type	YEAR 2003 export	2003 import	2004 export	2004 import	2005 export	2005 import	2006 export	2006 import	2007 export	2007 import	2008 export	2008 import
Transport	1,074	2,572	1,189	2,678	1,126	3,133	1,246	3,391	1,338	3,861	1,152	3,793
Travel*	8,426	1,227	8,905	1,391	9,902	1,500	10,831	1,492	11,477	1,526	10,027	1,231
Communications	422	123	489	145	437	165	466	176	481	189	415	162
Construction	4	60	4	42	6	80	7	271	13	245	1	73
Insurance	232	530	288	529	322	698	301	755	348	808	84	592
Financial services	51	75	59	91	116	80	119	99	162	97	61	81
Computer and information	78	38	78	93	80	37	67	45	57	52	48	43
Royalties and licence fees	51	104	52	103	54	114	57	124	59	160	63	138
Other business services	600	1,123	758	1,310	839	1,523	839	1,603	916	1,769	806	1,714
Personal, cultural & recreational services	21	5	28	6	30	4	31	7	30	9	39	8
Government services n.i.e.	228	338	250	325	308	358	303	403	331	432	308	340
TOTAL	11,187	6,194	12,100	6,713	13,221	7,694	14,267	8,365	15,212	9,149	13,004	8,174

Source: UNCTAD Stat (2011);

* includes goods and services acquired from an economy by non-resident travellers during visits shorter than 1 year.

However, tourism related exports continue to dwarf the other exports of service. Also, as can be read in table 3, the trade surplus in services tends to deteriorate, imports growing at a faster rate than exports.

As detailed in the next section, CARICOM's intra-regional exports were in 2008 only 16% of the total of CARICOM exports.¹⁴ This can be compared to 67% for the EU and to 25% for ASEAN. Still, it is higher than MERCOSUR (15%). This small share is due to many factors, the main ones being the lack of complementarity and of competitiveness, the transport costs within the archipelago, and the liberalisation of trade with other countries. Petroleum represented around 60% of the intra-CARICOM trade.

The tourism sector in the Caribbean is expanding very slowly. Besides services (in particular financial and tourism), mineral and petroleum based industries are the major recipients of Foreign Direct Investment (FDI), while foreign investment in agriculture and manufacturing sectors amounts to virtually nothing. In the latest Caribbean Trade and Investment Report (CARICOM, 2010), it is pointed out that: "FDI inflows into CARICOM countries continue to originate from the traditional sources of North America and Europe. However, in recent years, significant FDI flows have been received from other sources, including Spain, China and the Middle East"- a diversification that should be intensified according to CARICOM.¹⁵

Remittances are a significant contributor to GDP in many countries, particularly in Guyana and Jamaica (23% and 16% respectively). Remittances from the Diaspora are the fastest growing source of currency inflows. They are three times the total value of all agricultural exports and roughly two-thirds of earnings from tourism. Remittances to CARICOM countries grew from US\$1.7 billion in 2000 to US\$4 billion in 2009.¹⁶ Remittances to the Caribbean since 2008 have slowed down considerably and it was expected that remittances will continue to diminish in 2010 and beyond.¹⁷

¹⁴ See CARICOM website under <http://tradsysonline.caricomstats.info/Home.aspx>

¹⁵ CARICOM (2010) „Caribbean Trade and Investment Report, 2010“, executive summary p.5.

¹⁶ Claremont Kirton, Migration & Remittances Trends: The Caribbean Experience. PPT Presentation, Mona, UWI, 2011

¹⁷ Regional economic outlook: Western hemisphere, IMF, Oct 10, 2010

Greater than the on-going economic crisis is the development challenge for the region. Over the last 40 years, the Caribbean economies grew, on average, by only 2.2% per year while Latin America's grew by 3.4% overall. Compared to other regions in the world, the Caribbean's productivity gains also lagged. The magnitude of the pending economic difficulties is summed up in the fact that out of the 30 most indebted countries in the world (based on debt per capita), Caribbean countries make up 15.¹⁸

2.3 Main Challenges for Development of the Caribbean Region

2.3.1. Lagging Integration and Competitiveness

The region experienced growth supported by high flows of FDI, trade preferences, and public investment, although at a lower rate than most developing countries. In the last twenty years, the Caribbean has also seen significant improvements in human development in all countries except Haiti, which is reflected in the 2010 Human Development Index (HDI) rankings (see Table 2, chapter 2.2).

Although preferential trading arrangements were established with the EU and the USA as a development tool to stimulate and diversify Caribbean exports, the prevailing consensus is that trade preferences have not delivered the expected results of overall trade performance.

The region's export structure shows increased concentration of products. In 1997, the top 20 products account for 51% of total exports and this share increased to 70% in 2007.¹⁹ Table 4 below depicts the value of CARICOM domestic exports per commodity classification at the beginning of the evaluation period and in 2009. Data for the year 2007 give an indication of the trend before the economic crisis that started at the end of that same year. The only sectors of significant weight and growth (shown in table 4 in current US dollar rates) are mineral fuels and chemical products, accounting for more than 70%.²⁰

Table 4: Value of CARICOM domestic exports per commodity (2002, 2007, 2009 in million US\$)

Standard International Trade Classification (SITC) Commodity Description	2002	2007	2009	2009/2002	2007/2002
	Value	Value	Value	Value	Value
All sections	5,257	16,647	11,138	212%	317%
Food and live animals	863	1055	818	95%	122%
Beverages and tobacco	174	332	323	186%	191%
Crude materials inedible, except fuels	789	1924	811	103%	244%
Mineral fuels, lubricants, related materials	1,974	9,318	7,141	362%	472%
Animal and vegetable oils, fats and waxes	6	8	8	133%	133%
Chemicals and related products, n.e.s.	645	2919	1099	170%	453%
Manufactured goods	460	781	495	108%	170%
Machinery and transport equipment	70	105	59	84%	150%
Miscellaneous manufactured articles	124	125	101	81%	101%
Not classified elsewhere	151	80	283	187%	53%

Source: CARICOM Stats

The high concentration of products, the small sizes of the markets and high transportation costs are major factors of low competitiveness. Nevertheless, the region followed the global trend towards trade liberalisation. Average applied Most Favoured Nation (MFN) tariffs fell

¹⁸ Regional economic outlook: western hemisphere, IMF, Oct 10, 2010

¹⁹ See Caribbean: Accelerating Trade Integration, World Bank and OAS, April 2009.

²⁰ See http://www.caricomstats.org/Files/Databases/Trade/eXCEL%20FILES/CC_Total.htm

from over 20% in 1996 to just below 10% in 2005. Still, there is some tariff dispersion with average tariffs on 10% of goods over 20%.

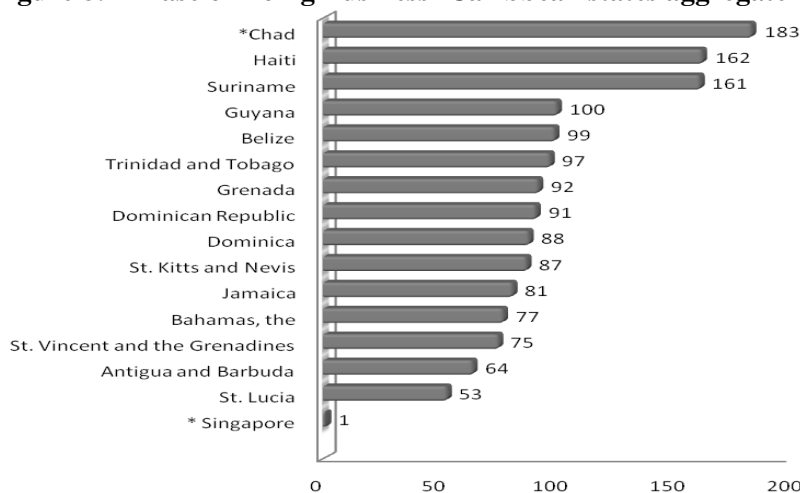
The Caribbean countries are redefining their relations with their main trading partners, including the European Union through the recently signed Economic Partnership Agreement (EPA); they are also exploring the possibility of moving from unilateral to reciprocal arrangements with the United States and Canada. At the same time, the region is redesigning the process of regional trade integration with the on-going implementation of the CARICOM Single Market and Economy (CSME).

The CSME, the cornerstone of the regional integration agenda of CARICOM, focuses mainly on four areas: (i) the free movement of goods; (ii) a common external tariff and trade policy; (iii) sectorial development policies and (iv) macro-economic policies. While important progress has been made in liberalising the movement of goods, the CSME agenda has shown few results in the other areas. The latest Summit of Heads of State of CARICOM in July 2011 decided to concentrate efforts on the completion of the Single Market, making of the Single Economy only a long-term objective.

CARICOM’s intra-regional total exports are still small:²¹ US\$3.8 billion in 2008 out of which more than 60% is mineral fuels and derivatives from Trinidad and Tobago. The intra-regional exports constitute only 16% of total exports of the CARICOM countries.²²

Additionally, the competitiveness of many Caribbean economies is undermined by high costs of doing business and other factors as measured for instance in the “*Ease of Doing Business*”-*Index of the World Bank and the International Finance Corporation (IFC)*. As Figure 8 demonstrates, all CARIFORUM countries except for St. Lucia and Antigua & Barbuda rank among the lower third in the world (Barbados and Cuba are not ranked). Some other ACP countries, like Mauritius (rank 20), Botswana (52) or Vanuatu (60) show a relatively better performance for the measured period (June 2009 – June 2010).

Figure 8: Ease of Doing Business- Caribbean states aggregate rankings (June 2009-June 2010)



Source: World Bank and IFC (2011) „*Doing Business 2011*“;
 * Singapore is shown as a benchmark for the best rating and Chad for the worst rating.

In sum, trade liberalisation in the Caribbean is being implemented in a fragile macroeconomic and structural environment. Trade liberalisation (and more specifically the EPA implementa-

²¹ See Annex IX, table CARICOM Intra-regional total exports by country in US\$ ‘000: 2004-2008

²² See CARICOM website under <http://tradsysonline.caricomstats.info/Home.aspx>

tion process) needs to pay attention to these constraints, which cover a very large range of issues.

2.3.2. Other Challenges

Politically, the Caribbean states are diverse, but share similar practices holding regular national elections and showing common elements of good governance and rule of law. Yet, some of these mostly democratic systems are restrained by too little institutional and financial capacity. With the exception of the most populated countries, Haiti and the Dominican Republic (DR), positive common trends can be seen in the high average of human development in most of the countries. However, the fact that the Caribbean region is internationally ranking second in magnitude of HIV/AIDS rates (with mostly women and young people concerned and the highest rate in Haiti) affects social as well as economic standards in the region.

Although the countries are mostly classified as high- and middle-income countries, there is a high proportion of poverty and great inequalities of wealth and income. Women are more likely to be unemployed, thus gender inequality persists.

The fragility of most Caribbean economies, high rates of unemployment, high population density and the proximity of highly developed economies to which it is relatively to emigrate partly explains the high out-migration rates in the region. In addition national and transnational crime and security problems (in particular drug related) impact negatively on FDI and contribute to the high rate of migration and loss of skills (“brain drain”) as families and individuals leave the region for security reasons. Brain drain from the Caribbean is the highest in the world: in 2000, the emigration rate for tertiary level graduates averaged 65% for 13 CARICOM countries; in five of these, the rate exceeded 70%.²³ The problem of illicit drugs particularly affects Haiti and the DR, Trinidad and Tobago, Guyana and Jamaica, but also the Caribbean region in general concerning drug smuggling on the famous “Caribbean route” preferred by Colombian and other drug cartels.

Many Caribbean islands are classified as one of the world’s hotspots²⁴ in regard to conservation of international biodiversity supporting exceptionally diverse ecosystems that, however, have been devastated by deforestation (regionally 71% of the energy consumption derives from charcoal) and human encroachment (e.g. through coastal maritime pollution). Moreover, the region struggles with a scarcity of fresh water resources and is environmentally vulnerable to natural hazards and their aftermath (such as hurricanes, earthquakes, tsunamis, and volcanic eruptions) and global climate change, which includes rising sea levels, leading, inter alia, to floods.

As a partly correlated result, the Caribbean is one of the most natural disaster-prone areas in the world, making it very vulnerable, despite its high and middle-income designation: disasters and environmental devastation have a strong and immediate impact on the economy both through contraction of economic output or through worsening of the balance of payments or of the budget. The main service sector in the great majority of the Caribbean states, tourism, is severely affected in the event of natural disasters.²⁵

²³ Pienkos, Andrew; Caribbean Labour Migration: Minimizing Losses and Optimizing Benefits

²⁴ As defined by Conservation International.

²⁵ Disaster is defined here as “a sudden, calamitous event that causes serious disruption of the functioning of a community or a society causing widespread human, material, economic and/or environmental losses which exceed the ability of the affected community or society to cope using its own level of resources.” UN/ISDR 2004; definition also used by DG ECHO.

3 EU-CARIBBEAN RELATIONS

3.1 Political Dialogue

Some EU member states have strong historic ties with the Caribbean region. The EU is even part of the Caribbean through the Outermost Regions (OMRs) and Overseas Countries and Territories (OCTs).

The CARIFORUM contains 16 Caribbean countries. With the exception of Cuba, they have all signed the Cotonou Partnership Agreement with the EU, which entitles them to EDF support. In 2006, the EU articulated the following aims in its communication “*An EU-Caribbean Partnership for Growth, Stability and Development*” (COM (2006) 86)²⁶ that were confirmed by the European Council that same year:

- strengthen its **political partnership** with the region;
- support **regional integration** and help Caribbean countries respond to foreign competition; and
- help the region address its **specific vulnerabilities**, including increasing its ability to respond to natural disasters and combat drug trafficking.

Since the adoption of the 2006 strategy, other important factors have influenced relations with the EU:

- Since the conclusion of the EPA between the EU and CARIFORUM in October 2008, the relations are no longer based on unilateral preferential trade regimes and a donor-recipient relationship, but on a partnership with mutual obligations.
- The financial crisis hit the economies of the region.
- The same crisis placed some Caribbean states in the forefront of criticism for their non-transparent offshore financial services.
- Progress towards the completion of the CSME has slowed down.
- The end of preferential trade regimes for sugar and bananas created tensions between EU and CARICOM members.
- The controversies surrounding the EPA negotiations and delays in the implementation of some development aid programmes.
- Climate change became of vital interest for the Caribbean and the EU.
- Drug trafficking and related crimes increased their damage.
- The new US administration showed renewed interest in the Caribbean region.
- The EU negotiated association agreements in Latin America and the Caribbean region like the ones with Mexico, Chile, Colombia/Peru, Central America and the MERCOSUR.
- Negotiations for a Free Trade Agreement with Canada are on-going.
- New international players like China, Brazil and Venezuela show increased interest in the region.

²⁶ See European Commission (2006) *An EU-Caribbean Partnership for Growth, Stability and Development*: http://ec.europa.eu/development/icenter/repository/communication_86_2006_en.pdf

Taking stock of such factors, the EU and CARIFORUM Heads of State and Government adopted an outline for a Joint EU-Caribbean Strategy during the May 2010 EU-CARIFORUM Summit which is coherent with the two regions' wish for bi-regional political dialogue to become the main vehicle for addressing a range of issues of common interest. The five priorities, which are identified by the strategy are (i) regional integration and cooperation; (ii) reconstruction and support to Haiti; (iii) climate change and natural disasters; (iv) crime and security; and (v) joint action in bi-regional, multilateral and global fora. All are operational. The Joint communiqué²⁷ thereby specifically stressed the following points:

- commitment to the UN Charter, respect of universal human rights, democracy and the rule of law;
- will to strengthen the political partnership and work together to improve the quality of life of all their peoples;
- commitment to increasing CARICOM integration process;
- establishment of a Caribbean Infrastructure Trust Fund advancing EPA implementation;
- co-operation on the use of innovation and technology, including in the pursuit of food security in the Caribbean region;
- need to increase co-operation in the fields of climate change and the biodiversity loss
- commitment to the reconstruction of Haiti following the devastating earthquake of 12th January 2010; and
- agreement to meet again on the occasion of the VII Summit of Heads of State and Government of the European Union and Latin America and the Caribbean in 2012 or at any earlier date.

3.2 Trade Relations and EPA

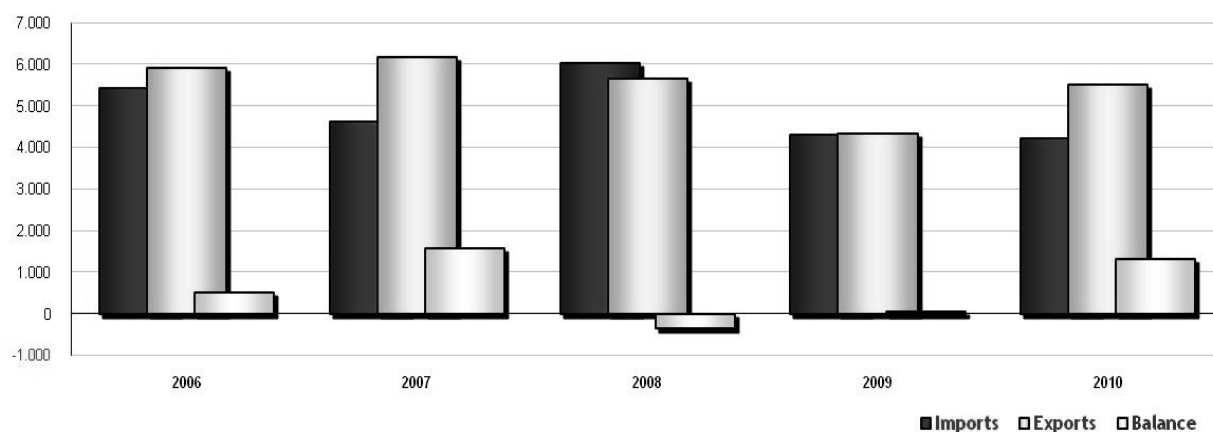
Total EU trade with the Caribbean region amounts to more than €8.5 billion per year. Main EU exports to the Caribbean include machinery and transport equipment, followed by agricultural products. The main Caribbean exports to the EU include fuels and mining products, together with agricultural products.²⁸

The following figure shows that, except for the year 2008, the EU is exporting more goods to the Caribbean than the Caribbean is exporting to the EU.

²⁷ See EU-CARIFORUM Joint Communiqué:
http://ec.europa.eu/development/icenter/repository/iv_eu_cariforum_summit_joint_communique_en.pdf

²⁸ See Annex IX; Figures: EU imports from the Caribbean Countries and EU exports to the Caribbean countries (2006, 2008, 2010).

Figure 9: EU’s trade balance with Caribbean ACP countries (2006-2010)



Source Commission of the EU- DG Trade (<http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/negotiations-and-agreements/#caribbean>)

Following various international trade disputes (in particular related to the WTO “bananas case”), the traditional (non-reciprocal) trading arrangements with the Caribbean and other ACP countries had to be brought into compliance with WTO rules. As provided for in the Cotonou Agreement of 2000, the traditional trade regime was finally replaced by the CARIFORUM-EU EPA signed in 2008. Haiti, the only Least Developed Country of the region and the sole country not to sign in 2008 did so in 2009. The EPA not only allows for preferential access to certain traditional exports like sugar, banana and rice to continue for a short period, but also opens a new trade relationship between the two regions. It is the first agreement of its kind (bi-regional) and the first (and so far the only) comprehensive regional Economic Partnership Agreements signed with an ACP sub-group of states. The key distinction between the EPA and traditional regional trade agreements is the developmental dimension, which is not only included in the text, but also expressed in various areas like support to the regional integration process, differentiated treatment of certain sub-groupings like the OECS countries, longer phase out periods (up to 25 years) and other developmental aspects. The 10th European Development Fund (EDF10) regional programme supports the regional integration process and is complementary to the EPA.

The main benefits of the EPA are:

- Predictability in market access into the EU, the largest import market for goods and services;
- Duty-free-quota-free (DFQF) market access into the EU for all CARIFORUM products;
- EU exports to be liberalised over 25 years (some 82% liberalised within 15 years, rising to about 87%) with exclusions and long phase in periods (i.e. up to 25 years) for sensitive products;
- Improvements in the rules of origin with a wide range of products which adds flexibility to the sourcing of raw material including areas as for instance garments of knit and non-knit fabric (which can now be produced from non-originating material);
- Market opening beyond WTO commitments in the services sector with a special protocol for cultural industries;
- Companies can set up a commercial presence in the EU. Sales staff, investors and graduate trainees can make short-term business visits and travel temporarily to Europe; and

- Increase of transparency and improvement of business climate as well as strengthening of a harmonised legal framework through inclusion of trade-related rules in competition, procurement and intellectual property rights (IPR), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT), environmental standards, rules and co-operation in social areas.

The EPA took four years to be negotiated (2004-2007). The negotiating parties were represented by the Commission of the European Union and the Caribbean Regional Negotiating Machinery (CRNM). The final agreement was signed in October 2008 by 13 Caribbean states, with Guyana and Haiti following shortly after. To date not all EU and CARIFORUM countries have ratified the agreement and only five CARIFORUM countries have started their phased customs duty reduction according to the agreement. In May 2010, the CARIFORUM heads of state met and agreed on a general administrative framework of the implementation of the agreement.

3.3 Main Sectors of EDF Interventions

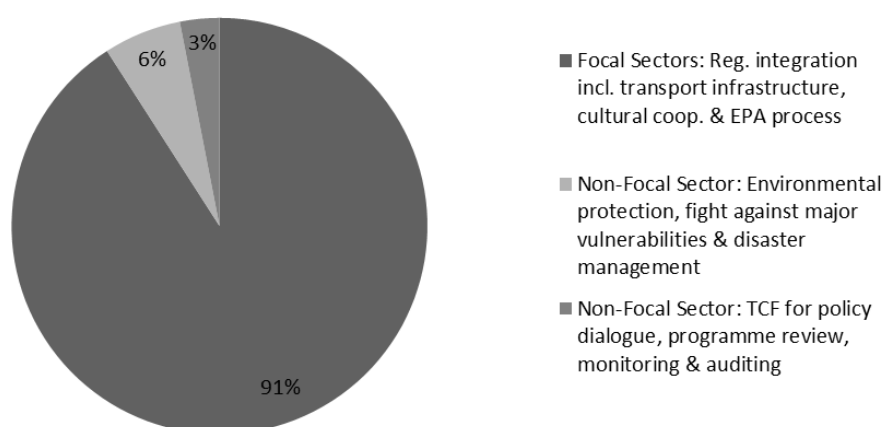
As indicated in the table below, the EDF9 funds for the region after the Mid-Term Review of 2005 and the transfers from previous EDF, increased from €57M to €97.8M. Those funds were highly concentrated on the focal sectors of Regional Integration (91% of the total).

