

## AMENDED DRAFT

### **Synthesis report on EU financed programmes monitored in 2005 in the Pacific Region**

#### **1) Regional Background**

##### 1.1 Demographics

The Pacific region is made up of 14 states with a population of +/- 7 million people and covers a land area of 527900 sq km. The population is scattered over an exclusive economic zone covering 20 million sq km. The population concentrations range between Papua New Guinea with 5 million down to Niue with 1800. This compares with an EU population of over 400 million covering an exclusive economic zone of 5 million sq km.

The average GNP per capita is €1500 compared to €25000 in the EU. The primary traded products are raw materials with the Pacific Fishery making up the most important Tuna fishery in the world.

##### 1.2 Institutions

In spite of the spread of the states over a huge area, the level of cooperation is remarkably high. The main institution that represents the region is the Pacific Islands Forum (PIF) which is the premier regional policy-making body of the self-governing states in the Pacific. Australia and New Zealand are also members of this Forum. The Forum is serviced by its Secretary General.

The Secretary General's work is supported by the Pacific Islands Forum Secretariat (PIFS) which is one of the Pacific's eight regional organisations. Initially the PIFS undertook a wide range of technical activities these have since been devolved to the appropriate regional organisation. It now focuses on policy advice based on consultations with the relevant organisation. As such, it is primarily responsible as the regional integration organisation a role which is reinforced by its remaining technical (and policy) activities in trade (where it has the exclusive regional mandate) and related issues and the management of a variety of regional programmes including the TA to the RAO, the interface office with the EU.

In 1988 and under PIFS, a Council of Regional Organisations in the Pacific (CROP) was established. CROP has a mandate to reduce duplication and harmonise activities so as to optimise benefits for members. CROP has taken a pro-active role in focusing on managing policy advice, co-ordinating regional meeting arrangements, international representation and donor relations. As already mentioned, there are eight organisations that make up CROP. They are dealing with specific issues as follows:

- Pacific Islands Forum Secretariat (PIFS)
- Forum Fisheries Agency (FFA)
- Pacific Islands Development Programme (PIDP)
- South Pacific Applied Geo-science Commission (SOPAC)
- Secretariat of the Pacific Community (SPC)
- Regional Environment Programme (SPREP)
- South Pacific Tourism Organisation (SPTO)
- University of the South Pacific (USP)

### 1.3 Political (Internal)

Because of the far-flung nature of the states in the region, politics have tended to be somewhat diverse. To a large degree, the Pacific was for many years dominated by various imperial powers. In the last quarter of the 20<sup>th</sup> century most of the region became independent and only a few small states are administered from outside the region.

There has been some civil unrest, from time to time, significantly in the Solomon Islands, Bougainville (part of Papua New Guinea) and Fiji. The reasons were different in each case but to a large degree have tended to be resolved with the help of the regional community. In the case of the Solomon Islands, a peace keeping force was provided by members of the regional states. The people of the Pacific tend to be peace loving and do not seek open and violent conflict with their neighbours. Disputes are normally resolved by consensus.

The Biketawa Declaration was an important step forward in adopting a regional approach for responding to future political and security crises in the region.

### 1.4 Political (External)

From an external political standpoint the predominant powers of influence in the region are Australia, New Zealand and to a lesser extent, the USA. These states see the Pacific region as their sphere of influence and the trade arrangements and treaties, particularly those between the PIF and Australia and New Zealand are by far the most significant. In recent times, there has been an increasing economic interest in the region by Japan, S.Korea and China. This tends to be targeting the Tuna fishery and the mineral resources.

### 1.5 Trade

The level of trade between the region and the EU is rather modest, typically amounting to less than 5% of total imports into the Pacific. In terms of exports to the EU it is low. However, the sugar protocol has brought considerable benefits to Fiji. In addition, in 2001 the EU opened negotiations with the Pacific ACP states relating to achieving bilateral tuna fishing agreements. This is ongoing.

The aid and cooperation support to PIF states is broken down in order of size as follows:

1. Australia: 43%
2. N. Zealand: 16%

3. ADB, FAO, UNDP: 15% (international agencies)
4. EU: 13%

### 1.6 Globalisation

By way of observation, Australia and N. Zealand dominate the trade within the region. The EU is a long way behind the above but is the fourth most important cooperation donor.