Table 5: EU Commitments to CARIFORUM Region under EDF9 (2003 –2007)

	Initial indicative allocation		Indicative allocation after Nov. 2005 MTR (incl. transfers from prev. EDFs)	
	€	%	€	%
Focal Sectors: Reg. integration incl. transport infrastructure, cultural coop. & EPA process	€42.8 – 51.3M	75 - 90 %	€88.9M	91%
Non-Focal Sector: Environmental protection, fight against major vulnerabilities & disaster management	€6.3 - 8M	11 - 14 %	€5.9M	6%
Non-Focal Sector: TCF for policy dialogue, programme review, monitoring & auditing	€1.7 – 2.3M	3 - 4%	€3M	3%
Total	€57M	100%	€97.8M	100%

Source: Addendum to Caribbean RSP and RIP 2003 2007

Figure 10: EU Commitments to CARIFORUM Region under EDF9 (2003 –2007)



Source: Own presentation according to Caribbean RIP 2008 - 2013

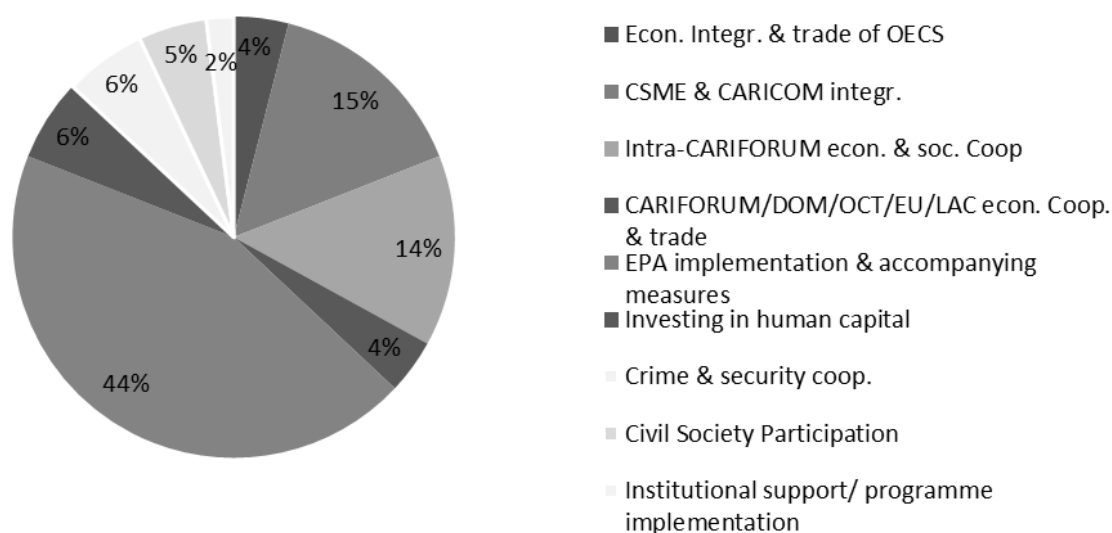
From EDF9 to EDF10, the regional support increased from €97.8M to €165M. As depicted in Table 6, the concentration on regional economic integration remained about the same (87% of the total) with the difference that EPA priority areas were added to the focal sectors.

Table 6: EU Commitments to CARIFORUM Region under EDF10 (2008 – 2013)

Focal Sectors: Regional Econ. Integration/ Coop. & EPA priority areas	Initial indicative allocation	
	ca. €143M	87% (or 85-90%)
Econ. Integr. & Trade of OECS	6.6	4%
CSME & CARICOM integr.	24.8	15%
Intra-CARIFORUM econ. & soc. Coop.	23.1	14%
CARIFORUM/DOM/OCT/EU/LAC econ. Coop. & Trade	6.6	4%
EPA Implementation & accompanying measures	72.6	44%
Investing in human capital	9.9	6%
Non- Focal Sectors: Vulnerability & Soc. Issues	ca. €22M	13% (or 10-15%)
Crime & Security Coop.	9.9	6%
Civil Society Participation	8.3	5%
Institutional support/ programme implementation	3.3	2%
Total	€165M	100%

Source: Own presentation according to Caribbean RIP 2008 – 2013

Figure 11: EU Commitments to CARIFORUM Region under EDF10 (2008 – 2013)



Source: Own presentation according to Caribbean RIP 2008 - 2013

The sectors with the largest amount that remained to be disbursed from EDFs 7 and 8 are Trade and Regional Economic Integration (€15M), followed by Environment (€10M) and, for smaller amounts, Governance and Civil Society (€5M) as well as Education (€1M).

The largest amount allocated under EDF9 was by far Trade and Regional Economic Integration, followed by Transport and Infrastructure, Disaster/Emergency Response (which includes allocations from the B-envelope), and Education. In the area of drugs and crime, no new allocations were made. The slow disbursement of the EDF9²⁹ at the end of 2010 is indicated by the large difference (almost €100M) between the total allocated and the total amount already paid (see Table below).

²⁹ Including allocations from previous EDFs

According to the data extracted from CRIS³⁰ in December 2010, the amount allocated under EDF10 was still limited to €82M and the amount disbursed still remained under €1M (see Table below).

Table 7: EDF regional level assistance per sector (period: 2003-2010, amounts in €)

Sector	EDF7	EDF8	Total EDF7 & 8	EDF9		EDF10		Total EDF9 & EDF10	
	Remaining amount to be paid	Remaining amount to be paid	Remaining amount to be paid	Amount allocated	Amount paid	Amount allocated	Amount paid	Amount allocated	Amount paid
FOCAL (EDF9 & 10); Trade & reg. econ. integration (incl. tourism)	167,793	15,197,254	15,365,047	127,650,518	58,183,428	78,400,000	0	206,050,518	58,183,428
Transport/ Infrastructure/ ICT/ Energy	0	261,602	261,602	15,246,812	10,940,176	0	0	15,246,812	10,940,176
Disaster/Emergency Response	0		0	39,400,539	29,556,810	0	0	39,400,539	29,556,810
Drugs & Crime	0	315,713	315,713	0	0	0	0	0	0
Education	0	1,284,688	1,284,688	13,688,900	6,862,900	0	0	13,688,900	6,862,900
Environment	0	9,851,931	9,851,931	2,500,000	383,708	0	0	2,500,000	383,708
Governance/ Civil Society	4,623,962	184,363	4,808,325	1,315,000	406,812	4,000,000	724,309	5,315,000	1,131,121
Technical Cooperation Facility	0	0	0	2,582,920	1,834,666	0	0	2,582,920	1,834,666
Total	4,791,755	27,095,551	31,887,306	202,384,688	108,168,500	82,400,000	724,309	284,784,688	108,892,809

Source: data extracted from CRIS (state December 2010) / NB: data excludes funding for Caribbean OCTs

As mentioned above, from the table appears that under the EDF9 the large gap at the end of 2010 (almost €100M) between the total allocated and the total amount already paid is mostly due to the focal sector of Trade and Regional Economic Integration.

3.4 Co-operation Modalities and Intervention Logic

The EU institutions (Commission plus EU member states) have been the largest donor to the Caribbean region since 1975. Development co-operation under the EDF has been guided since 1994 through the CARIFORUM.

In application of Article 1 of the Cotonou Agreement, support to the Caribbean region is focused on the achievement of the MDGs. Article 28 focuses on integrating ACP countries into the world economy by promoting economic cooperation; the free movement of persons, goods and capital; the diversification of economies, and trade expansion. Co-operation in the area of regional economic integration is covered by Articles 29, 30 and 35.

The Cotonou Agreement is implemented through the EDF, which is funded by EU member states outside the EU budget process. The Caribbean region's programme under the EDF 6 targeted agriculture and tourism with supported sectors being trade, transport and human resources. The EDF7 regional programme included regional integration and co-operation (private sector and trade development, agriculture, tourism and communications), and sustainable development (human resource development and environmental management). Non-focal areas included technical assistance, studies, and cultural and linguistic actions. The EDF8 regional programme focused on trade facilitation and private sector development, tourism, agriculture, infrastructure, human development and capacity building, drug trafficking and money laundering, and disaster prevention.

³⁰ i.e., the database "Common Relex Information System"

The period covered by this evaluation relates to the EDFs 9 and 10, although it will also take into account the interventions carried out from the EDFs 7 and 8 during the period 2003-2010.

The present evaluation also considers the recommendations of the previous evaluation (Evaluation of the European Commission Strategy for the Caribbean Region, 2005).³¹ In the box below, five main recommendations out of a total of 13 are listed.

Box 2: Five Main Recommendations of the previous EC-Caribbean evaluation

At the strategic level:

- (1) *“Develop analytical tools to formulate and monitor a strategy for the construction of a regional integrated space that maximises the development benefits for the region.”*
- (2) *“Deepen and extend the policy dialogue to be pursued on the regional objectives to one of identifying the major constraints to be overcome and the priority actions to be taken; and from there exploit fully the comparative advantages of the Commission in playing a proactive role in this dialogue.”*

At the operational level:

- (3) *“Improve capacity to monitor the strategy and interventions so as to assess progress and results.”*
- (4) *“An easy to use guide as to where information from other agencies can be located should be prepared to assist those involved in design, implementation, monitoring and assessment of programmes.”*

At both levels:

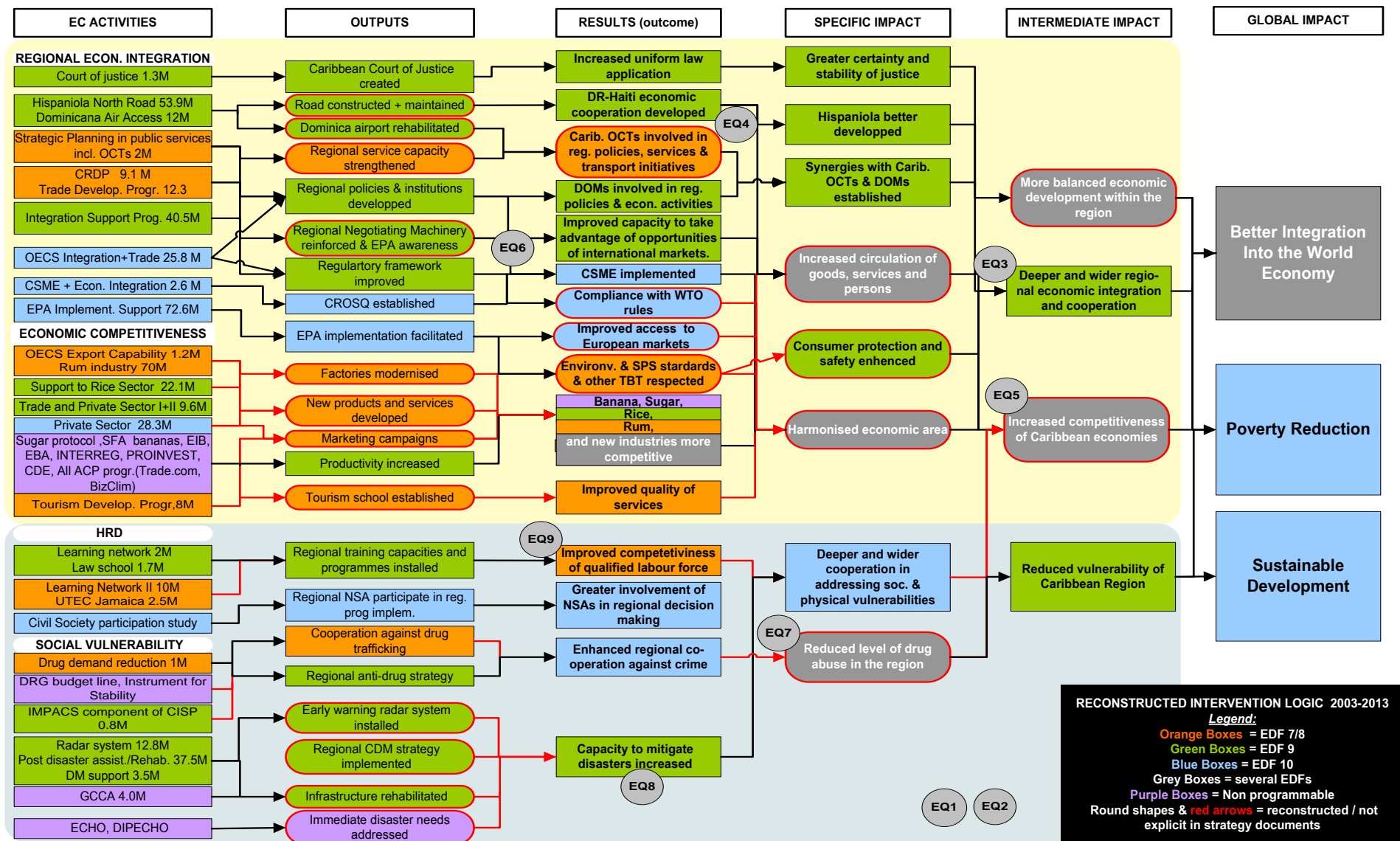
- (5) *“In the design of its strategy as well as in the implementation of its interventions, the Commission needs to address the development asymmetries of the Caribbean countries. Sustainability, cross-cutting issues and the 3Cs (coordination, complementarity and coherence) also need to be factored in the Commission’s interventions, both at programming and implementation stages.”*

The following diagram (Figure 12) presents the **reconstructed logic of intervention for the full evaluation period** (including EDFs 9 and 10 as well as interventions of previous EDFs conducted in the intervention period from 2003-2013).

The nine evaluation questions selected for the present evaluation are placed within the Intervention Logic on output and result/specific impact level. The intervention logic as faithful representation in diagrams for EDF9 and EDF10 are to be found in Annexe III.

³¹ See Executive Summary in Annexe V.

Figure 12: Reconstructed intervention logic for the evaluation period – 2003-2013



4 FINDINGS AND ANSWERS TO EVALUATION QUESTIONS

While the data collected specifically in relation to the various Evaluation Questions (EQs), all findings and detailed answers are documented in evaluation matrices in Annex XIII, the synthesis of the constitutive elements of the findings and responses to the respective EQs (listed in table 8 below) is presented in this section. As noted in the introduction, the approved EQs for this evaluation were chosen with the help of the Intervention Logic diagrams of intended effects. The answers to each EQ are based on several Judgement Criteria (JCs).

Table 8: Overview of Evaluation Questions

EQ 1	To what degree did EU cooperation objectives respond to CARIFORUM priorities and were in line with EU Member States' and other donors' objectives?
EQ 2	To what extent did the institutional frameworks and aid modalities support the achievement of expected regional strategy results?
EQ 3	To which extent have the interventions of the Commission contributed to deeper and wider regional economic integration?
EQ 4	To which extent have the EU interventions contributed to the integration of sub-regions within the group of CARIFORUM members?
EQ 5	To what extent have EU interventions contributed to a more competitive Caribbean region within the global economy?
EQ 6	To what degree has the EU co-operation contributed to create the context for deepened trade relations between the EU and the CARIFORUM member states and among the CARIFORUM member states?
EQ 7	To what extent has the EU support contributed to the fight against crime and illegal drug trafficking in the Caribbean Region?
EQ 8	To what extent did the EU interventions strengthened the capacity of the region to better manage disasters?
EQ 9	To what extent has EU support for education and training contributed to regional economic integration?

4.1 Strategy and Coherence

EQ1: To what degree did EU co-operation objectives respond to CARIFORUM priorities and were in line with EU member states' and other donors' objectives?

Justification: CARIFORUM being embedded within the CARICOM Secretariat is an expression of the willingness of the region to engage in a dialogue with the EU and make the best of the co-operation managed by the Commission of the EU. Still the definition of priorities of the region and the strategy of the co-operation is a permanent challenge.

JUDGEMENTS AND RELATED FINDINGS

JC 1.1	The intervention strategy responds to the CARIFORUM agenda						
No					◆		Yes

The EU interventions operate at both country and regional levels whereas most important development partners like Canada and the United Kingdom now tend to operate on a regional level only. The EU co-operation is (due to the Cotonou Agreement) more formally tied into co-operation with the CARICOM Secretariat (along with CARIFORUM) than the co-operation of most other partners.

Political dialogue increased (*see section 3.1, page 20*), but policy dialogue remained difficult. The EU and the Caribbean Region, through CARICOM and CARIFORUM, have a long history of continued and fruitful political dialogue. However, regional integration has lost political momentum in many Caribbean countries. The new generation of Caribbean political leaders has lost part of the global perspective (i.e. they are less “regionalist”). Therefore, national interests and agendas interfere in the dialogue between the EU and the region. The level of debt and the economic crisis has made short-term urgent responses a priority for many Caribbean governments.

A Roadmap was elaborated by the region for the implementation of EDF10. It was supposed to be reviewed annually by the CARIFORUM and thus to facilitate measurement and possible adjustments of the RIP’s contribution to the regional development, integration and cooperation agenda. In fact it was produced late and has not been updated for the last 20 months. In addition, it is of little use for the region as almost 70% of the needs are indicated as high priority actions.

In EDFs 9 and 10, the priorities and strategies of EU co-operation are consistent with the CARIFORUM agenda, including in the choice of focal and non-focal sectors (see Indicators 1.1.1 & 1.1.2 in Annex Information Matrix). The best example is the Caribbean Integration Support Programme (CISP), the largest programme launched during the period under consideration, which is consistent with CARICOM and CARIFORUM policies for regional integration.

During the time scope of the evaluation, the participation and capacity of regional institutions has increased in programming, identification and formulation (Indicator 1.1.3).

JC 1.2	The EU intervention strategy is in line with the EU co-operation objectives and other relevant EU development policies.								
No								◆	Yes

The overall objectives of the Commission’s interventions in the Caribbean region correspond to those of the Commission’s development policy and of the ACP successive agreements: poverty reduction, sustainable development and integration into the world economy. The EU interventions are coherent with the other policies of Aid for Trade policy and support to regional integration.

The unique experience of the EU in regional integration brings a special added value to the efforts of the region towards integration, although it is an explicit EU policy not to impose on partners or export to them the EU model (Indicator 1.2.1).

The Commission has adopted a strategy of open regionalism by supporting achievement of these objectives through the construction of a regional integrated space to which the regional programmes and parts of the national programmes, together with non-programmable instruments, are contributing (Indicator 1.2.2).

JC 1.3	The EU co-operation strategy at regional level is complementary with its strategies at the national levels.								
No								◆	Yes

The complementarity between regional and National Indicative Programmes (NIPs) works better than in other regions, but it is still weak with the exceptions of the NIPs of Barbados, DR, Haiti, Jamaica, and Trinidad and Tobago. Most of the smaller CARIFORUM States have limited their national programmes to other priorities as they were aware of the fact that economic and trade matters would be covered under the regional programmes. The EU support in education at regional level is reported not very well coordinated with it’s the sector support at the national level (see EQ9).

According to the Programming Guidelines of the EU (2007), the RIP should be designed first, and the NIPs later. However, since the design of the EDF10 was delayed, the NIPs were drafted and signed first. Although the NIPs were designed with a financial reserve to complement the regional interventions, coherence is consequently not always adequate.

A major bottleneck that has been identified in the independent CSME appraisal and Result-Orientated Monitoring (ROM) reports is the lack of administrative capacity at national level therefore a disconnection between national absorption capacity and the activities developed at regional level.

In the context of present challenges for the region, there is also complementarity on the issue of enhancing international competitiveness. Disaster management is the one sector where complementarity seems highest and most effective. On the opposite, the EU regional support in the education sector is not very well coordinated with the support at the national level (Indicator 1.3.1).

JC 1.4	The EU interventions are coordinated with interventions of other donors, taking in account the commitments of the Paris Declaration on Aid Effectiveness and the EU Code of Conduct.								
No					◆				Yes

Coordination of interventions of the development partners is still poor.

After the disappearance of the Caribbean Group for the Cooperation in Economic Development (CGCED) led by the World Bank (WB), coordination of interventions of development partners and the CCS has been weak, except in the East Caribbean Region through the East Caribbean Development Group (ECDG). Still coordination has not yet reached the point of joint programming or evaluation missions. In addition, institutional assessments are often duplicated. Until now, coordination between donors has been driven by the donors themselves.

The main reason of the poor coordination is the lack of willingness of the CCS. At a donors meeting in December 2010, the CCS presented a “Preliminary Outline for a Strategic Plan for Regional Development” (SPRD), a resource mobilisation strategy, which consists in the design of programmes offered to donors for support, and for the first time again a matrix of donor interventions. However, at least for the EU interventions, this matrix is not complete and it is only useful if turned into a database. A meeting was supposed to be called six months later to review proposals for an improvement of donor coordination. Three working committees that put together CCS and donors have been created in a conference in July 2011. They were supposed to meet before end of year, but did not. A new coordination conference is supposed to meet by mid-year 2012.

The areas of most advanced coordination of donors are in Disaster Management³² and in the energy sector. The electronic database developed by the German Gesellschaft für Internationale Zusammenarbeit (GIZ) will offer a sustainable energy-clearing house this year. The CCS is also drafting a Caribbean energy roadmap and strategy with the support of the International Development Bank (IDB) (Indicator 1.4.1).

Interventions have been coordinated between the Commission and EU member states active in the region. Interventions in the region are not always complementary, but coordination meetings are called for in the region and in Brussels (Indicator 1.4.2).

The guiding principle of the EU Code of Conduct (maximum of two focal sectors) is applied. Coordination has not yet reached the point of joint diagnostic, programming or evaluation missions. Also institutional assessments are often duplicated. There is no sector yet with a lead ownership (Indicator 1.4.3).

JC 1.5	The EU took into account the recommendations of the previous evaluation (2005).								
No							◆		Yes

The main recommendations of the previous evaluation (2005) were in large part taken into consideration: the programming was improved (in depth analysis of the integration process, identification of the main constraints, prioritisation of actions contributing to the creation of a regional integrated space); the policy dialogue involving partner and donors was enhanced; it led to a

³² See EQ8

road map, but this one was short of expectations; more systematic consultations were organised with the private sector, although not sufficient; development asymmetries were taken into consideration for both focal and non-focal sectors in the EDF10 programming (Indicator 1.5.1). The reporting on the management response to the previous evaluation (*Fiche contradictoire* of the 2005 Evaluation) indicates that those responses have been implemented in the initial steps of the programming of the EDF10 (Indicator 1.5.2). All crosscutting issues have been considered in the EDF10 strategy (Indicator 1.5.3).

ANSWER TO EVALUATION QUESTION 1

The EU co-operation responds highly to the priorities of CARIFORUM. Political dialogue increased, but policy dialogue with CARIFORUM remained difficult. Regional integration has lost political momentum in many Caribbean countries. Therefore, national interests and agendas interfere in the dialogue between the EU and the region.

A Roadmap was elaborated by the CCS for the implementation of EDF10. However, this Roadmap was neither based on a clear strategy and priorities nor produced in a timely manner. It contained no timetable and was not updated since September 2009. The EDF9 was scattered with too many components and so was also EDF10, although more focused.

The overall strategy for the Commission's interventions is coherent with its development policy and the EU-ACP agreements on poverty reduction, sustainable development and integration into the world economy. The unique experience of the EU in regional integration brings a special added value to the efforts of the region towards integration. The complementarity between regional and national indicative programmes is weak with the exceptions of Barbados, Dominican Republic, Jamaica, and Trinidad and Tobago. According to the Programming Guidelines of the EU (2007), the RIP should be designed first but the NIPs were drafted and signed first.

Until now, coordination between donors has been driven by the donors themselves. The guiding principle of the EU Code of Conduct (maximum of two focal sectors) is applied. Coordination has not yet reached the point of joint diagnostic, programming or evaluation missions. Also institutional assessments are often duplicated. There is no sector yet with a lead ownership. Interventions have been coordinated between EU and EU member states active in the region. They are not always complementary but coordination made them at least coherent.

The main recommendations of the previous evaluation (2005) are reflected in the programming of EDF10 where due consideration is also given to crosscutting issues.

4.2 EQ2 Aid Efficiency

EQ2: To what extent did the institutional frameworks and aid modalities support the achievement of expected regional strategy results?

Justification: The question is meant to assess how much the evolution of aid modalities and their use in the context of the institutional frameworks in place on the EU side as well as on the Caribbean side, contribute to ensure that the results and expected impacts of the interventions of the Commission are achieved.

JUDGEMENT CRITERIA RELATED FINDINGS

JC 2.1	The EU organisation enables adequate implementation of the regional strategy.								
No				◆					Yes

The EU organisation did not enable optimum implementation of the regional strategy.

The planning and execution of interventions did not meet timelines. The execution of EDF8 was so late that €39.8M of EDF8 was transferred to EDF9, increasing significantly its amount from €57M to €97.8M. So was the execution of EDF9 (2003-2007): at the end of 2010, out of €202M allocated, only €108M had been paid. The programming of EDF10 was also around a year late: in December 2010, the amount allocated under EDF10 was still limited to €82M and the amount disbursed still remained under €1M.³³

The Guyana EUD asked Head Quarters of the EU for a reinforcement of its staff dedicated to the regional programme. So did the Barbados EUD, in charge of a significant number of regional projects, which increased during the EDF10 due to the EPA implementation programme through international organisations based in Barbados. However, the delays in planning and execution are also and far more due to the limited capacities of the CCS in programming and execution. The slow pace of activities is also due to a loss of political momentum of the objective of Caribbean integration and to a governance issue. All decisions of the CCS require consensus, hence the slow pace of policy adoption and implementation (Indicator 2.1.1).

The activities across the region have been poorly coordinated between donors during the time scope of the evaluation (see JC 1.4). Contrary to the Programming Guidelines, the RIP of EDF10 was elaborated months after the NIPs, while planned to be ready first. This makes the coordination of the implementation difficult. Progress in regional integration requires that each CARIFORUM member have the capacity to implement the policies adopted at the regional level. This issue was adequately addressed by the EU when the CISP was extended. The resources were reallocated and focused not only on areas that will continue to receive support under EDF10, but particularly on reinforcing the capacity of the national CSME focal points in the CARIFORUM countries (Indicator 2.1.2).

In general, the design of regional programmes and later of the corresponding activities did not adequately assess the absorption capacity of each CARIFORUM country, nor did the EU and its development partners take quick action for remedy. The CCS is so aware of this shortcoming that it commissioned its Monitoring and Evaluation (M&E) Office to investigate the issue. A

³³ See details in section 2.4.2 of this report

report on the issue of the implementation of EDF9 regional programmes by Caribbean member states is due before end of 2011. According to the monitoring reports retrieved from CRIS, most projects and programmes with budgets of more than €1M are monitored under the ROM mechanism (Indicator 2.1.3).

JC 2.2	The EU support contributed to create capacity of CARICOM Secretariat to be the key partner for formulation and implementation of the EU regional strategy.								
No				◆					Yes

The EU has not succeeded in improving significantly the capacity of the CCS in formulation and implementation of the EU regional strategy.

An impressive number of staff was recruited under the CISP (up to 86 by the end of 2010), but the Secretariat lacked the flexibility or willingness to internally move staff to address the shortages. Programming has been hampered by lack of staff in the CARIFORUM Directorate. Implementation was difficult due to slow staff recruitment at the start, not enough people in project management and procurement, too many small tenders and almost no large international tenders. Improvement since 2010 and lessons learned should facilitate a smoother start of the EDF10 CSME Programme.

The staffing levels at the CCS did not meet the operational requirements stated in institutional work plans. The Secretariat suffers from a very high turnover because more than 40% of the staff is hired on temporary contracts, out of which half by international donors. In addition, the CCS has not done a salary alignment to the market since 2003. Mainly for budgetary reasons, the recommendations on human resources management commissioned by the CCS in 2009 and 2010 have not been implemented.³⁴

The CARIFORUM Directorate needs more staff. The CISP provided staff, but not much long-term capacity building. The slow pace of activities of EDF9 is also due to a governance issue: all decisions of the CCS require consensus between all CARIFORUM member states, hence the slow pace of policy adoption and implementation.

The programming of EDF10 suffered long delays due to staffing limitations of the CARIFORUM Directorate. The Council of Ministers of CARIFORUM decided in July 2011 that the Director General of CARIFORUM will be the coordinator of the EPA unit. The positions of Executive Director of CARIFORUM and Head of Resource Mobilisation of CCS were separated. The Ministers also decided to carry out an institutional assessment of CARIFORUM Directorate (Indicator 2.2.1).

The CCS is funded from two main sources: contributions from the 15 CARIFORUM member states, marginal contributions of the five associate members, and funds for the projects of donors, mostly EU, DfID, USAID, CIDA, IDB, UNAIDS, UNDP, United Nations Population Fund (UNFPA), International Bank for Reconstruction and Development (IBRD), the Dominican Republic, Italy, Spain and Japan. The CARICOM member states, most of them under budgetary constraints since the start of economic crisis, have frozen the budget of the Secretariat since 2008. According to Financial Statements, the 2009 budget was even lower than the

³⁴ “Evaluation and Classification of all Non- Executive Positions at the CCS”, Trevor Hamilton & Associates International Management Consultants April 2009. “CARICOM Performance Management System” Delta Partnership /Hassell & Lynch Associates Ltd, December 2010

budget of the previous year (US\$44.6M against 44.7M). The budget for 2011 will be difficult to finance. The Community Council of CARICOM mandated the Secretariat to look for solutions (Indicator 2.2.2).

According to the second institutional assessment,³⁵ the CCS benefits from a robust internal control environment, with mechanisms and controls in place that ensured that the funds of the Contribution Agreement (CA) for CSIP were spent for their intended purpose(s). However, the level of financial increase of a second CA under EDF10 would require that those mechanisms and controls be significantly strengthened. The institutional assessment also stressed the insufficient capacity of staff and consequent slow implementation of activities. It therefore suggested speeding up recruitment and training of new recruits.

The reason given for slow implementation by the CCS is usually the complexity or lack of knowledge of the EDF procedures. But in fact, the EU provided training on EDF procedures to the staff of the CARIFORUM Secretariat and offers it whenever asked for.

A recurring problem that has affected the efficiency of the management of donor funding is weak procurement management. Out of 192 tenders launched within the CISP, 33 have been cancelled. 12 of them have been completely cancelled, the rest were re-launched (once or twice). Also 91 contracts (i.e., nearly half of the total) have been concluded using "simplified procedure": 44 contracts under €5,000 (threshold for EDF9), and 47 contracts under €10,000 (current threshold under EDF10). These figures reveal that more than half of the contracts awarded used the direct award procedure. Moreover, when the new rules of EDF10 became applicable to the CA, the contracts moved "en masse" from under €5,000 to under €10,000. Also, in spite of the recommendation of the first institutional assessment, there is no formalised risk assessment procedure at the CCS. The CCS has plans, but so far it has not developed a good system for monitoring implementation and results attained at the regional or at the member state level (Indicator 2.2.3).

JC 2.3	The aid modalities chosen were appropriate for obtaining the expected outputs.							
No			◆					Yes

The aid modalities chosen (implementation partners and Contribution Agreement) were not the most adequate for obtaining the expected outputs. A calculation of the latest marks in the monitoring reports of regional projects/programmes indicates that the efficiency and the effectiveness of the interventions tended to decline between EDF8 and EDF9 (see following table). According to the Handbook for ROM of EU assistance³⁶, the marks have the following meanings:

- a. The project is very good, fully according to or better than to plan. There is every indication that it will achieve its Purpose and Objectives.
- b. This is a good project, broadly progressing as planned. But certain corrective measures might be required if the project is to fully reach its Purpose and Objectives.
- c. The project has problems. Without corrective measures it will not meet its Purpose and Objectives.

³⁵ Moore Stephens, Chartered Auditors, Oct 19. 2009

³⁶ EC Results-Oriented Monitoring - Handbook for the ROM System, EuropeAid, Brussels, 2008

- d. The project has serious deficiencies. Substantial corrective measures, major redesign or termination of the project is necessary (Indicator 2.3.1).

Table 9: Per cent of Marks in latest monitoring reports of regional /programmes

	Efficiency				Effectiveness			
	A	B	C	D	A	B	C	D
EDF8	0%	67%	17%	17%	17%	67%	17%	0%
EDF9	0%	43%	57%	0%	14%	36%	50%	0%

Under EDF9, the EU tried to improve aid effectiveness in choosing the form of a Contribution Agreement for the major components of the main regional programme, the Caribbean Integration Support Programme (CISP). This aid modality was supposed to increase ownership and reduce transaction costs. But in practice the adoption of a hybrid CA slowed down implementation instead of reducing transaction costs. The CCS uses its own recruitment rules for hiring staff, while it is supposed to use the EU procurement rules for services, equipment and supplies.

The EDF10 RSP reads on page viii: « *The implementation modalities will be designed to secure timely programming and efficient implementation through a limited number of projects/programmes and through the use of quick disbursing mechanisms which maintain transparency and accountability* ».

In principle, a Contribution Agreement with the CCS responds to those objectives. However, the second institutional audit (2010) concluded that the conditions were not yet in place for the implementation of the EPA support programme of the EDF10 under this modality.

The third institutional assessment confirmed that the CCS is far from offering satisfactory standards, at least for internal control standards and procurement. A recent mission of the Court of Auditors confirms that CCS is not eligible for "contribution agreements" and a fortiori for "budget support". The CCS remains a partner for the main donors like EU, UK or Canada, but became less important as implementer than other organisations in the region like for instance CRNM³⁷, Caribbean Development Bank (CDB), International Monetary Fund (IMF), Eastern Caribbean Central Bank (ECCB), OECS, WB or UNDP.

The CCS implemented CISP, but is not the only implementer that reduced the efficiency of EU interventions. In several other cases, the implementer chosen by the EU was far from delivering the expected results. The weakness of the Caribbean Disaster and Emergency Management (CDEMA) reduced the value of EU support (see section 4.8). This was also the case for the Implementation Agency for Crime and Security (IMPACS) whose operation were widely criticised to the point that the Director was demised on charges of corruption (see section 4.7). Likewise the results of Caribbean Knowledge Learning Network (CKLN) resulted mediocre in part due to an inefficient management and loss of interest by the World Bank (see section 4.9; Indicator 2.3.2).

³⁷ Now integrated into the CARIFORUM Secretariat as OTN

ANSWER TO EQ2

The aid modalities chosen (implementation partners and Contribution Agreement) were not the most adequate. The implementation of EDF8 was very late and so was the programming and the execution of EDF9. The programming of EDF10 also suffered delays.

The Guyana and Barbados EUD are understaffed. More important, the EU has not succeeded to contribute successfully to strengthen the capacity of the CCS to become an effective partner in formulation and implementation of the regional strategy. Programming of EDF10 has been hampered by lack of staff in the CARIFORUM Directorate. Implementation was difficult due to slow staff recruitment at the beginning, not enough people in project management and procurement, too many small tenders and almost no large international tenders. Up to 86 staff was recruited under the CISP, but the CCS lacked the flexibility or willingness to move staff internally to address the shortages.

The CCS suffers from a very high staff turnover. The recommendations of two studies on human resources management commissioned by the CCS in 2009 and 2010 have only partly been implemented.

Improvement since 2010 and lessons learned should facilitate a smoother start of the EDF10 CSME Programme.

A review of marks of ROM reports indicates that the efficiency and effectiveness of the interventions tended to decline between EDF8 and EDF9.

Under EDF9, the aid modality of a Contribution Agreement (CA) was supposed to increase ownership and reduce transaction costs. But the lack of provision of a start-up phase slowed down implementation instead of reducing transaction costs. For EDF10, the institutional assessment concluded in 2010 that the conditions were not yet in place for the implementation of the EPA support programme under this modality. The third institutional assessment confirmed that the CCS is far from offering satisfactory standards at least for internal control standards and procurement. A 2011 mission of the Court of Auditors confirms that CCS is not eligible for contribution agreements and a fortiori for budget support. The CCS remains a partner for the main donors like EU, UK or Canada, but donors tend now to prefer implement their programmes through other regional or international organisations. However, several other implementers chosen by the EU were also far from delivering the expected results, like the Caribbean Disaster and Emergency Management Agency (CDEMA), the Implementation Agency for Crime and Security (IMPACS) or the World Bank, for CKLN.

4.3 EQ3 Regional Economic Integration

EQ3: To which extent have the interventions of the EU contributed to deeper and wider regional economic integration?

Justification: Deeper economic integration is a key objective of the EU co-operation strategy in EDF9, EDF10, and before. Wider regional economic integration is the objective of the support to the co-operation between the region and Overseas Countries and Territories (OCTs) and (French) Overseas Departments (DOMs).

Funds allocated for regional integration during the period account for €93M (EDF8 and 9 only) Allocations already made under EDF10 from 2011 amount to €101.3M. For details on interventions see Project portfolio in Annex V. EDF8 allocations and disbursements for Montserrat New Airport, Caribbean regional tourism sector development and regional technical assistance centre amount to €17.7M. EDF9 included Transitional institutional support to CARIFORUM, Caribbean trade and private sector development programme (CTPSD), the huge Caribbean Integration Support Programme (CISP) and support to the competitiveness of the rice sector in the Caribbean amount. Out of €75.3M allocated, by the end of 2010 only €58.1M had been disbursed.

JUDGEMENT CRITERIA RELATED FINDINGS

JC 3.1	The EU interventions enhanced the capacities of CARICOM Secretariat and RIOs³⁸ to implement the CARICOM Single Market and Economy (CSME).								
No					◆				Yes

The main regional project of EDF9, the CISP, strengthened the capacities of several key regional institutions to implement the CSME, mostly, Caribbean Regional Organisation for Standards and Quality (CROSQ) and the OECS Secretariat.³⁹ The number of human resources of the CCS was improved significantly through the CISP programme, which recruited up to 86 persons for the CCS, reduced at the end of 2010 to 46, out of a total CCS staff of around 480. Nearly all of the 11 sub-components of the CSME support programme involving most of the units in the CCS required strengthening of technical expertise and even more for managing the administrative tasks of the projects. Still, progress towards the improvement of the implementation capacity of the CCS has been slow and limited. For instance, implementation was difficult due to slow staff recruitment at the start, not enough people in project management and procurement, too many small tenders and almost no large international tenders. Up to 86 staffed was recruited by the end of 2010, but the CCS lacked the flexibility or willingness to internally move staff to address the shortages. The CCS suffers from a very high turnover⁴⁰ (Indicator 3.1.1).

The CCS capacities have been supported in the past by Technical Cooperation Facilities. The main support is provided under component 9 of the CSME, with €5.9M for increasing the capacity of CCS to co-ordinate the regional programmes and to enhance the effectiveness of their financial management. Within the CSME activities, €1.1M was also dedicated to support the start-up phase of the legal and institutional division of the CCS and also, under activity 6, €1.9M to support CSME administrative capacity at national and regional levels. The CSME

³⁸ Regional Integration Organisation

³⁹ See respectively EQ6, EQ5 and EQ4

⁴⁰ See EQ2 JC 2.2

dedicated €1.6M to provide institutional support to the CARICOM Work Programme management and administration. The CSME also supported the improvement of human resources in the statistical office of the CCS within a total budget of statistics of €3.4M. With the extension and budget reallocations of CISP done by mid-2010, an additional €1M within the CSME component was transferred to support the MS national administrations⁴¹. The Caribbean Regional Information and Translation Institute (CRITI) and the Competition Commission (in charge of keeping at bay anti-competitive practises), are new organisations created and staffed with support of the same CISP regional programme.

The CCS capacity is supported under the EDF10 by several projects foreseen by the EDF10 Regional Indicative Programme in order to achieve its means “Strengthening of capacities of agencies/institutions involved in the implementation of regional programmes“(RSP/RIP, p. 42).

The Identification Fiche of the EDF10 CSME and Economic Integration Programme draws the lessons of the previous and still on-going CSME programme of the EDF9. It, therefore, plans to strengthen the capacities at the CCS, with the set-up of a dedicated Project Management Team, recruiting persons who are now working on the EDF9 CISP. It will also strengthen the absorption capacities at the national level, which have been a major the obstacle for CSME implementation (Indicator 3.1.2).

JC 3.2	The EU interventions contributed to CSME implementation.								
No					◆				Yes

Continued support was directed for establishing a regional framework, but the CARICOM is far from achieving its objectives in harmonisation of policies, laws and regulation. The five core regimes of the Caribbean Single Market (CSM) have the necessary legislative framework in place but are not always complied with. The five regimes are intra-CARICOM movement of goods, services, skills and of capital, plus right to establishment.

Table 10: Legislative compliance of countries participating in the Caribbean Single Market

Compliance category	No. of Compliance instruments required	No. of Compliance Instruments in effect	Percentage in effect
Legal and Institutional Infrastructure	113	77	68%
Free Movement of Goods	83	49	59%
Free Movement of Persons	88	43	49%
Right of Establishment	113	67	59%
Movement of Capital	16	11	69%
Free Movement of Services	700	307	44%
Intellectual Property	45	27	60%
Other	8	4	50%
TOTAL	1,166	585	50%

Source: *The quest for regional integration in the Caribbean*, Norman Girvan, Appendix 4, 2010

⁴¹ Addendum n°1 to FA N° 9582/REG

The Single Market⁴² is still far from being completed. According to the audit carried out in 2009 by the CSME Unit, member states had complied with just 50% of the measures required to give full effect to the Caribbean Single Market (CSM).⁴³ The table 10 above gives a breakdown of compliance of countries participating to the CSM according to compliance categories.

The circulation of persons is still very limited and is subject of conflicts between CARICOM Member States. This is also a grey area since labour market information is not reliable and the lack of statistical data does not allow determining the level of implementation of the CSME objective of free movement of persons. CARICOM's intra-regional total exports are still small: US\$3.8 billion in 2008 out of which around 60% is mineral fuels and derivatives. The intra-regional trade was then only 15.3% of total exports of the CARICOM countries.⁴⁴ As the region has made no major headway since, the intra-CARICOM trade is likely to have remained of the same percentage. The CCS does not produce statistics on intra-Caribbean exchange in services. Our hypothesis based on the dominance of tourism and financial services directed at markets outside the Caribbean is that intra-Caribbean trade in service has not significantly increased in the recent past.

For the Caribbean Single Economy the objective is very far from achieved. The CCS plans establishing a framework by 2015 that focuses on monetary and fiscal policy. Little progress has been made in terms of policy coordination and the legal and institutional framework. The region failed in particular to iron out an agreement on monetary union, on harmonisation of incentives, and on the CARICOM agreements on investment and on financial services.

The process is complex and slow because of the governance set up where CCS elaborates and proposes, but has no supranational authority (like the EU institutions) and depends on decisions of meetings of Heads of Governments and action at the level of the CARICOM member states. The challenge is also the political will and the capacity for Caribbean countries to integrate the regional policies into their national plans. Outcome of the latest meeting of Head of States in July 2011 was a decision to concentrate on overcoming the obstacles and delays incurred in the completion of the Single Market making the Single Currency (part of the Single Economy) only a long term objective (Indicator 3.2.1 to 4).

The CSME has encouraged Intra-regional foreign direct investments, which have averaged 10% of total FDI inflows to the member states in the most recent years, mostly in banking and insurance, tourism, distribution and manufacturing (Indicator 3.2.5).

JC 3.3	The EU interventions contributed to the economic integration of the Caribbean OCTs and DOMs into the region.						
No		◆					Yes

Apart from the new Montserrat airport, so far the EU interventions contributed little to the economic integration of OCTs and *Départements d'Outre-Mer* (DOMs) into the region. Four task forces were created with EU support for the promotion of DOM and OCT co-operation with CARIFORUM countries. Only the trade task force meets on a regular basis. In the meantime

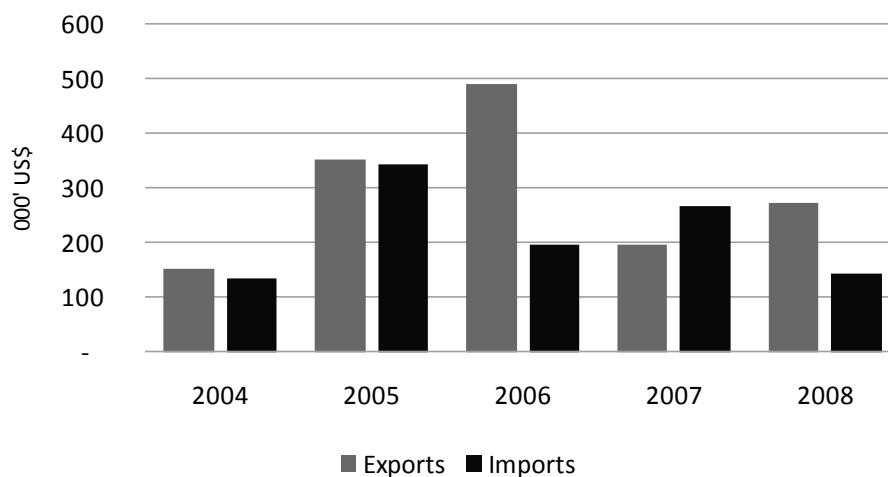
⁴² Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Lucia, St Kitts and Nevis, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

⁴³ CARICOM Secretariat, Summary Report of the Appraisal of the State of Implementation of the Single Market. CSME (CONV)/2009/1/6. and October 2009

⁴⁴ See CARICOM website under <http://tradsysonline.caricomstats.info/Home.aspx>

the trade of Caribbean OCTs with CARIFORUM has not significantly increased over the years 2004-2008. In fact, the trade of the OCTs with the Caribbean is marginal, with exports below US\$0.3M in 2008 and imports below US\$0.2M in the same year. Apart from the lack of economic complementarity, OCTs and DOMs suffer from insufficient transport infrastructures, particularly the low connectivity of shipping lines, as was stressed in the Evaluation of EC's cooperation with Overseas Countries and Territories⁴⁵ (Indicator 3.3.1).

Figure 13: Caribbean OCTs' trade with CARIFORUM (2004-2008)



Source: DFC, *Analysis of the Regional Economic Integration Processes OCTs within their region and with the EU*, Jan. 2010.

According to latest figures available (only until 2008), none of the three (French) DOMs in the Caribbean has developed significant trade with the Caribbean Region. Imports by Martinique from the Caribbean ACP were in 2008 only 1% of its total imports, and 2% of its total exports. The figure is only slightly better for imports of Guadeloupe, but remains marginal. The same isolation from the ACP Caribbean is true for the Department of Guyana, with marginal imports and exports.

OCTs and DOMs integration in the region remain impaired by a similar offer, but also deficiencies in transport (Indicator 3.3.2).

⁴⁵ See shipping lines connectivity index in volume II page 139

ANSWER TO EQ3

By supporting the CCS with the implementation of the CSME Work Plan, the EU support has been facilitating the reform process. However, the EU interventions could not make a decisive change in the delays in CSME implementation.