The most recent dramatic changes that have taken place in the rest of the world relates to globalisation. This is now impacting quite strongly on the Pacific ACP states but they remain held back by their smallness, isolation and vulnerability from taking full advantage of such opportunities that it offers. There is an increasing risk of marginalisation as the rest of the world changes more rapidly. The RIP suggests that the following assistance is required:

- Enhancing the availability and quality of education to give individuals the capital required to interact meaningfully with the rest of the world;
- Addressing the 'digital divide' which is particularly intense among the more isolated communities of the Pacific ACP;
- Providing the skills and capacities required to deal with the shift in regulatory policies and standards from the domestic into the global arena;
- Formulating and implementing development strategies in productive sectors such as fisheries.

This particular aspect of change provides significant challenges for the region and offers a real opportunity for the current and subsequent EDF to impact strongly in the area.

## 2) Operational RIPs

### 2.1 Introduction

In accordance with article 177 of the Treaty establishing the EC, development cooperation policy shall foster:

- The sustainable economic and social development of developing countries, and more particularly the most disadvantaged of them;
- The smooth and gradual integration of the developing countries into the world economy;
- The campaign against poverty in the developing countries.

These objectives were confirmed and reinforced in article 1 of the ACP-EU Partnership agreement, signed in Cotonou on 23<sup>rd</sup> June 2000, which puts the main emphasis on the objective of reducing and eventually eradicating poverty. This agreement upgrades the Lome conventions and strengthens rather than replaces their overriding principles.

## 2.2 RIPs

The Pacific region is, in many ways, unique and presents the ACP partnerships and programme operators with a different set of opportunities and problems than are to be found elsewhere within the EU/ACP framework.

Some of the most significant initiatives to improve the region's situation have been actively targeted by the EU through the current Regional Indicative Programme (**9<sup>th</sup> EDF, RIP 2002-7**). They relate to key aspects of **Regional Integration and Trade, Human Resource Development (HRD) and Fisheries**.

The previous Regional Indicative Programme (**8<sup>th</sup> EDF, RIP 1997-2002**) had as focal sectors, **Human Resources Development and Sustainable Management of Natural Resources & Environmental Management/Protection**. The bulk of projects monitored fall under this programme

## 2.3 RIPs cohesion

Those projects that have got under way via the 9<sup>th</sup> EDF designed to meet the focal sectors of the RIP, in some cases, follow on from the 8<sup>th</sup> EDF. This is particularly the case regarding HRD which is a focal sector in both programmes. In the case of national programmes, there is evidence that some projects, started under previous National Indicative Programmes (NIPs), have been extended and received additional funding from the relevant 9<sup>th</sup> EDF national budget lines.

## 2.4 General

Broadly speaking, the programmes are running rather well with results being achieved often in excess of expectations. However, there are a number of problems which keep appearing that can place constraints on successful progress. They are, in large part, attributable to administrative difficulties and institutional capacity limitations that may be related to the remoteness of the countries from their more developed neighbours and the heavy obligations related to the EU regulations. It is believed that most of these issues are resolvable but not without continuing effort and application of resources.

# 3) Analysis and interpretation of monitoring ratings

## 3.1 General

The report seeks to give a holistic view of the results of the monitoring missions carried out in the Pacific region in the second half of 2005. A series of national programmes were covered plus the regional programmes of the 8<sup>th</sup> and 9<sup>th</sup> EDFs. All the projects covered were active. There were twenty eight monitoring reports reviewed together with supporting documents.

The monitoring ratings are intended as a guide for decision makers in order that areas of success or problems are identified at an early stage and action may be taken during the currency of a project or programme. It should also be borne in mind that the monitoring exercise is a continuous process throughout the life of project actions (usually annually) and should be regarded as a service to

management. Monitoring findings are normally discussed on site with the operators and other available stakeholders. The Commission generally distributes the reports through their delegations.

### 3.2 Breakdown by discipline and NIP/RIP

28 projects monitored in 2005 show the following:

#### **EDF 8:** Total = 15

Regional = 4

- Natural resources (Fish) 8<sup>th</sup>&9<sup>th</sup> EDF funding: x1
- Regional Integration: 8<sup>th</sup>&9<sup>th</sup> EDF funding: x3

National = 11

- Capital Infrastructure = 2
- HRD = 5
- Health = 1
- Sector Policy Support = 2
- Rural Development = 1

#### **EDF 9:** Total = 9

Regional = 3

- HRD (Basic Education) = 2
- Regional Integration = 1

National = 6

- HRD = 3
- Social Development = 1
- Policy Advice (Transport) = 1
- Economic Reform = 1

#### **NGO** Total = 4

Regional = 1

- Capacity Building of NSAs

National = 3

- Human Rights = 1
- HRD (Life Skills) = 1
- Community Development = 1

**See Annex 1** for regional and national programmes monitored.

## **4) Synthesis conclusions**

### 4.1 General

There is no doubt that the EU programmes in the Pacific region are well targeted and benefit, in large part, those people and groups as intended.

There is also no question that the regional programmes are of great actual and potential value to the members. The very act of working together is in itself a very positive action for promoting individual and common interests.

Below are a series of conclusions together with recommended courses of action.

## 4.2. Cross-cutting issues

### 4.2.1 Communications

Regional programmes, by their very nature, are scattered across a huge area. This gives rise to logistical problems not least of these being communications and information transfer. The cost of non-electronic transfer has become prohibitive but the need for efficient and cost-effective communications is increasing. The benefits accruing from improved electronic communications will be evidenced by increased trade greater and faster learning.

*Overall objective:* That the regional programme planners are able to make greater use of the internet for information transfer and communication (e.g. Distance Learning, trade etc), by including larger elements of the planned activities to be implemented via this route.

**Recommendation:** 1) It is evident that some states do not have sufficient internet facilities. There a strong case for conducting research to quantify the problems with a view to creating a regional programme for the upgrading of facilities to a minimum standard in all states in order to meet one of the strategic objectives of improving regional cohesion that is already stated within the RIP.

The reference within the RIP to the 'Digital Divide' is very significant and is very much tied up with future developments in HRD, trade and regional cohesion. The regional planners should include aspects of distance learning/communications within all future programmes.

### 4.2.2 Local Counterparts

An issue that is constantly arising in projects relates to the availability of suitable counterparts to receive TA outputs. This is a common problem both at regional and national levels and is a major potential constraint on project operations and sustainability. There seem to be two possible reasons for these omissions, is the agency willing to provide the personnel and/or do they have the competent people to offer?

The above situation is well recognised by the EU and the PIFS. The current RIP has specifically targeted HRD as the key focal sector. This same issue was also the focal sector in the 8<sup>th</sup> EDF. There is no short term solution to this deep-seated problem but failure to continue to pursue it will ensure a lack of indigenous sustainability of programme outputs.

**Recommendation:** The regional agencies are best placed to provide the concentration of effort required because their expertise is collected under specialised subjects/tasks. They should investigate why this situation exists, on a case by case basis and that any training programmes that exist in these

agencies are not only maintained but further reinforced. If there are omissions additional training should be planned and implemented.

#### 4.2.3 Expert Personnel issues

There is a recurring problem with the recruitment and retention of expert EU staff for projects due to geographical remoteness and/or low fee rates. ACP expertise from Pacific countries is also very limited due to the fact that they often leave home when qualified and take up permanent employment in Australia or New Zealand. The net effect is that there are some large gaps in the expert portfolio of EU programmes. The only readily available competent sources, at reasonable cost, are via either Australia or New Zealand. Currently derogation is normally on a case by case basis, through Brussels, which can be a long and tortuous process.

**Recommendation:** That greater discretionary derogation is given to the Heads of Delegation in Suva and Port Moresby in order to make the whole process more efficient.

*Note:*

*It is accepted that there is limited derogation allowed for the two delegations mentioned but the recommendation is that this be extended*

#### 4.2.4 Cost/Benefit in Project Management

The cost/benefit relationship comes sharply into focus when considering the management of programmes for small remote states with limited allocations. This is very much the case in the Pacific. The EDF simply does not have the human or financial resources to manage all projects in all countries.

**Recommendation:** It is worth considering whether it is really productive to continue directly supporting national programmes in the smaller states via the NIP process. It would seem logical that any resources that might have been considered for the small states could be rolled into the regional budget (RIP) and components created under the supervision of the ROA via the CROP structures.

#### 4.2.5 Replication and Dissemination

During the monitoring analysis it was observed that a number of projects have objectively demonstrated that they can get maximum benefit from ACP supports regardless. Two of these are ACP projects and the other an NGO action. The secret to their success is in the fact that they are operating a completely bottom-up approach through consultation. Other bodies which are running similar programmes seem to be having less success. Notwithstanding this, other people could and should get some benefit by consultation with these project/programmes.