The EU provided continued support to CCS and regional organisations, but the CARICOM, in the absence of sufficient political will and adequate governance, is far from achieving its objectives of harmonising policies, laws and regulations. The effects on the integration process itself have been limited. The main regional project of EDF9, namely the CISP, increased the resources and human capacities of several key regional institutions, including the Caribbean Regional Information and Translation Institute (CRITI) and the Competition Commission created and staffed with its support. CISP funded up to 86 staff positions, out of a total CCS staff of around 480. The EDF10 plans to strengthen not only the capacities of the CCS, but also the absorption capacities of region related interventions at the national level, which has been a major obstacle for CSME implementation.

Still, the implementation of the CSME is slow, due to a loss of political momentum and lack of capacities at the national level. According to the evaluation carried out in 2009 by the CSME Unit, member states had complied with just 50% of the measures required for the completion of the Single Market side of the CSME. The free circulation of persons is still very limited. Intra-regional exports are still small: in 2008, only 15.3% of total exports of member states were exchanged between CARICOM countries. For the Single Economy side of CSME, little progress has been made in terms of policy coordination and the legal and institutional framework.

Also, the EU interventions contributed little to the economic integration of OCTs and DOMs into the region. OCTs trade with the Caribbean is marginal. Equally, none of the three DOMs has developed significant trade with the Caribbean Region. In both cases, economic integration into the region is hampered by a similar offer and deficiencies in transports.

4.4 EQ4 Sub-regional Co-operation

EQ4: To what extent have the EU interventions contributed to the integration of sub-regions within the group of CARIFORUM members?

Justification: The CARIFORUM countries register very different levels of development. One of the recommendations of the previous Evaluation (2005) was to take the asymmetries in the region more into consideration. Within the CARICOM countries, only six are considered as “more developed countries” by the Revised Treaty of Chaguaramas, while the other eight are considered as “less developed countries”. Supporting sub-regional integration like the OECS and better integration of the Hispaniola Island⁴⁶ on is one of the strategies that can contribute to a more equal development of the region.

2 OECS related projects on capacity building of human resources and export capacities dating still from EDF7 over €7.1M continued till 2009 while new allocations were only made in EDF9 Dominica air access and Caribbean trade and private sector development (CTPSD) for about €22.5M of which €9.0M have been disbursed till end of 2010. Important regional funds were allocated and mostly disbursed for the Transborder environmental Programme on Hispaniola (€13.2M on EDFs 8 and 9) and the economic development of the Hispaniola Northern Corridor (€53.9M, EDF9)

JUDGEMENT CRITERIA RELATED FINDINGS

JC 4.1	The intervention of the EU contributed to the delivery of the OECS⁴⁷ strategic plans and their implementation.							
No					◆			Yes

The EU interventions did not contribute significantly to the delivery of OECS strategic plans and their implementation. They supported only indirectly the OECS Secretariat capacities in the past, strengthening its Export Development Unit (EDU) institutional capacity for effective programme administration and execution, one of the components of the CTPSD. However, the EDF10 programme (€12.6M), about to start, is meant to enhance the technical capacity of OECS and EDU to manage an expanded portfolio of interventions (details under the following indicator). The institutional assessment undertaken in 2010 concluded that the EDF10 programme supporting the OECS Secretariat could not be implemented through a contribution agreement but through a decentralised project approach using the EU procurement procedures, since it did not meet the criteria required for accounting and procurement.

The OECS was created in 1981 on the grounds of the Eastern Caribbean Common Market (ECCM) created as early as 1968, that is, before independence. It harmonised Customs legislation in each Member State. It achieved full monetary integration with a single currency pegged to the US dollar, and managed by the Eastern Caribbean Central Bank (ECCB). The OECS integration includes also common policies in functional areas. The OECS has a single telecommunications regulator body, a common judiciary and Supreme Court, a single Civil Aviation Authority and joint diplomatic representations. With the project to conform an Economic Union, the OECS will become a stronger sub-region within CARICOM and CARIFORUM, and

⁴⁶ Hispaniola is the name of the island divided between Dominican Republic and Haiti.

⁴⁷ The 9 OECS countries are Anguilla, Antigua & Barbuda, British Virgin Islands, Commonwealth of Dominica, Grenada, Montserrat, Saint Lucia, St. Kitts) Nevis, St. Vincent & the Grenadines

the most advanced integration project in the Latin America and Caribbean region. Hence, the process is relevant and needs support.

The OECS received support from the EU already under EDF7 with the OECS Export Enhancement Programme, which provided financial and technical support to its Export Development Unit (EDU). A component of EDF9 and Caribbean Trade and Private Sector Development Programme (CTPSD) seeks to strengthen the EDU’s institutional capacity for effective programme administration and execution. CTPSD also supported the OECS mission in Geneva which has contributed to improving the OECS capacity to participate more effectively in trade negotiations and other trade related matters. The EDF10 programme (€12.6M) is meant to enhance the technical capacity of the OECS and EDU to manage an expanded portfolio of interventions. In order to facilitate smooth commencement of the project, the OECS Secretariat recruited additional technical staff. Also the “All ACP” Trade.com programme (total volume of €60M) held six workshops and trained 52 officials of the OECS sub-region in drafting trade laws.

Many other donors have supported, or still support, the OECS, like WB, CDB, UNDP, IDB, and above all CIDA with its on-going Institutional Support Programme (ISP).

The member states of the OECS have developed the most integrated space in the Latin America and Caribbean region. The OECS established an Eastern Caribbean Common Market (ECCM) with its own Common External Tariff, which was later harmonised with that of the wider CARICOM (Indicator 4.1.2).

The EDF9 contributed significantly, through the support of the CTPSD programme, to the development of exports. The exports of goods of OECS countries to the rest of the CARICOM countries increased by 171% over the period 2004-2008. This is a better performance than the growth of total exports of intra-CARICOM states (303%), since those are mostly due to Trinidad and Tobago exports of fuels (see EQ3).

Tourism service has declined or stagnated. Comprehensive figures on trade of services, including financial services, are not available (Indicator 4.1.3).

JC 4.2	The EU support contributed to the economic integration of Hispaniola Island.								
No						◆			Yes

Bilateral trade has increased rapidly in recent years but is only due to the growth of Dominican exports to Haiti, today its second export market, with US\$624M in 2009. That same year, Haiti bought 10% of Dominican exports, while the United States absorbed 54%. Haitian exports to the DR remain insignificant (US\$13M in 2009). The trade imbalance, in favour of the DR, is more than US\$611M⁴⁸. This trade imbalance has quadrupled since 2005 (US\$154M). Real trade is in fact higher because intense smuggling in both directions is estimated to be at least of US\$100M (Indicator 4.2.1)

There was no evidence of active co-operation and decisions until the meeting of the Joint Commission⁴⁹ in September 2010. This is confirmed by the recent evaluation of EC’s co-

⁴⁸ Source : Central Bank of the Dominican Republic

⁴⁹ A bilateral “Comisión Haiti-Dominicana” (CHD, the Commission) was conceived in 1995 under President Balaguer to support bi-national cooperation.

operation with the Dominican Republic “*organizational and institutional frameworks are only just beginning to take effect, and mostly after the period covered by this evaluation*”.⁵⁰ For the first time in 10 years, the sub-committees met and established work-plans in the areas of investment, financial services, tourism, environment protection, health and transport. The EDF10 Bi-national Project is meant to support the plans of the Joint Commission. In his speech to the UN Security Council on March 30 2011, the Minister for Foreign Affairs of the Dominican Republic also suggested that alternative energy sources should be developed and that interconnection of Haitian and Dominican electrical and gas distribution networks should be offered to transform Haiti’s energy matrix (Indicator 4.2.2).

The North Coastal Road built with the support of the EU joins Dajabon on the Dominican side of the boarder to Cap Haitien (75 km). The time required driving from the Dominican boarder to Cap Haitien, an average of three hours, was cut by more than half.⁵¹ It facilitates access to the industrial zone of Ouanaminthe and the agro production of the North of Haiti. The traffic intensified and the Dajabon market days are very busy. However, the bridge crossing the river Massacre was not completed as planned before end of 2010 and the market in Dajabon was not fully ready as planned in 2010, neither by mid-2011.⁵² The termination of the Dajabon market is planned with the financial support of EDF10. In conclusion, the implementation will be at least two years late, but an impact is already positive and visible (Indicator 4.2.3).

ANSWER TO EQ4

The EU contribution to the integration of sub-regions within the group of CARIFORUM members has been fairly limited.

The EU contributed only indirectly to develop the OECS Secretariat’s capacities in supporting the institutional capacity of its Export Development Unit, but it contributed significantly, through the support of the CTPSD programme, to the development of exports. The exports of OECS countries to CARICOM members increased by 171% over 2004-2008. They reached US\$161M in 2008, representing a very high percentage (76) of the total exports of OECS countries. The EDF10 programme (€12.6M) is meant to enhance the technical capacity of OECS to conform an Economic Union.

The EU interventions registered limited results on DR-Haiti co-operation. Trade between the DR and Haiti increased rapidly to US\$624M in 2009, with a huge imbalance in favour of the DR, but data on the influence of the EU in bringing about this increase in trade are not available. However, the North Coastal Road built with the support of the EU joins Dajabon on the Dominican side more than halved the time required driving from the Dominican boarder to Cap Haitien and facilitated access to the industrial zone of Ouanaminthe and the agro production of the North of Haiti. The termination of the Dajabon market and other infrastructures are planned with the support of EDF10.

There was little evidence of active DR-Haiti co-operation and decisions until the meeting of the Joint Commission in September 2010 and the meetings, for the first time in 10 years, of the sub-committees. The EUD in Santo Domingo has put into place an important informal process of policy dialogue in order to keep the two countries working on common issues and the EDF10 bi-national project is meant to support the plans of the Joint Commission.

⁵⁰ See page 186 of Evaluation of EC’s co-operation with the Dominican Republic 2001-2009, vol. 2, 2011.

⁵¹ See page 191 of Evaluation of EC’s co-operation with the Dominican Republic 2001-2009, vol. 2, 2011.

⁵² Idem.

4.5 EQ5 International Competitiveness

EQ5: To what extent has the EU contributed to a more competitive Caribbean region within the global economy?

Justification: International competitiveness is a key result expected of the EU co-operation during the period covered by the evaluation. The aim of CRSP/CRIP of EDF9 refers to it through the concept of “global repositioning” while the overall objective of CRSP/CRIP of EDF10 makes a nominal reference to “increased international competitiveness”.

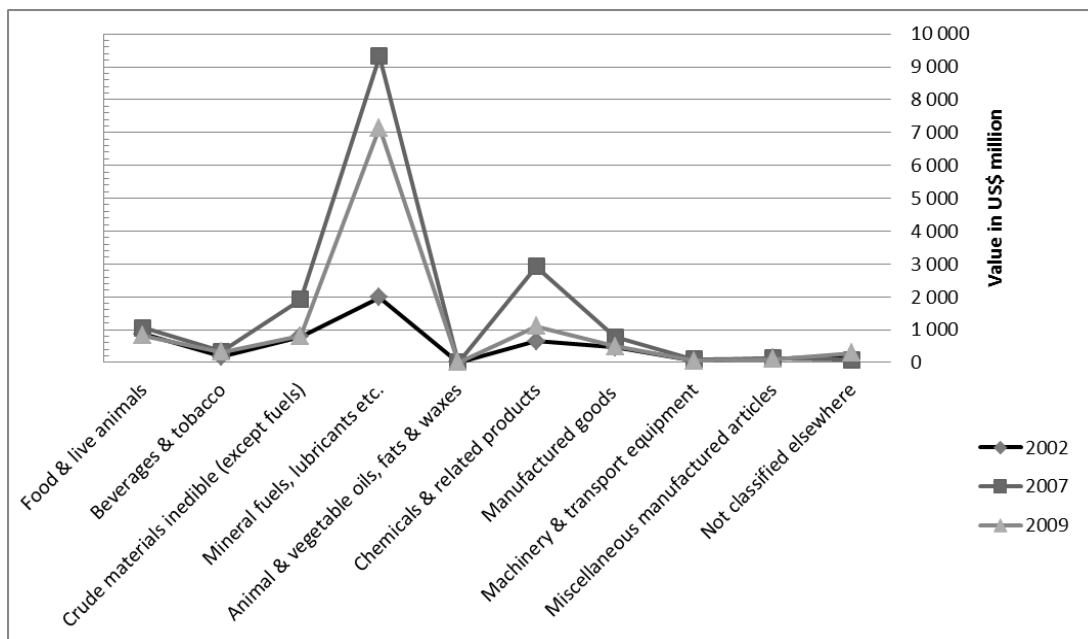
The OECS export capability enhancement programme of EDF7, the Caribbean regional tourism sector development program of EDF8, the Caribbean trade and private sector development programme phase 1 and 2 of EDF9, the Support to the competitiveness of the rice sector in the Caribbean of EDF9 again, and two All ACP programmes of EDF8, the Integrated development programme for Caribbean rum industry and the Programme “Initiative Pesticides”, for a total of €145.5M out of which €132M was disbursed at the end of 2010.

JUDGEMENT CRITERIA RELATED FINDINGS

JC 5.1	EU interventions contributed to increased competitiveness of traditional industries in the region.							
No			◊					Yes

The EU interventions contributed to increase the international competitiveness of traditional industries, but not to the extent of making them competitive in the global economy. As indicated in the graph below, the only significant increase of exports over the period 2002- 2009 was crude materials, mineral fuels and chemical products, all related to Jamaican Bauxite and Trinidad and Tobago oil and gas.

Figure 14: Value of CARICOM domestic exports per commodity (2002, 2007 & 2009, US\$ million)



Source: CARICOM, http://www.caricomstats.org/Files/Databases/Trade/eXCELper cent20FILES/CC_Total.htm

The Sugar Accompanying Measures and the Special Framework of Assistance (for Bananas), and the Programme of support to the Caribbean rice industry focused on improving competitiveness and, in the first two cases, on supporting diversification. None of those products increased their exports on the world markets.

There are still a few exceptions. The Rum Support Programme was meant to increase productivity, change the entire strategy by shifting from export of bulk rum to branded rum and improve waste management. The programme resulted in increased exports and diversified markets. The “Authentic Caribbean Rum” mark developed under the EU programme is registered in 41 countries plus the member states of the EU (as an EU Community mark). CARIFORUM rum exports grew from US\$6M in 2006 to US\$100M in 2008 only.⁵³ Another exception is the DR becoming the third biggest ACP producer of banana over the last 10 years. Exports to the EU increased by several hundred%. Suriname also restarted banana exports with the help of EU support (Indicator 5.1.1).

Some major associations of main traditional industries improved their capacity to undertake competitiveness studies: the regional West Indies Rum and Spirits Producers' Association (WIRSPA), with the support of the regional EDF8 Rum Support Programme and in the countries concerned the national associations of banana and sugar industries, with of the support of the corresponding EU interventions (Indicator 5.1.2).

However, only a few countries made significant progress in developing their exports, like the DR for its bananas, mangos and a few other fruits thanks mostly due to the cheapest labour in the region coming from Haiti. In the area of non-traditional exports Antigua has initiated its first shipment of mango exports to the UK market. Horticultural exports from the Dominican Republic to the EU (as well as the US and Canada) are also expanding. All rum producers of the region expanded their exports (Indicator 5.1.3).

JC 5.2	EU interventions helped diversifying the CARIFORUM economies.								
No			◆						Yes

Except for tourism in some countries, supported by the Caribbean regional tourism sector development program of EDF8, there is yet no indication that EU interventions helped to diversify significantly the CARIFORUM economies during the time scope of the evaluation. As indicated in the graph above, the only sectors of significant weight and growth in exports in current US dollars are Mineral Fuels & Chemical products.

The export structure of CARICOM countries shows increased concentration of products. In 1997, the top 20 products account for 51% of total exports and this share increased to 70% in 2007.⁵⁴ The Regional Strategy of the EDF10, partly based on this diagnostic, seeks to frame the assistance to CARIFORUM countries in their economic diversification efforts, namely to move away from over-dependence on commodity exports and into services.

Major constraints to competitiveness of new industries include insufficient transport infrastructure and mostly poor business environment (see JC 5.4). Wages are also relatively high in CARIFORUM member states, with the exception of Haiti, which is also plagued with the two

⁵³ See DG TRADE http://trade.ec.europa.eu/doclib/stories/full_stories.cfm?id=167&langId=en

⁵⁴ According to CCS statistics, in 2008, minerals exports alone even represented 71 % of total exports of CARICOM countries

main constraints mentioned above. This reflects mainly that most of the Caribbean countries are middle-income countries and their low flexibility compared to other middle-income countries⁵⁵.

The stated strategy of many governments is to increase value added in the tourism sector. Tourism has been supported by EU interventions in the past and will continue to be supported under EDF10. For instance, the OECS project will support the development of the OECS Training Centre in Tourism and Hospitality, based in Antigua and Barbuda (Indicator 5.2.1).

There is no indication of significantly increased employment of women in the region except in countries where tourism is developing. Free zone industries have created a lot of jobs for women in the past, but these industries have receded here again for lack of competitiveness (Indicator 5.2.2).

Again with the exception of tourism in some countries, there is yet no indication of significant diversification of exports. Growth of service exports is not significant and do not show in any statistics because of under-declaration of sales and statistical offices that are ill-equipped for registering activities in services. Even the light industries, which prospered in the past in some countries under free zone regimes, have declined. Even the light industries, which prospered in the past in some countries under free zone regimes, particularly in the DR, have declined from 195,000 workers in 2000 to around 120,000 in 2010.⁵⁶

Diversification is now stressed in the EDF10 Regional Private Sector Development Programme (RPSDP) being implemented by the Caribbean Export Development Agency (CEDA). However, the management CEDA is right in stressing that the allocation for innovations of only €400,000 (out of a total programme de €32M) is very little, when the economy has to diversify (Indicator 5.2.3).

JC 5.3	EU interventions contributed to a better compliance with international SPS and environmental standards and other TBT⁵⁷ regulations								
No							◆		Yes

The Caribbean Regional Organisation for Standards and Quality (CROSQ), was the main beneficiary of a component of the EDF9 CISP, with a total budget of €697,000, which managed to develop a quality culture and improve the standards of quality of medical and chemistry laboratories of the region through training and TA. The organisation and quality of the standards monitoring systems was effectively strengthened, according to CROSQ management, but, according to the report on the appraisal of the State of the CARICOM single market, no Member State has implemented legislation for all of the regional standards⁵⁸.

The Caribbean region was also a beneficiary of the successful All ACP Pesticides Initiative Programme (PIP) carried out between 2002 and 2010.⁵⁹ The Programme supported the compliance by producers, particularly constraining for small producers, of the new regulatory requirements of the EU, from traceability to EurepGap certification. The latter imposes require-

⁵⁵ See Caribbean: Accelerating Trade Integration, World Bank and OAS, April 2009

⁵⁶ Consejo Nacional de Zonas Francas de Exportación, Informe 2010, Santo Domingo
http://www.cnzfe.gov.do/documentos/informes_estadisticos/Informe_Estadistico_2010_en_Espanol.pdf

⁵⁷ Technical Barriers to Trade

⁵⁸ Report on the appraisal of the State of the CARICOM single market, CCS, 2010

⁵⁹ See Final evaluation of the Pesticides Initiative Programme (PIP), Italtrend, June 2008

ments for the storage and safe use of pesticides, good agricultural practice, hygiene, and respect for the environment. The overall objective of the PIP (maintaining market share of ACP countries) was achieved globally as the market share was stable between 2001 and 2006; and the exports increased in absolute terms⁶⁰. CROSQ will also receive support under EDF10 on TBT issues (indicator 5.3.1 and 5.3.2).

JC 5.4	EU support to regional BSOs contributes to long-term private sector development.							
No				◆				Yes

According to Business Support Organisations (BSOs) consulted, the Caribbean Trade and Private Sector Development Programme (CTPSD), through CEDA, helped them become more effective in meeting the needs of their members by improving and expanding training and technical assistance, sharing of best practices, facilitating participation in promotional and study tours, matchmaking exercises, and trade missions. However, it is difficult to measure the outcomes as the indicators of the CTPSD programme were not formulated to this purpose.

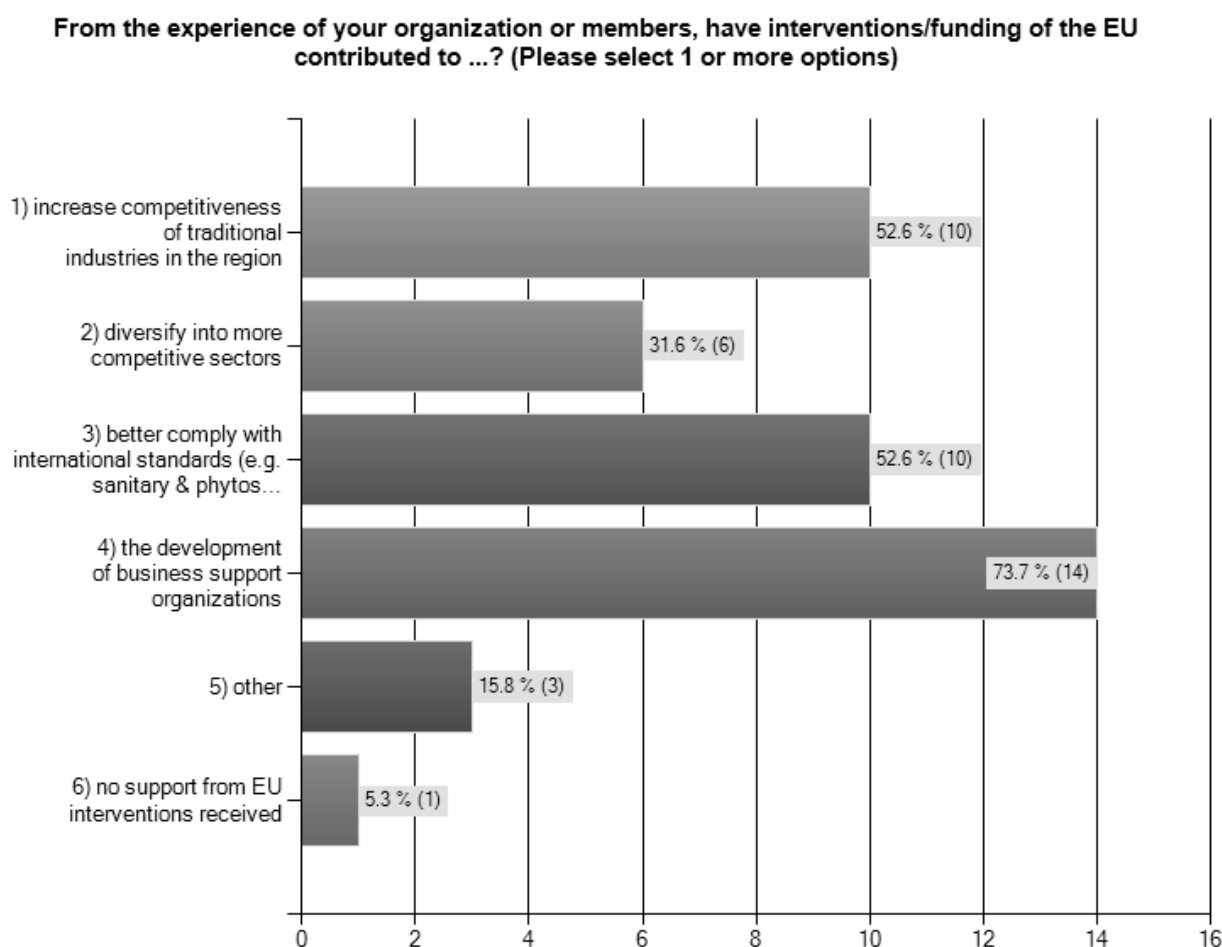
CEDA was also key support to the Caribbean Business and Investment Support Network (CARIBISNET) - a network created in 2006 and now of around 50 established Caribbean Private and Public sector non-financial BSOs whose primary goal is to improve collaboration, information exchange and the development of common services among members. CEDA also supported existing Investment Promotion Agencies (IPAs) and Trade Promotion Organisations (TPOs) as well as the establishment of new ones (Indicator 5.4.1).

The results of the survey carried out by the evaluation team indicate that the support of the EU has contributed to develop BSOs. However, except in the main sector of activity of the region, which is tourism, the BSOs interviewed⁶¹ indicate that they are still very dependent on donors for their sustainability due to small membership, the size of those members and/or the economic crisis (Indicator 5.4.2).

⁶⁰ idem

⁶¹ See list per country in Annex N°V.

Figure 15: Responses of 19 BSO to the Survey



The efforts of some BSOs to improve the business climate have so far have not given significant results. The main impediment to competitiveness remains a poor business climate. Doing Business score provides an assessment of the change of business climate of 13 CARIFORUM countries between 2006 and 2011. It indicates that the business climate improved slightly in 12 of those countries and only declined in one of them, namely Suriname. The most significant improvement were obtained in Haiti, DR and Guyana, which nonetheless still rank among the lower 50% in the world.⁶²

However, the region as a whole is far from ranking high in *Doing Business*. According to the most recent data released by *Doing Business*⁶³, the highest ranking in the Caribbean is St. Lucia's (ranking only 52 out of 183) followed by an Eastern Caribbean State, Antigua and Barbuda, with a ranking of 57. In contrast, The Bahamas is much further down at 85; while Trinidad and Tobago and Jamaica, which have traditionally been seen as major corporate centres in the region, were ranked at 68 and 88, respectively. St. Kitts and Nevis, and St. Vincent and the Grenadines, which are increasingly promoting their reputation as international business centres, stood at 95 and 75, respectively. The other CARICOM nations making it into the top 100 were

⁶² See World Bank and IFC (2011) "Doing Business 2011), p. 42, available under: <http://www.doingbusiness.org/~media/FDPKM/Doing%20Business/Documents/Profiles/Regional/DB2011/DB11-Caribbean-States.pdf>

⁶³ Not taking into account Barbados, see rankings in <http://www.doingbusiness.org/rankings>

Belize at 93, Dominica at 65 and Grenada at 73. Guyana and Haiti did not make it above this bar, ranking at 114 and 174, respectively.

Likewise, the Global Competitiveness Index of the World Economic Forum released in September 2011 gives a relatively negative picture of the region⁶⁴. The World Economic Forum noted that the nations shared “persistent challenges” in terms of a lack of physical security, poor development of infrastructure, an inefficient allocation of production and human resources in infrastructure and increasingly a lag in innovation against other more developed, but also emerging, economies (Indicator 5.4.3).

ANSWER TO EQ5

The EU support to a more competitive Caribbean region was significant, but results are modest, due to an adverse business climate. The EU supported the traditional industries (sugar, banana, rice) directly through special programmes. The Caribbean Trade and Private Sector Development programme (CTPSDP) was meant to support the diversification of exports, including in the service sector, through the Caribbean Export Development Agency (CEDA). The same programme, through CEDA, was also key in the creating and development of a 50 member strong Caribbean Network of Business Organisation. A component of the Caribbean Integration Support Programme (CISP), through the Caribbean Regional Organisation for Standards and Quality (CROSQ) contributed to the improvement of the quality of products.

However, the results do not show yet in increased exports. The only significant increase of exports of goods over the period 2002-2009 was crude materials, mineral fuels and chemical products, all related to Jamaican Bauxite and Trinidad and Tobago oil and gas. There are a few exceptions. The Rum Support Programme resulted in increased exports and diversified markets. CARIFORUM rum exports grew from US\$6M in 2006 to US\$100M in 2008 only.⁶⁵ Another notable exception is the DR becoming the third biggest ACP producer of banana over the last 10 years. Suriname also restarted banana exports with the help of EU support. The overall strategy of continued transformation of the region from an agro-based production into a service economy only progressed with the expansion of tourism.

The main reasons are an incomplete Single Market, deficient infrastructures, particularly for international transport, BSOs far from self-sustainable, and above all a poor business climate. According to the most recent data released by *Doing Business*⁶⁶, no Caribbean country is ranked in the first 50 out of 183 countries surveyed. The relatively poor business climate is confirmed by the Global Competitiveness Index of the World Development Forum.

⁶⁴See World Economic Forum under: <http://www.weforum.org/issues/global-competitiveness>

⁶⁵ See DG TRADE under http://trade.ec.europa.eu/doclib/stories/full_stories.cfm?id=167&langId=en

⁶⁶ Not taking into account Barbados, see rankings in <http://www.doingbusiness.org/rankings>

4.6 EQ6 Economic Partnership Agreement

EQ6: To what degree has the EU co-operation contributed to create the context for deepened trade relations between the EU and the CARIFORUM member states and among the CARIFORUM member states?

Justification: EU co-operation with CARIFORUM is a crucial element in each sectoral chapter of the EPA. EPAs are first and foremost trade agreements. They aim at achieving development objectives through the promotion of regional integration, the gradual integration of Caribbean countries into the world economy, capacity building in trade policy and trade related issues, supporting the conditions for increased investment.

EPA-process was supported by the project Caribbean Regional Negotiating Machinery under EDF8 (€1M) and from the Caribbean Integration support programme under EDF9 (a component of €4M out of a total of €40.5M), that is a total of €5M totally disbursed. Support to the Forum of Caribbean States for the implementation of the commitments undertaken under the EPA is foreseen under EDF10. In addition to these programmes, there is indicative allocation of support in various Technical Cooperation Facilities and national programmes related to EPA.

JUDGEMENT CRITERIA RELATED FINDINGS

JC 6.1	The EU support to the EPA-related reforms has facilitated the negotiation of the EPA.						
No						◆	Yes

The EU and the CARIFORUM countries started negotiating an Economic Partnership Agreement (EPA) in 2004. The negotiations were divided in four phases and to be completed in 2007 (it was actual initialled in Dec. 2007 and signed in Oct. 2008). Throughout those phases, many studies, discussions and reforms needed to take place at CARIFORUM level to identify its priorities and needs in respect to the trade agreement (Indicator 6.1.1). EU support for the central negotiation process was accompanied by the support of other donors who assisted in arriving at new regimes to be incorporated into the EPA text as well as in identifying further support needed for implementation (Indicator 6.1.2 and 6.1.3).

The Caribbean Regional Negotiating Machinery (CRNM) – turned in 2009 into the Office of Trade Negotiation (OTN) of the CARICOM Secretariat – was the official CARIFORUM counterpart for the negotiation process (see JC2) and for this purpose, CRNM/OTN received €5.08M in direct assistance to build capacity for negotiations through the EDF8 and through the EDF9 CISP. This support basically targeted the attendance at meetings, working groups, studies and hiring of expertise, but no institutional or legal reforms prior to or during the negotiations.

The EPA negotiators established the Regional Preparatory Task Force (RPTF) to identify the areas of support for the EPA negotiations and implementation. Inputs from studies prepared through RPTF have been used in developing the Road Map and identification fiches for the programming of EDF10 regional resources. However, many areas identified remained unfunded. The estimate, based on the 13 studies that have been completed, indicate a need of resources above €500M.

The Region received assistance from different sources: National Indicative Programmes (e.g. the Institutional Support Programme for Regional Integration (ISPRI) in the DR), *Trade.com*, and the EDF9 CISP, which were mostly executed after the conclusion of the negotiations in 2007. Thus, the reforms supported under those initiatives had no directly impact on the negotiations themselves, but they were expected to assist the CARIFORUM countries in the implementation of the EPA. Support has been given to reforms within regional integration process includ-

ing fiscal reforms, legal drafting and trade in the OECS, CSME, as well as CRNM/OTN, capacity building and training for Ministries of Foreign Trade in Belize, Guyana, Jamaica, and the DR, among others (Indicator 6.1.1).

Some resources in the EDF9 to supported the insertion of Haiti within the EPA context, but funds were not utilised.

The Cultural Protocol was a new addition to the trade agreement, addressing the potential recognized for CARIFORUM countries. Donor support and particularly EU support (Pro€invest) has been critical in the identification of cultural sector needs and all areas prioritized in the EPA by CARIFORUM through a regional Consultation, which was held in October 2006. The regional preference clause (art. 238) has given certain countries in the region a legal framework that did not exist before (Bahamas-CARICOM, DR-Bahamas, DR-Haiti, etc.). Other new issues included intellectual properties, innovation, flexibility of rules of origin, etc. (Indicator 6.1.2).

There is clear evidence that support relating to the trade negotiations (in particular support to the CRNM/OTN) made available capacity which is now helping the region to deal with the next steps in the commitments and further pending negotiations. OTN and the CARICOM EPA Implementation Unit have both staff trained by the projects (8 ACP TPS 100, EDF9 CISP, Trade.Com, Pro€invest, etc.). Support to the CROSQ (CARICOM Regional Organisation for Standard and Quality) is addressing the issue of standards. Furthermore, the EU is supporting the establishment of a new body on Food Safety and SPS issues: Caribbean Agricultural Health and Food Safety Authority (CAHFSA) with EDF10 funding.

There was also support at national levels. ISPRI in DR has for instance undertaken training, studies and technical assistance for Customs, Ministry of Trade, Foreign Affairs (Foreign Trade), etc. Trade.Com supported different capacity building exercise for OECS, Jamaica, St. Vincent and the Grenadines, Belize, Guyana and Dominican Republic. The EDF10 EPA implementing Programme⁶⁷ is expected to address capacity building in customs, SPS, TBT, services, Competition Policy, fiscal reform, etc. However, there are limited resources available for the CARIFORUM EPA implementing unit (€1.1M). This unit is to undertake important actions such as to guide and support the national implementing units or its equivalent in functions, implement regional actions, coordinate on the CARIFORUM side the work of the CARIFORUM member states have already identified areas for immediate support in services, support to private sector and communications, which are not covered by the present EDF10 EPA implementing fiche or any current funding available. EPA national units, already funded by DfID/Cartfund (like Antigua, Dominica, Grenada), will receive support under the EDF10 EPA programme (Indicator 6.1.3).

⁶⁷ See EDF10 EPA Implementation Programme Identification Fiche

Box 3: Project to enhance CARIFORUM capacities in trade negotiations

The CARIFORUM Grant Agreement (GA), entitled “Enhancement of CARIFORUM Regional Capacity for External Trade and Economic Negotiations” (EDF8 ACP TPS 110), was signed in February 2004 and its implementation was originally expected to conclude by December of the same year. The total amount of the GA was €761,460.

This project covered mostly the support of the round of negotiations (at Ministerial and Technical level), college of negotiators, technical working groups as well as limited expertise. These activities were the backbone of the negotiation process. Without this funding an EPA would not have been possible, at least not within the expected timeframe.

This project which started in April 2004 was to provide the initial funding for the EPA negotiation while the EDF9 CISP with an initial €5M provision started. Due to the delay of the CISP and the pressing calendar of trade rounds, it was necessary 5 riders and additional resources to assist the region until 2007 time of the actual start of the EDF9. Total amount provided was €1,089,308.

According to the present and past heads of CRNM/OTN, CARIFORUM Secretariat as well as private sector representatives, without donor support, EPA would have not been completed and certainly it would not have been completed within the timeframe allocated. It is difficult to evaluate the exact impact of this project as it had many complementary, and important other actions, financed by other donors (around 2/3). However, given the fact that it financed the key meetings of the EPA negotiations (including the negotiating round at technical and ministerial level) it can be stated that these resources were indispensable to support the different stages of the negotiation.

JC 6.2	The support to the Caribbean Regional Negotiating Machinery (CRNM/OTN) has provided the institution with a reliable funding system and the capacity to effectively prepare and participate in trade negotiations.									
No						◆				Yes

The CRNM/OTN has received funding for multiple donors since its creation and it is now a Unit within the CARICOM Secretariat. It still has financial support from direct member states contribution as well as donor programmes (EDF9 CISP, IDB, and DfID). Since the beginning, it has received donor support⁶⁸. CRNM/OTN is one model of donor coordination in the region. EU contributions started in 2004 with 8ACP TPS 110. Currently OTN is the active negotiating body of CARICOM countries.

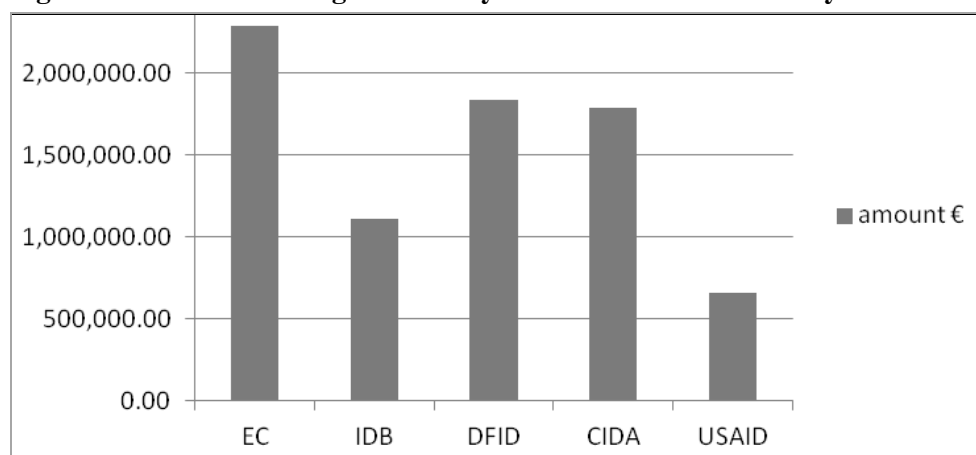
The OTN was able to begin engagement in the CARICOM-Canada negotiations in 2009. This is an indication that capacity building took place not only at the level of the CRNM/OTN core staff. A group of persons were trained, (including master degrees), during the negotiation period (colleagues of negotiators, technical experts, coordinators of working groups, officials at different member states governments), who were able afterwards to use the knowledge for other negotiations in the context of WTO, CARICOM-Canada, etc. At the moment of this evaluation, the OTN was conducting the trade negotiation with Canada, the negotiations were in the third round and a joint programme had been established. OTN is engaging in all arenas related to trade negotiations on behalf of CARICOM including WTO (it has an office in Geneva) and trade with Canada as well as discussions about other potential negotiations. It also expects to become part of the negotiation of the build-in agenda in EPA⁶⁹ (Indicator 6.2.1).

⁶⁸ According to Henry Gill, former Director General CRNM

⁶⁹ According to Amb. Gail Mathurin, current Director General of OTN

CRNM/OTN received basic funding for the negotiations (2004-2007) from the 8 ACP TPS 110 (€1.08M), which covered costs for attendance to meetings, technical studies, technical working groups, etc. Without this support, it would have been difficult to execute negotiations in the agreed timeframe. During that period CRNM also received funding from other EU sources (ProInvest-Trinnex, Trade.com, EDF9 CTPSDP, etc.) and non-Commission sources (CIDA, DfID, IDB, Commonwealth Secretariat) which also helped with studies, consultations, workshops, etc. (estimated over €5M) The CRNM had to educate and provide consulting services at the same time in order to assist public and private sector in arriving at the understanding and developing of positions in different areas, including the cultural sector. This required a lot of resources, which were not readily available from the EU. The EDF9 CISP had a €4M component for the CRNM but only started in May 2007, seven months before the conclusion of the negotiations.⁷⁰ Similar challenges happened with other resources aiming to assist in the negotiation process such as the ISPRI programme in DR or the Trade.com project (Indicator 6.2.2).

Figure 16: Donor funding received by CRNM/OTN 2004-2009 by main donors



Sources: EU (Cariforum reports, EDF9 estimate based on report spent on trade negotiations (until Oct.2008), DfID and IDB figures from CRNM/OTN and USAID and CIDA from IDB Aid for Trade report 2009.

JC 6.3	The EU interventions supported active involvement of the private sector and the NSA in EPA negotiations and implementation capacity to exploit benefits of the EPA.						
No		◆					Yes

The EPA framework agreed in 2004, and all other relevant documents, agree on the importance of including Non-State Actors in the process. The CRNM/OTN work plan included the active participation of private sector in trade negotiations. However, their participation was limited to certain working groups and several seminars delivered to engage them in discussions (indicator 6.3.1). Only those countries whose private sectors could afford to dedicate resources to follow the negotiations and to travel as part of their national delegations to the negotiating round, did have a full and active participation. These countries were Barbados (Barbados Trade Team), Trinidad and Tobago (Chamber and Manufacturers) and Dominican Republic (more than a dozen institutions). Jamaica attended selected meetings.⁷¹ NSA in Haiti and Haiti participation in general was engaged in EPA discussions only after the signature had taken place (Indicator 6.3.2).

⁷⁰ See ROM Report of EDF9 CISP

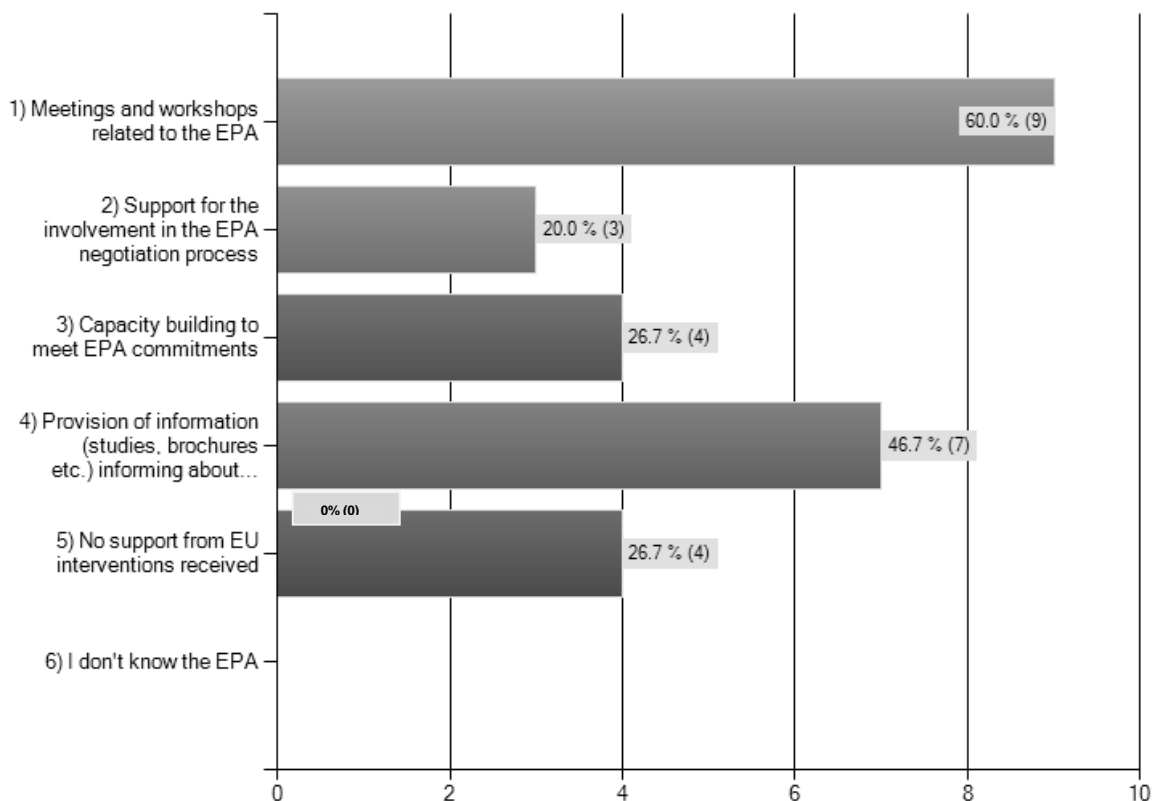
⁷¹ Interviews with private sector in Barbados, Trinidad & Tobago and Dominican Republic.

Other Non-State Actors felt they were not engaged in a meaningful way, although they attended a few working groups and seminars. They indicate lack of resources, particularly of the NGOs, as a reason for this lack of participation. Also information was not shared properly at national or regional level in spite of the number of seminars or bulletins produced (Indicator 6.3.3).⁷²

While the engagement of the NSA in the EPA was expected and agreed, there is little evidence of resource allocation to increase NSA participation in the negotiation process. The RPTF⁷³ called for the establishment of the Network of Non-State Actors for EPA negotiations coordinated by the Caribbean Policy Development Centre (CPDC) and supported by the Caribbean Employer Confederation (CEC), the Caribbean Congress of Labour (CCL) and the Caribbean Association of Industry and Commerce (CAIC); however, there were no specific resources identified. Two meetings of the Network (under the coordination of the CEC) were held in 2006 and 2007 with resources from the EDF9 regional TCF and EDF9 CISP. However, the resources under the EDF9 CISP allocated to NSA (€350,000) have not been utilised or programmed according to the opinion of CPDC, the EDF9 CISP Monitoring Report and CARIFORUM project reports. The EDF10 Regional Programme has allocated funding for NSA among the non-focal sectors, not as part of the focal EPA-related sector. The identification fiche has been developed (Indicator 6.3.1).

Figure 17: Results of the survey of BSOs of the region

Have you received support for being involved in the negotiations and/or implementation of the EU-CARIFORUM Economic Partnership Agreement (EPA) in the following manners?



⁷² Interview Caribbean Policy Development Centre (CPDC)

⁷³ RPTF meetings joint reports 2006 and 2007

The survey undertaken by the evaluation team (see Figure above) addressing business support organisations showed that although the majority (over 60%) had attended a meeting or a seminar regarding EPA, only about a quarter received support to participate in negotiations, built capacity or received information on a regular basis. Even the information provision is slightly under 50%. This result is similar to the results from interviews with private sector representatives who feel they are not catching up to EPA and lack fundamental support to assist the firms in tapping opportunities, neither in the 27 EU member states nor in the EU Overseas Countries and Territories / Outermost Regions in the Caribbean.

The Consultative Committee envisaged in the EPA is still to meet: it is only now in the process of appointing members on the CARIFORUM side⁷⁴ although EU counterparts have already been established. In the field visits it was clear that there is a gap between EPA implementation needs (including competitiveness issues) and the availability and timely processing of those resources as stated by all interviewees in public and private sector.

There has been support to the private sector to increase its competitiveness through the EDF9 CTPSD phase I and II programmes as well as through national indicative programmes, including the Jamaica PSDP and the DR ISPRI programme. There have also been initiatives like the establishment of the CARIFORUM-EU Business Forum financed by BizClim⁷⁵, trade missions and field visits financed by Pro€invest, market studies, and analyses for co-production agreement in films financed under the EDF9 CISP – all attempting to address different private sector needs under EPA. However, as indicated by the EPA implementing Units at national and regional levels, resources to undertake the necessary research and training, and proper implementation are still very limited. For example, the six EPA Units established are only now being fully staffed (Indicator 6.3.2).