There is a good example in the case of the TVET programme in the Solomon Islands where an NGO (Jugend Dritte Welt E.V.). The project is called 'Technical Training and Life Skills for School Push-outs in Honiara'. This programme is having a very real positive impact on the target communities.

The TVET programme has been adopted by nearly 50% of the HRD programmes in the region. The NGO concerned is very experienced in working in the Pacific region and considerable lessons could be learned by other countries that are having less success.

**Recommendation:** Consider seconding key personnel (as paid experts, financed by the project they are to be attached to) from those projects/programmes to other states that have similar activities operating but with less success. Conversely, consideration could be given to seconding management from those recipient states to the successful projects. Again the beneficiary project should pay for the attachment to the successful one.

#### *4.2.6 Institutional Capacity*

Lack of institutional capacity is a really serious drawback to programmes regardless of whether they are regional or national. This effects project planning, management and more critically, sustainability. This state of affairs is fully recognised by everyone at strategic level. Any solutions are medium to long term but aggressive planning to overcome the shortfalls have to be done now.

There is evidence that, in some cases, the lack of institutional capacity may, in part, be tied up with political patronage. This means that the best fitted people are not being made available for or kept in the jobs requiring to be done. It is at this point that good governance has to be encouraged by both the CROP agencies and the donors.

**Recommendation:** The most logical route to deal with capacity issues is via the regional structure. It is strongly recommended that the PIFS ask its members to carry out a review of each of the main weaknesses within their particular administrations. The PIFS should review the results and propose HRD solutions through a regional programme financed under 10<sup>th</sup> EDF.

## **5) Financing instruments**

### ***De-concentration***

The main management issue relates to the EU financing regulations. Even if the recipients are familiar with the new rules, protracted delays in receiving funds do still occur for one reason or another, outside their control. These delays are to be expected when de-concentration is recent and sufficient staff is not present either in Delegations or the NAOs or both.

It is hoped that there will be a gradual improvement as people become accustomed to their increased local responsibilities.

## **6) Management issues**

### *6.1 Project operating Constraints*

As far as operating projects is concerned, there are real difficulties of transport costs, expert personnel availability/retention and electronic communications. In addition, staff from the RAO and the EU has considerable problems with getting to and from various project locations within reasonable time constraints and cost.

### *6.2 Operating with NGOs*

This is a new experience for most people in delegations. However, under EDF 9 rules and into the future responsibility has been assumed by the delegations. NGOs are not consultants and often demonstrate considerable independence of

mind. In addition, the EDF rules are often quite foreign to them and as a result administration is sometimes difficult.

**Recommendation:** Each delegation should arrange regular workshops for NGOs in order that they may be better orientated to EDF rules and procedures.

### *6.3 Steering Committees*

The Pacific Islands Forum is to be commended for the insisting that Steering Committees are in place for their programmes in the member states. There is no doubt that the degrees of success are increased because of this type of co-ordination at local level.

**Recommendation:** That there is a contractual obligation that any request for funding replenishment within an existing project/programme will only be met on conditional on submission of the minutes of the Steering Committee approving such a request. This in addition to any documentation required heretofore.

### *6.4 Project Reporting*

There is a lack of formal structure in the way that project reports are presented. This makes for difficulties in extracting management information. The purpose should be to give a concise summary of activities during the reporting period together with an update of results achieved so far and constraints to progress, if any. In addition, the plan for the next period should be outlined.

**Recommendation:** Implement a standard reporting supporting system using the reference data to be found in the Log Frame Matrix (LFM) in every project TOR. In addition, a project timetable should be available which include 'milestone' checkpoints.

This issue is very much in the hands of the ACP partners at local level

### *6.5 Procurement issues*

The Commission at headquarters needs to recognise that operating projects in the Pacific region is unique. The distances involved, the sizes of island states and the remoteness from market sources cause their own problems for procurement. These issues are well recognised by the local delegations and ACP partners. Unfortunately, the 9<sup>th</sup> EDF financing regulation does place enormous constraints on procurement procedures due to the very low minimums applied after which formal tenders have to be issued. It is a fact that there is a genuine shortage of competent suppliers that are prepared to bid for minor supply contracts due to high tendering and handling costs. Applications to Brussels for derogations are often cumbersome and slow.

**Recommendation:** That a wider discretionary derogation is given to the Heads of Delegation in Suva and Port Moresby in order to speed up the whole process and increase efficiency.

## **7) Planning for the future**

There is no doubt that the planners have correctly identified the issues to be addressed in the current RIP. However and because of the rapid changes that are taking place within the region particularly on issues relating to globalisation

and trade, it is important that the 10<sup>th</sup> EDF predicts the likely speed of continued progress going forward.

The importance of the EU role by its support of the current RIP should not be under-estimated especially it is the intention to widen and deepen the EU relationships with the Pacific ACP states through trade. The EU should limit itself to areas where results can be targeted and produce outputs that can be built upon by other bodies either local governmental, commercial or NSAs.

There are two key elements included in the RIP (presumably these will remain in future planning) they are Regional Integration & Trade and HRD. Given the complexities of the subjects involved it is unlikely that the implementation route to follow other than the regional one is desirable.

**Recommendation:** That future planning should concentrate on regional programming and implementation. There are obvious exceptions related specifically to the larger states Pacific ACP states that have interests of mutual benefit and national projects of sufficient size and scope that can be planned.

There is a strong case for the regional agencies (CROP) to continue to be reinforced and further developed. The PIFS has shown that it is a reliable partner and deserves to be supported on a continuing basis. A specific initial target action has to be in addressing the '**Digital Divide**' which covers all of the CROPs.

The rationale for this suggestion is as much tied up with the limited EU capacity in the region and the costs relating to planning and managing small national projects/programmes with limited potential return.

## ANNEX I

**Regional and national programmes monitoring analysis: 2005****REGIONAL***Regional Programmes*

Delegation: Suva, Fiji

De-concentration: As for Fiji, National.

8 projects monitored

All the projects are under the umbrella of the Regional Authorising Office based at the Pacific Islands Forum in Suva.

- |  |                  |
|--|------------------|
| 1. Relevance and Quality of Design:      | <b>b average</b> |
| 2. Efficiency of Implementation to date: | <b>b average</b> |
| 3. Effectiveness to date:                | <b>c average</b> |
| 4. Impact to date:                       | <b>b average</b> |
| 5. Potential Sustainability:             | <b>b average</b> |

Overall average: b

Overall the planning was good but some key elements were picked up by the monitoring team that if accepted, should improve focus. They are:

- 1) The need for interlocking or subsidiary logframes that deal with each main component. The total of these would be summarised in the programme logframe. The purpose of this action is to ensure that the planning of activities can be formally controlled and that the working documents are properly focused on specific tasks by the people who are carrying out the actions.
- 2) There seemed to be excessive focusing on activities. This applied as much to the operators and beneficiaries as well as the supervisors.
- 3) The absence of 'Milestones' for measuring the stages towards realising results. The lack of these checkpoints is rather inclined to promote activity-watching.

Looking at the players in the programmes has revealed quite a serious lack of institutional capacity, particularly in some of the smaller states. As far as the programmes that are running are concerned this is not really critical except that when the activities come to an end the chance of sustainability could be compromised through the lack of competent personnel to take up and use the instruments and assets produced.

**NATIONAL***Papua New Guinea (PNG)*

Delegation: Port Moresby, Papua New Guinea

De-concentration: This had just occurred (third wave) and the delegation was finding its feet. The HoD was particularly happy that he had a very competent Contracts and Payments official on his staff. In addition, the experts contracted to the Delegation are very experienced both in the technical issues and with the complications of working with projects in PNG.

The NAO's office is relatively weak and a lot of work that should be carried out by them is put back on the EU.

Recruiting and retaining experts on projects is difficult on account of the limited social fabric for outsiders and the risks to personal safety associated with this hardship location.

Getting around outside Port Moresby is difficult due to poor roads and lack of transport. A lot of communities are extremely isolated and in some cases very primitive. In general, electronic communications are poor and expensive.

4 projects monitored.

One project is to run for eight years, two for five years and one for three and a half years.

- |  |                  |
|--|------------------|
| 1. Relevance and Quality of Design:      | <b>b average</b> |
| 2. Efficiency of Implementation to date: | <b>b average</b> |
| 3. Effectiveness to date:                | <b>b average</b> |
| 4. Impact to date:                       | <b>c average</b> |
| 5. Potential Sustainability              | <b>b average</b> |

Overall average: b

On the face of it, all the projects/programmes should produce some useful outcomes that could be sustained.