Several briefs, booklets, and reports have been financed by the EU through the CRNM and other programmes. However, there is still a request for further assistance from the private sector to fully understand the EPA. A video, *Turning point: Insight the Economic Partnership Agreement* was financed by Trade.com and coordinated by the CRNM. It is currently available on the CRNM website. CRNM also has a radio programme and newsletter, which are extensively used for EPA information dissemination. Most documents produced by the different projects financed by EU programmes (market studies, briefs, etc.) were also published on the CRNM website (Indicator 6.3.3).

ANSWER TO EQ6

The EU co-operation contributed significantly to create the context for deepened trade relations between the EU and the CARIFORUM member states and among the CARIFORUM member states.

The EPA has redefined the trade relations between the EU and CARIFORUM. In that context, the assistance received allowed for the negotiation rounds to happen and to build the capacity for such agreement. As far as the EPA also offers a framework for intra-regional relations, it has also contributed to improve the framework between CARIFORUM member states, especially those countries that do not belong to the CSME: Bahamas, Haiti and Dominican Republic.

⁷⁴ Selection Criteria and draft list was approved by CARIFORUM Council of Ministers in Dominica in November 2011.

⁷⁵ See Report of the project establishing the CARIFORUM-EU Business Forum –BizClim 2008

EU support has contributed to the EPA negotiation process basically through all ACP funding (8 ACP TPS 110) and the EDF9 CISP towards the end of the negotiation phase. It also contributed through interventions with other programmes such as ProInvest, Trade.com, BizClim, Hubs and Spokes. EPA support through the CRNM/OTN is the best example of regional donor coordination, since many other donors (CIDA, DfID, IDB) contributed to CRNM since its creation in 1997.

The EU resources were mostly used to finance the negotiations rounds including preparatory technical working groups, technical meetings, principal meetings and ministerial meetings both within CARIFORUM as well as CARIFORUM-EU. Support for the EPA from EU and other donors contributed to enhance CARIFORUM trade negotiation capacity, as this was the first major and comprehensive agreement for CARICOM member states. The fact that CRNM/OTN has moved swiftly to start negotiations with Canada is proof of the level of capacity developed.

Private sector and other NSA participation in the EPA process financed by the EU cooperation was limited to a few Technical Working Groups' participation and RPTF meetings, although in the EDF10 funds were allocated for private sector development as well as for NSA participation. Funding for this purpose was also allocated in several NIPs of CARIFORUM countries such as DR, Trinidad and Tobago, Jamaica and Haiti.

4.7 EQ7 Crime and Illegal Drug Trafficking

EQ7: To what extent has the EU support contributed to the fight against crime and illegal drug trafficking in the Caribbean Region?

Justification: Illicit drug trafficking constitutes a major factor posing serious problems for regional economic development and political and social stability for the Caribbean as a whole, in that it negatively impacts economic growth and investment. The programme of drug control in EDFs 9 and 10 entails a continuation of support embodied in the 1996-2001 Barbados Plan of Action.⁷⁶ Available data on cocaine trafficked through the Caribbean in 1998, indicated that some 35% or 65mt were destined to the USA, 40% destined for Europe⁷⁷ and the remaining 25% for Canada. Most of the traffic was by two routes from South America by way of the Lesser Antilles and the Central Caribbean (Jamaica, Haiti, Cuba, DR) and the second route via the Eastern Caribbean and Guyana to markets in the USA, Canada and Europe. “Go-fast” boats capable of making a fast turn-around and containers were the preferred modes of trafficking. While the EU interventions addressed critical deficiencies in demand and supply, the principal focus was on reduction in trafficking to Europe. Insufficient capacity existed for collection of drug-related data together with a lack of capacity of centralised agencies mandated to assess the information. The result is the absence of reliable quantitative consumption data in the Caribbean as in Latin America.

Support under EDF8 and EDF9 continued with the €1M Multi-Country Drug Demand Reduction Programme (MCDDRP) and a 5% allocation (€2M) out of the Caribbean Integration Support Programme (CISP) financing CARICOM Implementation Agency for Crime and Security (CARIMPACS), law enforcement and other supply reduction activities. The CISP was funded under a new implementation modality in the form of a Contribution Agreement (€36M) between the CARIFORM Secretariat and the EU for the implementation of regional projects. Total EU funding was €40.5M and included funding through Programme Estimates for demand and supply reduction of drugs under Result 6 of the programme (with demand reduction €0.8M; capacity building for law enforcement €0.4M and CARIMPACS €0.8M).

JUDGEMENT CRITERIA RELATED FINDINGS

JC 7.1	The EU contributed to the strengthening of co-operation between Caribbean Member States and regional law enforcement and related institutions in the fight against crime and illegal drug trafficking						
No				◆			Yes

EU interventions contributed to enhance member states’ co-operation and collaboration, through institutional strengthening, in the fight against drug trafficking and crime in the region. Similar programmes were implemented by the United Nations Office on Drugs and Crime (UNODC), the Inter-American Drug Abuse Control Commission (OAS/CICAD) and the Inter-American Development Bank. Law enforcement institutions⁷⁸ were equipped with better intel-

⁷⁶ In 1996-2001, the Commission, with EU member states have been the principal financiers of the Regional Plan of Action on Drugs – the Barbados Plan of Action (BPA). This Plan addressed demand reduction, treatment and rehabilitation, epidemiological surveillance, maritime, customs and judicial cooperation, money laundering, control of precursors with the objective to fully integrate drug-related policies in regional development strategies and the social, economic and political aspects of Caribbean development. The subsequent focus of this programme aimed at strengthening regional coordination of the various drug control programmes by reinforcing relevant, sustainable regional institutions and implementing priority programmes as well as coordination and cooperation with Latin American countries involved in the cocaine trafficking routes. Major support was provided through the Regional Drug Law Enforcement Training Centre (REDTRAC) and the training of law enforcement officers throughout the region to collectively tackle drug trafficking and organized crime including the undertaking of reviews of trends and strategies for drug interdiction and cooperation. Overall, between 1975 and 2001, EU contribution to drug control totaled €25M or 1.1% of total cooperation, excluding EIB assistance of €854M.

⁷⁷ International Narcotics Control Board (INCB), 2008, 2010

⁷⁸ Police, customs

ligence sharing capabilities (Indicator 7.1.2), though after considerable delays. The Regional Intelligence Fusion Centre (RIFC)⁷⁹, with EU assistance, was able to bring the intelligence community together and facilitated an upgrading of expertise through collection and sharing of data on crime and drugs in the Caribbean region. This was achieved by enhancing the ability of such officers and other security officials in the use of Standardised Intelligence tools through training of the Intelligence National Focal Points of Contact as well as providing an effective forum for collaboration and information exchange among member states and law enforcement (LE) bodies who registered a high level of satisfaction with use of the relevant Intelligence tools. An increased number of drug interceptions and seizures resulted from intelligence-driven counter-narcotic activities.

Drug Abuse Control programmes were set up or strengthened in Grenada⁸⁰, Antigua⁸¹, St. Vincent and the Grenadines⁸² and Jamaica, among several other Caribbean neighbours amidst the growing drug trade. CARIMPACS undertook a survey on reviewing the status of implementation of the recommendations of the CRTF on Crime and Security. In this survey, member states were requested to provide information on their national policies and programmes to inform the report of the recommendations on illegal drugs. This mechanism provided an opportunity by CARICOM to assess the state of national policies in this area. Grenada, as one of the major marijuana producers in the Eastern Caribbean, had one of the most successful anti-drug programmes as a result of the drug demand reduction policies and programmes supported by the EU, and constitutes an excellent example of the relationship between policies and implementation. With considerable public support and vibrant anti-drug programme, Grenada recorded one of the most impressive success rates of drug eradication. This was favourably impacted by Hurricane Ivan in 2004 with the result that the entire cultivation was wiped out subsequently. More recently, these programmes experienced considerable challenges, despite clearly articulated policies and enhanced operational programme coordinating capacity, since the economic recession increased regional drug trafficking as a result of reduced job opportunities (Indicator 7.1.3).

In May 2010, the CARICOM Secretariat, in collaboration with the EU, mounted a workshop to help a number of member states to facilitate clear national drug strategies with the aim of building a critical mass of trained persons in implementing good practices in addressing drug related problems. Despite this, actual implementation suffered because it was not spread across a sufficiently wide range of member states.

The level of forensic capability has been below a satisfactory level regionally both in terms of the standard of the laboratories and the requisite human capacity both numerically and qualitatively. A consultancy report dated January 2011, noted glaring deficiencies (e.g. lack of access to a wide set of forensic services, absence of a coordinated regional system for forensic services delivery, limited availability of certain critical analytical services regionally, especially DNA analysis) and limited positives (favourable access to training opportunities for staff). This exercise was carried out in collaboration with the Liaison Office CARIMPACS and the Interest Group towards the development of a Regional Forensic Science Capacity. Some €47,000 were

⁷⁹ Major Collin Millington, RIFC, Barbados

⁸⁰ Grenada established a National Council on Drug Control and has formulated 2007 Master Plan on Drugs.

⁸¹ Antigua established an Office of National Drug Control Policy.

⁸² St V & G established a National Drug Abuse Coordinating Agency (NDACA).

provided for training of law enforcement officers in the conduct of forensic analysis of precursors, alternative substances and other critical areas identified under EDF10. The original provision has been increased to facilitate more responsive bids with the increase coming from other components, CISNET and the Tools component (Indicator 7.1.4). Intelligence sharing capability was enhanced by the expansion of the Caribbean Intelligence Service Network (CISNET) to all 15 member states of CARICOM.

JC 7.2	The EU interventions helped regional and national law enforcement and related institutions to coordinate policy and build capacity in implementation monitoring in the fight against crime and illegal drug trafficking.								
No						◆			Yes

These institutions were strengthened through capacity building and policy coordination facilitated by expansion and training under CISNET for increased regional effectiveness and impact in the fight against illegal drug trafficking and crime. This was achieved by greater intelligence sharing and training⁸³ (Indicator 7.2.1). Grenada, St. Vincent and the Grenadines and Jamaica set up national coordinating agencies, which improved the national results, but without a visible regional effect (Indicator 7.2.2). Confronting the drug demand problem in a concerted manner from both the demand and supply sides did not achieve the desired success due to lack of adequate coordination, distances involved and differing levels of readiness to implement respective programmes. A Human Resource Development Survey looked at ways to improve the quality of training to law enforcement and security officers through possible collaboration focusing on the differing capabilities of member states and also through possible standardising of aspects of training such as accreditation and curricula. There was no evidence that this training was to lead to a coordinated approach to implementation monitoring, and at the time of the field visit, the results of the exercise had not been implemented as it was stated, namely, that the results of the report will inform the overall human resources development strategy for crime and security and the regional crime and security strategy. While there was no integrated and coordinated response to implementation monitoring, individual states undertook monitoring of their implementation activities and some workshops on monitoring and evaluation were implemented by the CARICOM Secretariat (CCS). In practice also, it seems that there has not been much collaboration between initiatives undertaken by CARIMPACS and those of the CCS in capacity building and institutional strengthening in the development of anti-drug strategies.

National Drug Prevention and Advisory Councils coordinated the fight against illegal trafficking and use of drugs (Indicator 7.2.3) through schools and youth organisations, which addressed healthy lifestyle behaviours. Improved capacity to generate better data was achieved through EU support to surveillance, data collection and analysis⁸⁴ (Indicator 7.2.4). Project monitoring was undertaken in several territories by setting-up entities responsible for twice-a-year data collection and reporting against annual work plans and targets to sub-regional Delegation offices. A more comprehensive assessment of member states' capacity is, however, planned by CARIMPACS after the effects of the various training and upgrades can be tested in a meaningful way.

⁸³ Law Enforcement Training project €1.0M together with training under IMPACS.

⁸⁴ FA MCDDRP 8ACPAB 3; 8ACP DOM 12; 8ACPGRD 11, 8ACP SVG 8 (2003).

JC 7.3	The EU interventions raised public awareness of drug-related crimes in the region.							
No					◆			Yes

Public awareness was raised through educational programmes and targeted messages to special groups, communities and civic organisations. This was implemented through programmes in schools and the activities of non-governmental organisations. The frequency of requests for repeat television and radio programmes and for relevant documentation (posters, pamphlets, bookmarkers, badges and billboard) which could be reproduced and distributed to the public was evidence of the effectiveness of the public education programme in some territories. Challenges faced in raising public awareness often related to differences in the nature of the problem, the level of community involvement, the ability to get national consensus, the commitment and quality of leadership and the involvement of the private sector (Indicator 7.3.1).

These issues negatively impacted the level of results. In light of the fact that individual member states were not fully aware of the precise extent of the drug problem, the possession of better data facilitated analysis, planning and provided the basis for increased public awareness as a result of strengthened capacity in research and monitoring (Indicator 7.3.2).

However, despite an increase in the reporting of drug related infringements, the data collected has not been effectively used for analysis and policy formulation⁸⁵ because of human resource constraints (Indicator 7.3.2).

Additionally, such reports have not been sufficiently widely spread to form a critical mass for meaningful analysis and decision-making and to influence changes requiring investments in appropriate facilities to ensure separation of different offenders.

JC 7.4.	The EU interventions helped to increase regional effectiveness in the fight against drug abuse and related crimes.							
No					◆			Yes

EU interventions contributed, in tandem with other donors, to increased regional effectiveness by addressing problems in the Eastern Caribbean states under the MCDDRP and the wider Caribbean through CISP and Result 6 (CARIMPACS) where the emphasis was on delivery of training. Some member states were, however, better equipped in human resources, intelligence gathering and sharing for concerted action and better policy formulation. EU interventions targeted youths and females, the latter because of the influence such persons have on their male counterparts in influencing drug consumption, trade or demands for a lavish life-style (Indicator 7.4.2).

EU assistance focused on strengthening both the demand and supply response through training and capacity development though with a greater focus on the latter. In this regard, other programmes benefited through the complementarity of EU initiatives. Reports provided to EU regional offices against annual plans were proof of some impact of EU interventions. That fact that other donor organisations were involved in both supply and demand reduction made it difficult to assess the precise contribution of the EU (Indicator 7.4.1).

⁸⁵ The data collected was not effectively used through analysis of the information to influence policy formulation and decision-making because of the lack sometimes of appropriate skills bot quantitatively and qualitatively.

The fact, however, that the EU's focus was principally on the supply reduction component as reflected through the several institutions supported through training (e.g. Regional Drug Law Enforcement Training Centre (REDTRAC), Regional Intelligence Fusion Centre (RIFC), law enforcement (LE)), the impact was predominantly felt on the supply side, consistent with the objective of reducing the flow of drugs into Europe. In this way, the initiatives complemented the more robust demand led programmes of the UN and OAS/CICAD. The evidence suggests, however, that regional training of law enforcement officers across the Caribbean impacted the drug trade as reflected in the level of seizures. Data from the Narcotics Division, Jamaica, revealed the following in seizures (kg) between 2001 and 2006: cocaine 7,335; crack 14; cannabis/marijuana 133,680; hash oil 2,904; hashish 222; heroin 0.59 and ecstasy tablets 146,681 units. Between 1996 and 2006, the training of some 5,194 officers in the Caribbean was partly responsible for these results. In addition, this led to a reduced dependence on metropolitan countries for training and was also cost effective in that it facilitated training of a larger number law enforcement officers equipped, particularly in narcotics interdiction and intelligence gathering. In addition, some 3,783 persons were arrested.

In other regards, the EU has not achieved its overall objectives and this has been compounded by the fact CARIMPACS failed to pass the four pillars of assessment and is further shrouded by issues affecting corruption in its operations. The Executive Director's employment at the regional security was terminated by the governing body, the Council of National Security and Law Enforcement (CONSLE) and an Interim Director put in place until the end of 2011⁸⁶.

ANSWER TO EQ7

CARIMPACS training and capacity development of law enforcement agencies, through the Regional Drug Law Enforcement Training Centre (REDTRAC), contributed to combating drug trafficking and organized crime. Collaboration between the Regional Intelligence Fusion Centre (RIFC), other law enforcement entities, member states and other stakeholders in data collection and analysis helped in assessing the level of threats posed by the proliferation of drugs and in informing policy formulation. An increased number of drug seizures resulted from better analysis of information received, which enhanced regional counter narcotic operations. Deficiencies identified in member states' forensic capabilities and in the regional intelligence framework led to recommendations to improve forensic laboratories, the provision of forensic services and a revision of the system of Intelligence National Points of Contact and services available to member states. While EU interventions strengthened regional mechanisms of intelligence and information-sharing, in CISNET and National Points of Contact, no evidence exists of any significant increase in cooperation between member states or between member states and related institutions. Demand reduction initiatives were addressed by training and public education through CARICOM but, in the absence of quantitative consumption data, there has been no confirmation of any significant demand reduction.

The late start of CARIMPACS implementation negatively impacted its contribution to evidence-based policy formulation; increased forensic capability in precursors and alternate substances; increased law enforcement (LE) capability; capacity to analyse regional drug trends and for LE agencies to utilise standardised intelligence tools at national focal points or to coordinate policy and implementation monitoring. Though a number of LE training courses were implemented, there were no studies or other documentary evidence supporting the beneficial use of this support provided by CARIMPACS.

⁸⁶ <http://www.trinidadexpress.com/news/LYNNEANNE - 131903868.html>.

EU interventions contributed to increased public awareness in the fight against crime and illegal trafficking through behaviour modification, production of manuals and CDs, “edutainment” and other measures. It is, however, difficult to effectively assess the results of EU interventions in the absence of appropriate studies to determine actual consumption levels or whether beneficiaries have been effectively using the training or other deliverables. Some sharing of information among Drug Councils was effected which contributed to better programmes for demand reduction. EU interventions complemented other major donors, notably the OAS, UNODC, DfID and the USAID in both demand and supply reduction initiatives in the trafficking of illegal drugs from/through the Caribbean. While EU programmes undoubtedly contributed to reduced demand and supply, the precise/overall contribution to increasing regional effectiveness in the fight against drug abuse and related crime is difficult to properly assess.

4.8 EQ8 Disaster Management

EQ 8: To what extent did the EU interventions strengthen the capacity of the region to better manage disasters?

Justification: Disaster management is a key priority in the Caribbean region, given the frequency of their occurrence and the impact they have on the social and economic life of persons and countries. Addressing disaster management in the region is a critical part of providing support for economic development and poverty reduction as enhancing capacity to prepare for, mitigate, respond to and recover from disasters underpins progress and stability in the region.

Disaster management has been primarily supported with the 9 ACP RCA 1 “Regional Weather Radar System” project (€12.82M), the EU Contribution to the Caribbean Catastrophe Risk Insurance Facility (CCRIF €9M) and the “Institutional Support and Capacity Building for Disaster Management in the Caribbean” project (€3.4M). In addition to these EDF9 projects support has been provided through the European Community Humanitarian Office (ECHO) / European Commission Humanitarian Aid department’s Disaster Preparedness Programme (DIPECHO) throughout the evaluation period, primarily at the national level but also in some interventions involving multiple countries. For example €1,860,000 has been allocated to the Caribbean region under the “All ACP” Disaster Risk Management Sub-regional Programme under the EU-ACP Natural Disaster Facility/ 9 ACP RPR 138 which was executed for the Caribbean sub-region by the Caribbean Disaster Emergency Management Agency (CDEMA), wherein activities mainly began in 2010. In terms of disaster management support provided to OCTs during the period, the OCTs Regional Risk Reduction Initiative (R3I) project (budget of €4.932M) began activities in 2010. In addition, some other disaster management support for OCTs has been available through the Global “C” Envelope and Regional Allocation For Humanitarian, Emergency and Refugee Aid Assistance for all OCTs (9 PTO REG 014) with a total amount of €22M allocated.

JUDGEMENT CRITERIA RELATED FINDINGS

JC 8.1	The EU contributed to the establishment of a functional early warning system/meteorological radar system.							
No					◆			Yes

One aspect of EU support to strengthening disaster management in the Caribbean had as objective supporting four beneficiary countries (Trinidad and Tobago, Guyana, Barbados and Belize) to reduce their vulnerability to adverse weather, particularly floods. The intent of this Regional Radar Warning Project was to provide a modern weather radar system (using Doppler⁸⁷ and digital techniques) to each National Meteorological Organisation (NMO) of the four beneficiary countries, thereby making more accurate, real-time weather data available to the relevant services in the region in an easily accessible way.

Based on desk review, interviews and field visits, it is evident that EU support has made some contribution: the four new radar systems have been installed in the target countries and these installations certainly represent an important contribution – in terms of hardware – to the establishment of a functional early warning system/meteorological radar system (Indicator 8.1.1). However, at different times and as recently as June 2011 these radars were not working. Furthermore, the related project components dealing with strengthening of human resources to use

⁸⁷ A Doppler radar is a specialised radar that can measure radial velocity, the instantaneous component of motion parallel to the radar beam (i.e., toward or away from the radar antenna), National Weather Service Glossary

the technology were not implemented. Capacity issues relating to the executing agency were noted in the final evaluation of the intervention as well as in other documentation as negatively affecting the achievement of results and timeliness.

Challenges were experienced in terms of what are perceived by project stakeholders as being difficult and complicated EU procurement rules and procedures, which were noted by some as contributing to the fact that the capacity building components of the project were not implemented and the related key expected results became unachievable (Indicator 8.1.3).

It is clear that an entirely functional early warning system/meteorological radar system has not been fully established in the region as anticipated by this time, but this is due to reasons beyond the successes or failures of EU support alone, such as the functionality of and interoperability with other countries’ meteorological systems outside the project scope. The full regional ‘mosaic’ is expected implemented in the near future, and this will render the support provided by the EU more useful and relevant into the future (Indicator 8.1.2).

It should be noted that where these new radars have been operational and utilised, there have been some improvements with regards to access to some weather and climate data, including composite radar images and all countries’ NMOs and regional meteorological organisations have benefited from this at certain times, while radars would have been functional (Indicator 8.1.4).

JC 8.2	The EU contributed to the adoption and implementation of the Regional Comprehensive Disaster Management (CDM) strategy.								
No					◆				Yes

The Regional Comprehensive Disaster Management (CDM) Strategy, as managed by the Caribbean Disaster Emergency Management Agency (CDEMA) Coordinating Unit (CU), is a key guiding regional disaster management strategy in the region with the buy-in and support of 18 countries (Participating States) and all donor agencies. It addresses a variety of relevant disaster management areas related to the various phases of the disaster cycle: preparedness, mitigation, response and recovery. EU support through the Institutional Support and Capacity Building for Disaster Management in the Caribbean has made contributions to the adoption and implementation of the Regional CDM Strategy through its regional and national support and is supporting donor coordination and complementary in regional disaster management capacity building initiatives, one of the intents of the Regional CDM Strategy (Indicators 8.2.1, 8.3.2).

EU support has been provided and contributions have been made in a number of areas including:

- Enhancing public awareness on CDM, wherein key public education and awareness strategies, policies and programmes have already been developed and shared;
- Information and communication technology (ICT) enhancement and planning; facilitating regional dialogue and interaction on CDM; development of national CDM strategies;
- Provision of CDM capacity building at the national, sub-regional and regional levels; and,
- Assisting countries in revising or developing critical CDM legislation through the development and dissemination of a draft Model CDM Legislation for countries in the region to adapt (Indicators 8.2.1, 8.2.2).

However, the level of achievement of results during the period has been affected by timeliness issues in project management and implementation. The majority of results achieved occurred outside the period under review (i.e. in 2011), with the exception of the development of public awareness materials, the provision of some ICT hardware to National Disaster Offices, support provided for some regional meetings and dialogue, provision of some capacity building and the development of the draft CDM Model legislation. The executing agency (CDEMA) experienced challenges with regards to procurement and fund use that resulted in some funds being lost to the project and the corresponding expected results were therefore not achieved during the expected implementation period, if at all. Monitoring reports pointed to the executing agency's lack of familiarity with EU procurement rules and procedures as one of the causes of implementation delays and interviews confirmed this as well as issues related to the absorptive capacity of the organisation. Though it was noted that further training and assistance could have allowed certain challenges to be mitigated in a timely manner and thereby avoiding major delays and result achievement, future support provision through this organisation is nonetheless being questioned by the EU Delegation based on the experiences of managing the project as well as on technical, efficiency and absorptive capacity issues.

Also worth noting is the contribution from the European Commission's Humanitarian aid and Civil Protection Directorate General (ECHO) Disaster Preparedness program (DIPECHO) activities in countries throughout the region during the period because of the focus of these interventions on building disaster preparedness (and response) capacity, specifically at the local/community level, though mostly in Haiti and the Dominican Republic. Lastly, the more recent Regional Risk Reduction Initiative (R3I project) is expected to make contributions to building national (and to some extent, regional) capacity for the adoption and implementation of the regional CDM Strategy in some key areas related to hazard mapping, GIS, modelling, vulnerability assessments, and early warning, and information sharing overall, albeit only for OCTs. The warning and hazard mapping/modelling enhancements could benefit the Caribbean even beyond the OCTs who would benefit more directly. However, though the project is highly regarded in the region and expectations are high in terms of results to be achieved in the near future, the project is behind schedule and key results were not achieved as planned during the review period (Indicator 8.2.1).

In addition to support being provided to countries through CDEMA CU, the CU itself is benefiting from direct support as it was transitioning to becoming CDEMA from 2009 to the present. The CU is also benefiting from related advisory services, as follow up to an overarching institutional audit, as well as from language training, ICT and Human Resources support, all of which can serve to strengthen the CU in its ability to manage and implement the Regional CDM Strategy and to strengthen its work with PS towards adoption and implementation of the Regional CDM Strategy as well.

However, most stakeholders agree that thus far, planned organisational changes or enhancements and other capacity building has neither resulted in any real organisational change or strengthening nor any improvements in terms of how the CU provides support to countries (Indicator 8.2.1).

JC 8.3	The EU contributed to enhancing disaster response coordination in the region.						
No						◆	Yes

The Caribbean is a region very prone to disasters and where a flurry of donor activity can be witnessed in (preparedness and) disaster response. Thus, assessing EU contributions to disaster response coordination is a difficult task, but can be characterised and explored by looking at the degree to which the EU disaster response support can be considered as coordinated with and complementary to that of other donors in the region from different points of view in addition to documentation. The existence of processes for coordination among EU services presents another manner for assessing such contributions.

There is some documented evidence of planned coordination between other EU support and that of ECHO, and vice versa, including project plans pointing to joint field visits, needs assessments for targeting programming and dialogue between the Commission (ex-DG DEV) and ECHO DG for planning and coordination purposes. DIPECHO project design documentation (i.e. action plans) suggest that there has been planned coordination with other EU initiatives funded through the EDF, and vice versa, with a view to synergies, mutual benefits and combined effectiveness (Indicator 8.3.1). In some cases, EDF funding was utilised in a coordinated manner to build on ECHO programming, but there are few mechanisms in place to ensure the coordination and complementarity on the ground. Opportunities for strengthened cooperation and cross-fertilisation in terms of sharing experiences and expertise are therefore being missed. A recent evaluation of DIPECHO action plans concluded that linkage and coordination between ECHO and other EU services needed to be strengthened. The field phase confirmed that this was an issue and there were potential synergies to be capitalised on. There is much to be gained from improved coordination systems and processes between ECHO and delegations and between ECHO and other EU programming overall (Indicator 8.3.1).

There is evidence shared from stakeholders met and from documentation reviewed to suggest some complementarity between EU support and that of other donors in addressing post-disaster needs. The EU was perceived by key national stakeholders and other donors both as collaborative and as providing important complementary financial support through ECHO during the response phase. Given the nature of ECHO programming in particular, implemented through and with partners that are deeply entrenched in national and regional coordination platforms and systems, documentation and interviews suggest complementarity is indeed sought. Key EU partners such as the Red Cross or OXFAM coordinate and work jointly for immediate response needs assessments in affected countries and work with other donors and regional response organisations for coordinated response and related programming (Indicator 8.3.2). DIPECHO action plans note that these projects have been (or are planned to be) undertaken in coordination with and in complementary fashion to other donors’ activities in the country (or region), including the CDM Strategy. DIPECHO was noted as filling a particular niche (or gap) in terms of donor disaster management programming, focusing on the community level in the post-disaster context. The EU was noted as a key player, if not the leader, in some of the donor working groups active in the sector and region, in terms of coordination on programming in disaster and other aspects. The EU also contributes to the Caribbean Catastrophe Risk Insurance Facility, working in coordination with other donors in this regional catastrophe fund for Caribbean governments and contributing to an important post-disaster financial resource for countries (Indicator 8.3.2).

However, a recent evaluation of DIPECHO action plans has also recommended that DG ECHO should become more involved at the regional level and with other donors active in countries and in the region, with a view to strengthened complementarity, coordination and overall effectiveness in the EU's disaster management support. The field missions confirmed this need. The EU is recognised as a strong supporter of disaster management in the region and a valuable partner, but increased communication and further coordination would lead to programmatic improvement in this area (Indicator 8.3.2).

ANSWER TO EQ8

EU contributed significantly to strengthen the capacity of the region to manage disasters by enhanced disaster response coordination and to a modest extent through provision of technologies for improved meteorological forecasting and support to regional initiatives addressing disaster preparedness, mitigation, response and recovery.

The EU contributed modestly to the establishment of a functional early warning system radar system. Though not all four Doppler radars installed in 2009-2010 were considered fully functional in 2010 or 2011, they will form part of the region's enhanced disaster management capacity once fully functional. However, the related capacity building did not take place due to challenges in procurement by the implementing agency.

The EU contributed modestly to the implementation of the Regional Comprehensive Disaster Management (CDM) strategy. Through the Strategy, EU supported capacity building in disaster management in a number of areas. However, much of the anticipated results emerged only after the period under review due to delays associated with the implementing agency in procurement and fund use. The implementing agency was noted by key stakeholders for poor management and low efficiency. With continued funding available, the EU remains committed to support regional disaster management programming nonetheless. In addition, a low level of EU visibility in this area was noted.

The EU contributed significantly to enhanced disaster response coordination. There was complementarity between EU and other donor support in addressing post-disaster needs; EU is recognised as a lead-donor in disaster management and for its active involvement in donor working groups. The EU is also seen as coordinating well with other donors at the local and national levels through ECHO. However, planned coordination between different EU aid modalities were not always effective or did not always take place. Coordination and coherence between ECHO and other EU services could be strengthened to enhance EU disaster management programming.

4.9 EQ9 Human Resource Development

EQ9: To what extent has EU support for education and training contributed to regional economic integration?

Justification: Under the focal sector “Intensification of Regional Integration / Economic Repositioning”, the EDF9 CRSP mentions that the objective of training an internationally competitive labour force will relate with the new paradigm of Caribbean competitiveness (knowledge-based economy). Considering the many small and relatively isolated island states in the region and their needs for coordinated efforts, distance education and enhanced use of ICT, the team considers such support to be of importance for needed human resource development, as reflected in this evaluation question.

Support to the development of Vocational Tertiary Education & Training In Caribbean Region - University of Technology Jamaica (€2.6M) still dates from EDF8. The Caribbean Knowledge and Learning Network (CKLN-I) followed shortly after by the Capacity Building and International Support to the Caribbean Knowledge and Learning Network (CKLN-II) have been allocated in total €12M under EDF9⁸⁸. Initially programmed support to Regional Law School in The Bahamas was cancelled. In addition, as dealt with under the above EQs 3 and 4, the EU has also provided significant support for capacity building within the institutions for regional and sub-regional integration. (For other EU sector support, see the Information Matrix, Annex VIII).

JUDGEMENT CRITERIA RELATED FINDINGS

JC 9.1	Tertiary education / training institutions (TEIs), representing most of the CARIFORUM member states, have established co-ordinated programmes that explicitly relate to regional integration and enhance the use of ICT.								
No				◆					Yes

The CKLN I-II projects represent a coordinated programme that enjoys political support from the CARIFORUM member states and represents Tertiary education / training institutions (TEIs) in most of them (Indicators 9.1.1 and 9.3.1). Project objectives relate to regional integration and the enhanced use of ICT is a main strategic focus (Indicator 9.1.3). CKLN-I was to create the organisational framework in the education sector in 2007-2009. The on-going CKLN-II (2008-2013) focuses on the infrastructure and is to roll out the C@ribNET regionally and expand both the substance of TEI-involvement and the number of TEIs involved (intentionally including other actors, e.g. from the private sector). The level of involvement of TEIs range from the elaboration of strategic plans to the start of the first courses (see table under indicator 9.1.2).

CKLN I and II have been strongly delayed (see textbox below). The first phase, which was to establish the fundament in the national education sectors in terms of enhanced TEI capacity for distance education and strengthened national research networks, did not fully meet that objective. Therefore, a reallocation of funds under CKLN-II in 2011 serves the continuation of these activities. While project implementation finally seems to be on track from 2010 onwards, major outputs of CKLN-II only started to be created in 2011.

The project **results** that should lead to outcomes, in terms of enhanced distance education and development of national and regional research networks have yet to materialise. For example,

⁸⁸ CKLN I-II is supported by several donors and managed by the World Bank. However, the EU is providing approximately 75% of the funds. Source: Financing Education in Barbados and the Eastern Caribbean, Sep 2010, Vol 1: An Overview of Education Initiatives Financed by the EU 1990 – 2010, p.21

hardware and training in the application of new software in one participating TEI had only enabled the offering of one such course until now. Various interlocutors did not find that CKLN-I had resulted in institutional or ICT-network creation and were of the opinion that Caribbean TEIs were finding other network solutions while waiting for CKLN results.

CKLN is the main contributor to the EQ-statement that specifies: “*coordinated programmes that explicitly relate to regional integration and enhance the use of ICT*”. Other projects that attempted to serve this objective have been less successful. After lengthy delays, a project that was to support the **Regional Law School in the Bahamas** with a new library never got off the ground, due to limited interest by the involved governments, including the Government of the Bahamas, which did not provide its foreseen counterpart contribution (Indicator 9.1.5). The project that was to support the **Development of Vocational Tertiary Education and Training, on the Caribbean Region level**, at the University of Technology (UTech), Jamaica, did materialise but with modest results, partly due to lack of full support from the University.⁸⁹ Political and institutional support from Member States and TEIs has been most forthcoming for the CKLN-projects, with their inherent and highly prioritised ICT-element.

It was raised by interviewees during the field study that the regional support for the education sector had not been very well coordinated with the support at the national level.

Box 4: Delays in the start of project CKLN

The idea of a Caribbean “Centre of Excellence for Knowledge and Skills Development” (inspired by the World Bank-*Global Development Learning Network*) was first raised by World Bank Director to the Caribbean heads of state in 2002. A start-workshop took place in 2004 for what was then named the Caribbean Knowledge and Learning Network; the CKLN-management was recruited and the World Bank enquired the EU for CKLN-funding. Fast EU funding was possible below a ceiling of €2M and the CKLN-I budget of €1,999,000 was allocated in 2004. However, it was followed by several years of waiting for the elaboration of first the EU-World Bank Agreement and next the World Bank-CKLN Agreement.

The CKLN-management introduced the concept of the “Caribbean digital hole” to the EU. In response, late 2007 the EU communicated the availability of €10M for the development of infrastructure and a financial proposal was signed in 2007 – to be followed by similar delays as for CKLN-I. CKLN-II implementation only started effectively in 2010 (see Case Study for further details).

Source: Field phase interviews and documentation research

JC 9.2	EU support has contributed to a better match between human resources needs in technical capacity across the region and the graduates of TEIs.							
No		◆						Yes

Through the CKLN projects, the EU support to the education sector in the Caribbean is to contribute to the creation of a framework for a better match between TEI-outputs and the need for strengthening the human resource base, particularly regarding ICT capabilities. Strengthened ICT competencies are commonly acknowledged as being of key importance to Caribbean human resource development, even if stakeholder assessments of the seriousness of the problem

⁸⁹ Information conveyed to the Evaluation from the EUD Jamaica. UTech was approached several times for supplementary information without response. In the files of the regional EUD, Guyana was found only a progress report from 2006.

varied. Stakeholders also indicated that the regional projects in this field are not very well integrated with national sector strategies or with the EU support for them.

As stated by TEI-stakeholder interviews and the 2010-Final Evaluation of CKLN-I, the extent to which the expansion of ICT capabilities is reflected in the TEI education and distance education is still limited (Indicators 9.2.1 and 9.3.2). According to responses to the evaluation survey (see Annex VII), the CKLN still has some way to go before it is well known by its potential partners. In conclusion, the regional EU support has not yet contributed to a better match between human resource needs in technical capacity across the region and the graduates of TEIs.

The creation of the CKLN-network is combined with a new sector philosophy based on an investment-approach and to be run on sound business principles. So far, no evidence is available about the impact of this approach on the optimal use of the existing human resource base in the Caribbean region (Indicator 9.2.2).

JC 9.3	Functioning networks established between education and training institutions on the Caribbean regional level have created the conditions for a lasting integrated programme.								
No				◆					Yes

The CKLN is to establish functioning networks between national education and training institutions at the Caribbean regional level. Its **sustainability** rests on the continued political – and financial – support from the CARIFORUM Member States, and on the development of a viable business plan responding to the market niche, which is part of the overall rationale of the project. In the project documents, the impression is created that future CKLN sustainability primarily rests on its ability to sell bandwidth to TEIs as well as to the public and private sectors (Indicator 9.3.2). But according to the CKLN, its ICT-network has to be considered “a public good” implying that, in addition to membership fees, public subsidies would be needed. The World Bank was of the opinion that infusion of private capital would be needed, possibly by sharing the network with private companies. After the field visit, the issue has been addressed by CKLN through a consultancy financed by another donor.⁹⁰

The political and institutional sustainability of the CKLN is ascertained by the CARIFORUM Governments having reiterated their support to it. At the March 2010-CARICOM Heads of Government meeting, an instrument was signed that establishes CKLN as a CARICOM Intergovernmental Agency. The governance structure is, nevertheless, still not decided. It is foreseen that the final structure will anchor CKLN with CARICOM and the Member Governments, while keeping its relative autonomy (Indicator 9.3.1). However, possible future government subsidies have not yet been discussed explicitly according to the available sources. It is therefore assessed that there is strong need for CARICOM to re-address the future institutional status of CKLN and its financial implications.

The on-going development of the business plan will be of pivotal importance to the future CKLN viability for the realisation of the initial commercial approach. The award of a contract for the design of C@ribNET regional strategy in 2010 was considered a milestone by the EU and since then, contracts have been awarded for the subsequent national strategies (Indicator

⁹⁰ Information from EUD, Barbados. The conclusions were not yet known by January 2012.

9.3.2). Ultimately, financial sustainability will depend on the ability of the CKLN to create substance in the network through its on-going activities in order to make it attractive for TEIs, which may find other solutions.

Sector observers put forward the view point that CKLN is not well coordinated with the EU-supported Latin American research network, CLARA. CLARA also attempts to cover the Caribbean region, especially the non-Anglophone parts, and considers its technological solutions better than CKLN. In this line of thinking, there is an unproductive clash between the local geopolitical concept of “Latin America and the Caribbean” and the EU “ACP-concept” resulting in in-activity in the non-Anglophone parts of the Caribbean. Caribbean TEI-association with US or Canadian-based research networks was also mentioned as an alternative to the CKLN-option.

Generally, **EU visibility** is poor in the sector, since the project results have only materialised to a limited extent and the CKLN projects are being managed by the World Bank while the EU is providing approximately 75% of the funds. The sector support does not have implications for other **crosscutting issues**, except, potentially, youth and gender, once results in terms of open and distance education may materialise. Given the CKLN implementation conditions and the modest results of the UTech project, **added EU value** is not identifiable.

ANSWER TO EQ9

EU support has contributed to regional integration by addressing the needs for economic diversification in strengthening the human resource base, notably through the education and research-related ICT-infrastructure projects, *Caribbean Knowledge and Learning Network, CKLN, I-II*. Through the establishment of a regional IT-connection, these projects contain a potential for enhanced regional integration by upgrading the IT-capability of Caribbean Tertiary Education Institutions (TEI), regional and international TEI-connectedness and by increased TEI-capacity for offering open and distance learning opportunities.

However, due to implementation delays, the CKLN projects did not yet produce results that could be measured and, therefore, no visible improvement of the match between TEIs and labour market needs. The potential impact of the EU’s regional education sector support has been reduced by the abandonment of one project, *Regional Law School in the Bahamas*, and by modest results of another, *“Development of the Vocational Tertiary Education & Training in Caribbean Region”* (JC 9.1 and 9.2).

With recent reconfirmation of Government support for the CKLN, there is continued political backing-up of the projects, even if the organisational structure is still to be identified. Initially expected to be based on commercial terms, financial sustainability is now assumed by the CKLN management to require government subsidies. However, the adequacy of this option needs to be explicitly addressed by CARICOM (JC 9.3).

5 CONCLUSIONS

The conclusions have been organised under two main categories:

1. Principal conclusions (PC),
2. Complementary conclusions (C), including sector related conclusions

The conclusions are clustered according to the major issues raised in the Evaluation Questions that are relevant for the regional strategy and for learning from experience:

- Strategic approach and design (PC1, C6-7)
- Coordination (complementarity and EU added value) (PC2, C16-17)
- Implementation modalities (PC 3-4, C 8-9) and
- Effectiveness, impact and sustainability (PC5 and sector related conclusions C12-18).

In addition, there are conclusions relating to crosscutting issues (C10) and EU visibility (C11).

For each conclusion, a table assesses the importance of the conclusions (▲▲▲=very high, ▲▲=high, ▲=moderate), the strength of the supporting evidence (▲▲▲=very high, ▲▲=good, ▲=limited) and (when found) the possibility to generalise the conclusion as lesson learnt for other contexts is indicated. The evaluation questions to which the conclusions is referring and the recommendations that are founded on the conclusion are indicated.

An overall assessment completes these conclusions. The recommendations based on these conclusions are presented in the next section.

5.1 Principal Conclusions

We retained five Principal Conclusions (PC) ranked from PC1 to PC5.

RELATED TO THE STRATEGIC APPROACH AND DESIGN

PC1	The regional strategies of the EDF9 and EDF10 were highly responsive to the priorities of CARIFORUM, thanks to an increased political dialogue, and they were coherent with its policies on poverty reduction, sustainable development and integration into the world economy.	<i>Origin: EQ 1</i> <i>Criteria: relevance and coherence</i> <i>Importance: ▲▲▲</i> <i>Evidence: ▲▲▲</i>
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The EU cooperation is more formally tied into cooperation with the CARICOM Secretariat and CARIFORUM (now one of CARICOM directorates) than any other donor is. Political dialogue with the region increased during the time scope of the evaluation. Political dialogue with the region is a challenge since the EU focuses on support to the regional integration of the Caribbean ACP States represented by CARIFORUM while the historical main engine of regional representation and integration is CARICOM, which is mostly formed by the former British West Indies.

Political dialogue increased in 2006 with the participation of Commissioner Louis Michel in CARIFORUM meetings with Ministers of External Relations, ambassadors of the Caribbean States and the SG of CARICOM/CARIFORUM. The EPA process also intensified dialogue on the most important policy areas and on the reform agenda. The EU and CARIFORUM Heads of State and Government, during the May 2010 EU-CARIFORUM Summit, adopted an outline for

a Joint EU-Caribbean Strategy which is coherent with the wish of the two regions for a bi-regional political dialogue to become the main vehicle for addressing a range of issues of common interest. Two years earlier, in May 2008, the Joint Statement adopted at the third EU-CARIFORUM summit in Lima, had already confirmed the commitment of both regions to establish a structured and comprehensive political dialogue.

Related to: *Conclusions: C6 and C7*

RELATED TO COORDINATION

PC2	With some exceptions, the effectiveness of the international efforts to enhance regional integration has been significantly reduced by the lack of a donor coordination framework.	<i>Origin: EQs 1</i>
		<i>Criteria: Coordination and effectiveness</i>
		<i>Importance: ▲▲▲</i>
		<i>Evidence: ▲▲</i>
	Generalisation potential	▲▲

Until now, coordination between donors was driven by the donors themselves. After the disappearance of the Caribbean Group for Caribbean Economic Development (CGCED) led by the World Bank, the coordination of the interventions of development partners and the CCS has been weak, except in the East Caribbean Region through the East Caribbean Development Group (ECDG, with UNDP assuming secretariat) – but even here coordination has not yet reached the point of joint programming or evaluation missions. Institutional assessments are often duplicated. The main obstacle has been the CCS-preference for bilateral relations with donors.

However, coordination was effective in the areas of support to EPA negotiations, disaster management and energy.

Related to: *Conclusions C16 and C17*

RELATED TO IMPLEMENTATION

PC3	Two important efficiency issues are the weaknesses of the CARICOM secretariat and the limited capacity at the national level to implement policies decided at the regional level.	<i>Origin: EQs 2,3</i>
		<i>Criteria: efficiency</i>
		<i>Importance: ▲▲▲</i>
		<i>Evidence: ▲▲▲</i>
	Generalisation potential	▲▲

As identified by EUDs and ROM reports, major bottlenecks are clearly the lack of administrative capacity at national level and a disconnect between national absorption capacity and the activities developed at regional level. The CSME programme of EDF10 drew the lesson by remedies consisting in a new monitoring system and a standby facility for capacity-building support for the CARICOM Member States.

Related to: *Conclusions PC4, C8 and C9*

PC4	Effectiveness and impact of the regional EU support is limited by the fact that regional integration has lost some political momentum in many Caribbean countries.	<i>Origin: EQs 1, 2</i> <i>Criteria: relevance, effectiveness, efficiency</i> <i>Importance: ▲▲▲</i> <i>Evidence: ▲▲▲</i>
	Generalisation potential: ▲▲	

Regional integration has lost some political momentum in many Caribbean countries. The new generation of Caribbean political leaders has lost part of the global perspective and it is less regionalist. In addition, the level of debt and the economic crisis has made short-term urgent responses a priority for most governments.