However, there is a serious problem throughout PNG of lack of institutional strength/capacity. This inevitably will lead to sustainability weaknesses.

As if to strengthen this conclusion, the one programme that is more than likely to be sustainable is the 'Mining Sector Support Programme' this is because the management structure is being shifted from the government to the mining industry itself and should be self-supporting. In effect the programme is investing directly in management.

### *Solomon Islands*

Delegation: Port Moresby, Papua New Guinea (PNG). An EU representative office is maintained in Honiara, Solomon Islands.

De-concentration: As for PNG

2 projects monitored

One project is to run for four years and one for three years.

- |  |                   |
|--|-------------------|
| 1. Relevance and Quality of Design:      | <b>b average</b>  |
| 2. Efficiency of Implementation to date: | <b>c+ average</b> |
| 3. Effectiveness to date:                | <b>b+ average</b> |
| 4. Impact to date:                       | <b>b average</b>  |
| 5. Potential Sustainability:             | <b>c+ average</b> |

Overall average: b

*Note: Because only two projects were covered in this country the scoring, in some cases, carries a + sign. This indicates that one project achieved one score higher, e.g. 'c+' means one project scored a 'b' and the other a 'c'.*

It is significant that the two projects are dealing with the same subject albeit on different time scales and locations. It was evident that the earlier project would have benefited from the knowledge of the NGO operator on the later one. This is particularly in the case of effectiveness. The principle being followed is one of close involvement of and consultation with the 'clients' in developing approaches to training. This has produced benefits both from results and ownership.

Regarding sustainability, both projects are facing some new risks because government policy with regard to technical training is changing with the aim of standardising approaches and integrating all training into the secondary education system. This means that the NGO's methods, which are very practical, may be lost in order to establish a more academic set of standards.

### Vanuatu

Delegation: Port Moresby, PNG. An EU representative office is maintained in Port Vila, Vanuatu.

De-concentration: As for PNG.

6 projects monitored

One project is to run for seven years, one for five years, one for four years, two for three years and one for two years.

- |  |                  |
|--|------------------|
| 1. Relevance and Quality of Design:      | <b>b average</b> |
| 2. Efficiency of Implementation to date: | <b>c average</b> |
| 3. Effectiveness to date:                | <b>c average</b> |
| 4. Impact to date:                       | <b>b average</b> |
| 5. Potential Sustainability:             | <b>b average</b> |

Overall average: b

Four projects out six have had to have major changes to either timetables or budgets or both. In any event it is likely that this rate of change does rather indicate a lack of serious consultation with the various stakeholders and appreciation of management requirements.

It is worth bearing in mind that the new financial regulation only allows for one addendum/rider to any project. This points up the real necessity to get the fundamentals right first time and any alterations should be adjustments rather than radical changes.

There were quite a lot of problems with access to funding at the right time. In addition, there was a problem with co-ordination in cases of multi-component projects. It was usually where a Steering Committee had either not been established or failed to function properly.

In most cases, it was too early to establish impact on a wider basis. Sustainability potential is positively indicated in all monitoring reports.

*Fiji*

Delegation: Suva, Viti Levu, Fiji

De-concentration: This has been in place for some time now and the office has largely come to terms with the complications of the new regulation. This does not always mean that there are no processing delays, there are. This office looks after several island states as well as having responsibility for the Fiji national programme and the Pacific regional programme/s. There was a new Delegate who had only been in place for a few months.

Fiji is made up of two large islands plus a series of smaller ones. Internal communications are reasonable if sometimes erratic. Travel on the main island is relatively easy if you stick to the main roads. Getting around in the interior is more difficult. Any form of local air travel is extremely expensive and subject to change at short notice.

2 projects monitored.

Both projects are to run for three years although one was originally planned for two but an extension is more than likely.

- |  |                  |
|--|------------------|
| 1. Relevance and Quality of Design:      | <b>c average</b> |
| 2. Efficiency of Implementation to date: | <b>c average</b> |
| 3. Effectiveness to date:                | <b>c average</b> |
| 4. Impact to date:                       | <b>c average</b> |
| 5. Potential Sustainability:             | <b>c average</b> |

Overall average: c

Of the two projects, one was a capital project and the other an NGO project. Both had their problems some of which are soluble as in the case of the capital project. This project is to build a new bridge across the Rewa river. The technology used is new to Fiji and some delays are being experienced over and above normal interruptions for bad weather etc. Completion is expected to be 12 months later than planned.