The programming and implementation of the CRIP is hampered by the absence of a clear regional development strategy, still under elaboration by the CCS. The idea of a Road Map, drafted by the beneficiary to compensate for this absence, was good but it did not help the programming. The Road Map was not based on a clear strategy, was produced late, had no timetable and it has not been updated since September 2009. Its usefulness was further reduced by almost 70% of the needed action indicated as high priority.

It is worth also to mention here the difficulties encountered in organising a regional seminar about the Final Draft Evaluation Report as is usually done in EU evaluations. In the end, the foreseen seminar was cancelled, mostly because of costs involved in travelling from the region to Guyana, HQ of the CCS.

Related to: Conclusions: PC3, C8 and C9

RELATED TO IMPACT

PC5	In most sectors reviewed during the evaluation, the results of EU interventions were modest, with the positive exception of the support to the EPA negotiations and the growth of some exports (like rum for the entire region, and bananas for Dominican Republic).	<i>Origin: EQs 3, 4,5,6,7,8,9</i> <i>Criteria: effectiveness, impact and sustainability</i> <i>Importance: ▲▲▲</i> <i>Evidence: ▲▲</i>

As illustrated graphically in the Figure 18 under the following section, Overall Assessment, and documented in the findings and answers related to the EQs 3 to 9, the results of interventions were just acceptable, except for the support to the EPA negotiations.

Related to: Conclusions: C12-18

5.2 Complementary Conclusions

We retained 5 Complementary Conclusions (C) ranked C6 to C10.

RELATED TO THE STRATEGIC APPROACH AND DESIGN

C6	Delegations in charge of the regional programmes report of lack sufficient staff for effective programme management considering the many components of EDF9 and EDF10.	<i>Origin: all EQs</i> <i>Criteria: efficiency, internal coherence</i> <i>Importance: ▲▲▲</i> <i>Evidence: ▲▲</i>
	Generalisation potential	▲▲

The EDF9 regional programme was too scattered, considering the limited staff resources for its management by the EUDs (see table n°5 in section 3.3). The financial resources of EDF10 increased from €97.8M under EDF9 to €165M and a more focused approach was meant to facilitate its management. However, due to the absence of clear priorities expressed by the CCS and adequate donor coordination, also the EDF10 turned out to be too scattered. The Guyana EUD asked HQ for a reinforcement of its staff dedicated to the regional programme. The Barbados EUD also asked HQ for a reinforcement of its staff, being in charge of Barbados, the OECS countries, the OCTs and a significant number of regional projects (increased during EDF10 due to the EPA implementation programme through international organisations based in Barbados). The regional programmes under CEDA, OECS, CKLN are now under the responsibility of this EUD as well as two thirds of the EPA Programme (new Rum, CDB, Caribbean Regional Technical Assistance Centre (CARTAC), CROSQ). Between operations and finance and contract, the Barbados EUD calculates the regional programme occupies the equivalent of 2.5-3 jobs.

Related to: Conclusions PC1, C7

C7	The coordination and complementarity between national and regional programmes was weak.	<i>Origin: EQs 1, 9</i> <i>Criteria: internal coherence</i> <i>Importance: ▲▲</i> <i>Evidence: ▲▲</i>
	Generalisation potential	▲▲

With the notable exceptions of the NIPS of Barbados, DR, Haiti, Jamaica, and Trinidad and Tobago, the coordination and complementarity between national and regional programmes was weak. The EU support in education at regional level is reported not very well coordinated with its sector support at the national level. According to the Programming Guidelines of the EU (2007), the RIP should be designed first. Due to EPA negotiations longer than expected and the delay in the design of the EDF10, the NIPs were drafted and signed first.

Related to: Conclusions PC1 and 4

RELATED TO IMPLEMENTATION MODALITIES

C8	Finding the right implementing agency for the regional programme remains a challenge.	<i>Origin: EQs 3,5,7,8,9</i>
		<i>Criteria: efficiency</i>
		<i>Importance: ▲▲</i>
		<i>Evidence: ▲▲</i>

In spite of continued support, the CCS is rarely the adequate right implementing agency for the regional interventions. The CCS remains the implementation agency for the main donors like EU, UK or Canada, but became less important as implementer than other organisations in the region such as CRNM, CDB, WB, IMF, CDB, OECS, ECCB or UNDP. However, these regional organisations and international organisations tend to be overburdened by projects of international donors.

Related to: Conclusions PC5, C9

RELATED TO CROSSCUTTING ISSUES

C9	Taking into account the recommendations of the previous Caribbean Region Evaluation, all crosscutting issues have been taken into consideration in the EDF10 Regional Programme.	<i>Origin: EQs 1</i>
		<i>Criteria: impact</i>
		<i>Importance: ▲▲</i>
		<i>Evidence: ▲▲▲</i>

One of the conclusions of the earlier evaluation of regional EC support (2005), referring to EDFs 8 and 9, considered that “*Cross-cutting issues have been insufficiently addressed, particularly poverty and gender issues in the context of the negative impact of regional trade liberalisation*”. Since then, all relevant crosscutting issues have been taken into consideration in the design and programming of the EDF10 regional programme.

RELATED TO EU VISIBILITY

C10	EU Visibility remains an issue for projects related to Crime and Drugs Trafficking, Disaster Management and the CKLN.	<i>Origin: EQs 8 and 9</i>
		<i>Criteria: impact</i>
		<i>Importance: ▲</i>
		<i>Evidence: ▲▲</i>

While the EU is highly visible in post-disaster support and coordination, its regional disaster management support and programming through other channels – such as DIPECHO, EDF and the ACP-EU Natural Disaster Management Facility – remains unknown to many key stakeholders in the region at the national and regional level. There is a similar lack of EU visibility regarding the support to the fight against Crime and Drugs Trafficking and the CKLB-project is perceived as relating to the implementing agency, the World Bank.

5.3 Sector-related Conclusions

We retained 7 Sector-related Conclusions ranked from C11 to C17.

RELATED TO REGIONAL INTEGRATION

C 11	The Single Currency has been reduced to a long-term objective after the decision at the Summit of Heads of State in July 2011 to concentrate on overcoming the obstacles and delays incurred in the completion to the Single Market.	<i>Origin: EQ 3</i> <i>Criteria: Relevance, impact, sustainability</i> <i>Importance: ▲▲</i> <i>Evidence: ▲▲</i>
	Generalisation potential	▲▲

The Heads of Government of CARICOM approved in 2007 the “Single Development Vision and the Role of the Single Economy”. A “Preliminary Outline of the Strategic Plan for Regional Development” was circulated in November 2010. There is still a need for completing the drafting and adoption of a “Strategic Plan for Regional Development”.

Related to: Conclusions PC4, C14, C15

RELATED TO COMPETITIVENESS

C 12	Only in a few cases, the EU interventions contributed to increase the competitiveness of industries of the region.	<i>Origin: EQ 5</i> <i>Criteria: effectiveness, impact, sustainability</i> <i>Importance: ▲▲▲</i> <i>Evidence: ▲▲▲</i>
	Generalisation potential	▲▲

The EU interventions have contributed to increase the competitiveness of traditional industries, but only in a few cases managed to make them competitive on the international markets. There is no indication yet of a diversification of exports. The efforts to organize a shift from a few agricultural exports, eroded by the loss of preferences, to a service based exports has not yet born the expected fruits. The trade with the OCTs and DOMs in the region is stagnant, due in large part to a similar offer but also to poor transport options.

Related to: Conclusions PC4, C16

RELATED TO SUB-REGIONAL COOPERATION

C13	In spite of support from the Commission of the European Union and other donors, DR-Haiti cooperation has not progressed much during the period of the evaluation.	<i>Origin: EQ 4</i> <i>Criteria: effectiveness, impact, sustainability</i> <i>Importance: ▲▲</i> <i>Evidence: ▲▲</i>
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Cooperation and integration is of major importance for DR and Haiti sharing the same island. In spite of the support received from EU and other donors, economic cooperation and integration, except trade of the DR to Haiti, has not progressed much during the period of the evaluation. The renewed support under EDF10 is perfectly justified in light of the recent reactivation of the political relations and of the Joint Commission DR-Haiti. Still, the main development issues of the two countries sharing the same island will not be addressed without a strong cooperation,

whether it is in the political, economic, security, infrastructure, health, disaster management or environment protection.

Related to: Conclusions PC4, C12, C15

C14	EU support is likely to impact positively on the East-Caribbean sub-regional integration	<i>Origin: EQ 4</i>
		<i>Criteria: effectiveness, impact, added value, sustainability</i>
		<i>Importance: ▲▲</i>
		<i>Evidence: ▲▲</i>

The EU supported only indirectly the integration of the OECS, but the EU is likely to become a major contributor under the new EDF10 programme (€12.6M) that is meant to enhance the technical capacity of the OECS countries, the Secretariat and its Export Development Unit (EDU) to manage an expanded portfolio of interventions. The value added by the EU, due to its experience in regional integration, is very important for the countries concerned, for the Caribbean region and for the entire Latin America and Caribbean (LAC) region, since the OECS is the most advanced integration scheme in the LAC region.

Related to: Conclusions PC4, C12, C14

RELATED TO EPA

C 15	EU resources were critical to the success of EPA negotiations	<i>Origin: EQ 6</i>
		<i>Criteria: effectiveness, impact, coordination, sustainability</i>
		<i>Importance: ▲▲▲</i>
		<i>Evidence: ▲▲▲</i>
	Generalisation potential	▲▲▲

EU resources were critical to sustain EPA negotiations, although those resources were only a small part of the resources needed and spent on the entire negotiation process. Haiti participation was fully engaged in EPA discussions only after the signature. The EPA process also provides an example of good donor coordination in the Caribbean region.

Capacity built at CRNM/OTN is still being used today in current negotiations with Canada. The current staff of the EPA Implementing Unit in CARIFORUM was part of the CRNM-EPA negotiations process indicating transfer of capacity.

Related to: Conclusions PC2, PC 4, C12

RELATED TO DISASTER MANAGEMENT

C 16	While the EU is a recognised sector lead donor, its internal coordination can be enhanced and its support for building disaster management capacity has produced modest results, mainly due to delays incurred by the executing agency, CDEMA.	<i>Origin: EQ 8</i>
		<i>Criteria: effectiveness, efficiency, coordination, impact, sustainability</i>
		<i>Importance: ▲▲▲</i>
		<i>Evidence: ▲▲</i>
	Generalisation potential	▲▲

The EU is a recognized leader in regional donor coordination for immediate disaster response but there are opportunities for improved coordination between ECHO and other EU services, which could strengthen EU disaster management support in the region.

EU support for building disaster management capacity in the Caribbean has produced modest results:

- Though the required capacity building did not take place, the EU supported the instalment of needed radars in four countries.
- The EU contributed modestly to the adoption/ implementation of the Regional CDM Strategy through support provided through CDEMA; results achieved were mostly outside the review period, due to delays/challenges attributable to the executing agency.

EU support in disaster management experienced significant efficiency challenges related to procurement process and administrative procedures that implementing/executing agencies continue to struggle with. This resulted in significant delays, funds being lost and project activities not being implemented as planned.

Related to: *Conclusions PC2, PC4*

RELATED TO HUMAN RESOURCES DEVELOPMENT

C17	The overall results of the interventions have been limited and the prospects for financial sustainability of the CKLN-projects are not entirely clear.	<p><i>Origin: EQ 9</i></p> <p><i>Criteria: effectiveness, impact, sustainability</i></p> <p><i>Importance: ▲ ▲</i></p> <p><i>Evidence: ▲ ▲</i></p>
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While the overall relevance of regional EU support for higher education and its ICT-connectedness is undisputed, even if not reflected as a focus area in the EDF10, the sector results are the modest owing to:

- Considerable CKLN implementation delays, originating in the interplay between the EU as the main funding agency and the implementing agency, the World Bank, as well as in an apparent periodically low World Bank project prioritisation. The latter issue has, however, been redressed.
- The balance between the education and the ICT-infrastructure elements in the CKLN has been more in favour of the infrastructure than foreseen in the overall EU sector objectives and the delays have resulted in sequencing where the infrastructure development has not been solidly anchored in the TEI-base.
- Some sector projects have been abandoned or have had modest results owing to lack of agreed government support or to an apparent lack of dedication of implementing TEIs in the CARICOM member states.

The conditions for financial sustainability of the major CKLN-project are still not clear, while the issue is being dealt with by CKLN. Earlier foreseen reliance on commercial activities appears partly replaced by a need for Government subsidies. Some of the recommendations of the 2010-Final Evaluation of CKLN-I still need to be dealt with.

Related to: *Conclusions: PC4*

5.4 Overall Assessment

The relevance of the strategy designed for the time scope of the Evaluation is high. However, in all focal and non-focal sectors, with one exception, the results of EU interventions are only acceptable, as shown by the following graph summarizing the findings of each of the nine EQs.

Figure 18: Results of EU interventions according to the Evaluation Questions

	Low	Medium	High
EQ1: Degree of correspondence between EU cooperation objectives and CARIFORUM priorities + coherence with EU member states' and other donors' objectives	→		
EQ2: Extent of support for achievement of expected regional strategy results through institutional frameworks and aid modalities chosen	→		
EQ3: Extent of contribution to deeper and wider regional economic integration in the Caribbean	→		
EQ4: Extent of contribution to integration of sub-regions within the group of CARIFORUM members	→		
EQ5: Extent of contribution to a more competitive Caribbean region within the global economy	→		
EQ6: Extent of contribution to creation of context for deepened trade relations between EU and CARIFORUM member states and among CARIFORUM member states	→		
EQ7: Extent of contribution to fight against crime and illegal drug trafficking in the Caribbean region through EU support	→		
EQ8: Extent of strengthening of disaster management capacity of the region through EU interventions	→		
EQ9: Extent of contribution to regional economic integration through EU support for education and training	→		

The investigations, carried out under the different phases of the Evaluation and with different tools by the Team, point out three major, long-term difficulties met in the implementation of the EU strategy and its interventions in favour of the region:

- A weak CARICOM Secretariat,
- A less regionalist outlook of the leaders of the region,
- Limited administrative capacity of most CARICOM member states to implement regional policies.

The positive exception is the contribution of the EU interventions in the support to the EPA process. However, we should distinguish between the negotiation phase and the implementation phase. The negotiation phase was carried out successfully thanks to level and the flexibility of the support. The implementation phase started only recently and it is likely to suffer from the same shortcomings as the other sectors of intervention (see EQ8).

The institutional frameworks, and the aid modalities, were not the most adequate to compensate for the abovementioned difficulties, since the following was found:

- Limited complementarity between RIP and NIPs,
- Poor donor coordination, except in support to disaster management, to the energy sector and to trade negotiations,
- Limited staff resources of Caribbean EUDs.

The support under EDFs 9 and 10 were and are too scattered.

Table 11: SWOT analysis of EU intervention in Caribbean Region in the period 2003-2010

<p style="text-align: center;">STRENGTHS</p> <ol style="list-style-type: none"> 1. Consistent and fruitful political dialogue with CARIFORUM, resulting in responsive strategy 2. Excellent knowledge of the region due to historical relations of Europe with the region 3. As the most advanced integration framework, the EU provides high added value to the integration efforts of the region 4. Closer partnership between EU and the region thanks to the EPA 5. Foundations laid by EPA for increased economic benefits on both sides 6. The EU is the main donor in the region 7. Recognised EU position as disaster management lead donor 	<p style="text-align: center;">WEAKNESSES</p> <ol style="list-style-type: none"> 1. Loss of regionalist perspective on the part of Caribbean political leaders 2. Disconnect between adoption of integration policies and the capacity of implementation at national levels. 3. Deficiencies of CCS and some regional implementing agencies, in particular IMPACS and CDEMA, result in delays and reduced impact. 4. Limited coherence between regional and national programmes 5. Limited results of cooperation in most sectors 6. Coordination of donors without a consistent framework and support from the CCS
<p style="text-align: center;">OPPORTUNITIES</p> <ol style="list-style-type: none"> 1. EPA increases economic growth 2. Plans for enhanced donor coordination may increase results and added EU-value 3. Internal and external coordinating role in disaster management may be strengthened for the benefit of the sector 4. Efficiency may be enhanced by strengthening the capacity of EUDs of the region 5. Positive impact of the progress of the East-Caribbean sub-regional integration (OECS) 6. Open and distance learning may become an important tool for enhancing human resource development. 	<p style="text-align: center;">THREATS</p> <ol style="list-style-type: none"> 1. Trade agreements negotiated, and under negotiation, may rest attention to regional integration 2. EPA does not produce expected results 3. Possible double-dive recession 4. Protracted or insufficient institutional reforms in CCS and regional agencies 5. Increasing crime in the Region jeopardises societal stability, investment and economic growth 6. Without financial self-reliance, CKLN may become a financial burden for the Member States

6 RECOMMENDATIONS

The recommendations, based on the findings and conclusions of the evaluation, are presented here under two groups: general (GR) and sector-related recommendations (SR). In each category, they are listed in order of priority: very high, high or medium. For each recommendation is indicated the conclusions on which it is based and to whom it is addressed. When relevant, the recommendation is followed by comments and a suggestion of short and medium-term actions to be taken. Recommendations are ranked by order of priority under table n° 12 at the end of this chapter.

6.1 General Recommendations

We retained three more important recommendations, each linked to a different conclusion(s).

GR 1	Basis: PC 2, C6	Priority: Very High
Recommendation is addressed to:	EU HQ and the EUD, Guyana	
Statement of the overall recommendation:		
The EU should continue to support the development and adoption of the comprehensive and efficient donor coordination system that was due to be presented by CCS in June 2011.		
This will help design an EDF11 regional programme more focused and therefore easier to implement.		
Short-term action to be taken:		
a) Common joint diagnostics, reviews, and institutional assessments with other development partners b) Ask CCS to circulate ASAP the promised donors' coordination system and call for a donors' meeting		
GR 2	Basis: PC 3, 4, C 7	Priority: Very high
Recommendation is addressed to:	EU HQ	
Statement of the overall recommendation:		
In application of new programming guidelines, complementarity should be enhanced by drafting the Regional Strategy before the National Strategies and by making it a frame of reference for the bilateral cooperation of EU member states with the region.		
Short-term action to be taken:		
a) Organise regular meetings at the Heads of Delegation-level and experts/thematic-level between the Caribbean EUDs. b) EDF11 funds should be allocated for regional meetings on political and experts' levels in order to ensure that the EU-cooperation is in line with the CARIFORUM priorities and policies.		
GR 3	Basis: C 11	Priority High
Recommendation is addressed to:	EUD in Caribbean Region, EU HQ	
Statement of the overall recommendation:		
HQ should make sure the Delegations of the Region press for application of visibility rules by all EU funded projects/programmes.		
Short-term action to be taken:		
Strictly apply Communication and Visibility Manual for EU External Action, consider Workshop		

6.2 Sector-related Recommendations

We retained 5 sector-related recommendations.

SR 4, EPA	Basis: C 16	Priority: Very High
Recommendation is addressed to:	EU HQ, the EUDs in the Caribbean region	
Statement of the overall recommendation:		
The EDF10 should include the attendance and involvement of NSA in EPA related activities (information, training, studies, monitoring and evaluation).		
Short and medium-term action to be taken:		
<ul style="list-style-type: none"> a) Use similar approach as with the EPA negotiations. There is a basis for donor coordination and for other donors' contribution to the process (as DfID is already doing). b) Enhance the outreach programme and the public awareness and information programme since there are many information gaps. c) Take into account the considerable amount of training, information and consultation needed to move agendas at regional level as based on the experience (and success) of the EPA negotiation process. 		

SR 5, Regional Integration and Competitiveness	Basis: C 12-13	Priority: Very high
Recommendation is addressed to:	EU HQ, CCS, EUDs in the region	
Statement of the overall recommendation:		
EDF should allocate more funds to the competitiveness issues of the Caribbean region. This can be achieved mostly through support to productive development policies, business climate reforms, clustering initiatives and small and medium size enterprise development.		
Short term action to be taken:		
At the regional level, the interventions should be coordinated with the other donors supporting competitiveness, particularly with the Compete Caribbean programme (US\$40M), funded by DfID, IDB, and CIDA.		

SR 6, Disaster Management	Basis: C 17	Priority: Medium
Recommendation is addressed to:	EU HQ, the EUDs in Barbados, Guyana and Trinidad	
Statement of overall recommendation:		
The involvement of ECHO in disaster management programmatic discussions should be strengthened, from the design stages and throughout implementation.		
Short term action to be taken:		
<ul style="list-style-type: none"> c) Ensure that ECHO representatives are invited to all disaster management strategic planning/programming discussions in person or via telephone/internet and/or to comment on decisions made or documentation produced. d) Build in a role for ECHO representation to be able to share views on an on-going basis through implementation and monitoring of disaster management interventions. 		

SR 7, Disaster Management	Basis: C 17	Priority: Medium
Recommendation is addressed to:	EU HQ, the EUDs in Barbados, Guyana and Trinidad	
Statement of overall recommendation:		
The EU should develop a disaster management strategy (or programming framework) for the Caribbean and disseminate widely among donors/development partners and countries, ensuring that the selected executing agencies address EU visibility.		
Short term action to be taken:		
a) Develop strategy / framework b) Disseminate/share it within EU services, with regional partners and with national stakeholders with a view to informing and coordinating with key partners and stakeholders.		
SR 8, Human Resource Development	Basis: C 18	Priority: High
Recommendation is addressed to:	EU HQ and the EUDs in Guyana and Barbados	
Statement of the overall recommendation:		
The EU should analyse how regional interventions in the education and training sector can add value in a synergetic interplay with national sector interventions, incl. through harmonisation of post-secondary interventions, labour market assessments and knowledge management with the needs of CSME.		
Short term action to be taken:		
a) Conduct a regional analysis of how synergy can be strengthened between the regional and national interventions in the education and training sector. b) Specifically CKLN-related: <ul style="list-style-type: none"> • Analyse if possible synergies between CKLN and the CLARA network are being fully utilised • Clarify the future institutional set-up for CKLN and what is required to obtain financial sustainability for CKLN 		

Table 12: Ranking of Recommendations by order of priority

Priority	Very High	High	Medium
GR 1 - The EU should continue to support the development and adoption of the comprehensive and efficient donor coordination system that was due to be presented by CCS in June 2011.	X		
GR 2 - Complementarity should be enhanced by drafting the Regional Strategy before the National Strategies and by making it a frame of reference for the bilateral cooperation of EU member states with the region.	X		
SR 4 - The EDF10 should include the attendance and involvement of NSA in EPA related activities (information, training, studies, monitoring and evaluation).	X		
SR 5 - Improving competitiveness through coordinated support for an improved business climate at regional and national levels.	X		
GR 3 - The Delegations should also press for application of visibility rules by all EU funded projects/programmes in the Region.		X	
SR 8 - The EU should analyse how regional interventions in the education and training sector can add value in a synergetic interplay with national sector interventions, incl. through harmonisation of post-secondary interventions, labour market assessments and knowledge management with the needs of CSME.		X	
SR 6 - The involvement of ECHO in disaster management programmatic discussions should be strengthened, from the design stages and throughout implementation.			X
SR 7 - The EU should develop and disseminate a strategic /programmatic framework that presents the highly relevant and varied programmatic lines of EU disaster management support in the Caribbean.			X