However, the difficulties with the NGO project are not so easy to solve because there seems to be a fundamental problem of role and function within the implementing agency itself. Any improvements will have come from it and is rather out of the hands of external agencies to correct.

*Kiribati*

Delegation: Suva, Fiji

De-concentration: as for Fiji. EU has a resident advisor in Kiribas.

There is a problem with institutional capacity that is having an effect on project operations and implementation.

2 projects monitored

One project is due to run for seven years and the other for five.

- |  |                   |
|--|-------------------|
| 1. Relevance and Quality of Design:      | <b>c average</b>  |
| 2. Efficiency of Implementation to date: | <b>d+ average</b> |
| 3. Effectiveness to date:                | <b>c average</b>  |
| 4. Impact to date:                       | <b>c average</b>  |
| 5. Potential Sustainability:             | <b>d+ average</b> |

Overall average: d +

*Note: See note under Solomon Islands for explanation of above scoring.*

One project is running quite well (Solar energy) and is much in demand. However there are some reservations about the operating agency as to whether they are strong enough to sustain maintenance and ensure financial viability after project closure.

The other project is a technical training initiative that seems to have run itself into the sand. The institutional capacity is suspect and, at the time of the monitoring mission, the new government had suspended the activities until policy issues were resolved.

### *Small Island State projects (Tuvalu, Cook Islands, Samoa and Tonga)*

Delegation: Suva, Fiji.

De-concentration: As for Fiji.

4 projects monitored, one in each state.

- |  |                  |
|--|------------------|
| 1. Relevance and Quality of Design:      | <b>b average</b> |
| 2. Efficiency of Implementation to date: | <b>c average</b> |
| 3. Effectiveness to date:                | <b>c average</b> |
| 4. Impact to date:                       | <b>c average</b> |
| 5. Potential Sustainability:             | <b>c average</b> |

Overall average: c

There were two outstanding projects, one in Samoa and the other in The Cook Islands. Both of the populations are very stable and while they have different cultures both have proven to be equal to absorbing complicated projects. It would not be unreasonable to suggest that each one could act as a model of its type for others to replicate.

The other two projects are not performing very well. The Tongan project was very convincingly written up with all the right buttons being pushed but it has not delivered anything of substance and has wasted resources in one sector and has not utilised the resource in another. This would point to very weak institutional capacity and oversight discipline. The Tuvalu project was considered to be unable to show any real sustainability potential. This again would indicate that institutional weakness was contributing to its problems.

## ***Presentation and interpretation of key recommendations***

### **Regional**

Below are the key recommendations made by the monitors. The list is not exhaustive.

- Standardise reporting to show progress towards achieving results.
- Disseminate positive results to the technical and political communities
- Adjust the project logframes in order to maintain it as a useful management tool. Ensure that there is an accompanying time plan.
- Create inter-locking logframes for programme components in order that the operators can measure their performance against understandable plans
- Local institutions should ensure that they recruit/retain sufficient qualified staff to work in projects they have contracted to run.
- Ensure that 'Exit Strategies' are built into the project planning. This especially important where the EU is withdrawing from a sector but to allow other donors to take over.
- Relevant Ministries: Ensure availability of suitable counterparts to receive T/A inputs
- EU: Formalise responses to requests for Time and/or Budget changes as fast as possible.

### **National**

There are clearly some common factors coming through from all countries programmes. They are:

- **PMU:** Disseminate results to all relevant parties including other donors.
- **Main Stakeholders:** Ensure establishment of Steering Committees to provide strategy and oversight.
- **Relevant Ministries:** Ensure that suitable counterparts are available to receive T/A inputs
- **EU:** Formalise responses to requests for Time and/or Budget changes as fast as possible.
- **EU:** To recognise that there is a serious problem in procurement related to a lack of competitive tenders for small purchases in the region and issue derogations quickly.

**EU:** To recognise that there is a shortage of expertise from EU/ACP countries to staff projects. The available sources are Australia and New Zealand and issue derogations to solve the problems quickly.

## **End of Amended Draft No 3**