# Overseas Countries and Territories (OCT) (October 2011)

**Caption:** European Commission President José Manuel Barroso delivers his State of the Union speech pleading for the launch of a wide-ranging public debate for a major transformation of the European Union into a 'federation of nation states'.

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# REGION LEVEL EVALUATION

## OVERSEAS COUNTRIES AND TERRITORIES (OCT)

# Final Report

## Volume II: Annexes

October 2011

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

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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 | NAME |
|---|---|
| ACP | Africa, Caribbean and Pacific countries |
| BAP | EU Biodiversity Action Plan |
| BES-islands | Bonaire, Sint Eustatius and Saba |
| BIOT | British Indian Ocean Territory |
| BS | Budget Support |
| CARICOM | Caribbean Community |
| CBD | Convention on Biological Diversity |
| CCAMLR | Commission for Conservation of Antarctic Marine Living Resources |
| CCRF | Caribbean Catastrophe Risk Insurance Facility |
| CDEMA | Caribbean Disaster Management Agency |
| CGM | Conseil Général de Mayote |
| COP15 | Conference of Parties 15 (of the UN Climate Change Conference) |
| CPER | *Contrat de Plan Etat-Région* |
| CRIS | Common Relex Information System |
| CSO | Civil Society Organisation |
| CZM | Coastal Zone Management |
| DAPM | Development Aid Planning Mission |
| DfiD | UK Department for International Development |
| DG DEV | Directorate General for Development |
| DG REGIO | Directorate General for Regional Policy |
| DIPECHO | Disaster Preparedness Programme of DG ECHO |
| DOM | (French) *Départements d'outre-mer* |
| DRAO | (Deputy) Regional Authorising Officer |
| DRR | Disaster Risk Reduction |
| EC | European Commission |
| ECHO | EC's Humanitarian Aid and Civil Protection Department |
| EDF | European Development Fund |
| EEZ | Exclusive Economic Zone |
| ENPI | European Neighbourhood Partnership |
| ENRTP | Environment and Natural Resource Thematic Programme |
| EPA | Economic Partnership Agreement |
| EQ | Evaluation Question |
| ERDF | European Regional Development Fund |
| ESA | Eastern and Southern Africa |
| ESA/IO | Eastern and Southern Africa/ Indian Ocean |
| ETR | End of Term Review |
| EU | European Union |
| EUD | Delegation of the European Union |
| FCO | British Foreign & Commonwealth Office |
| FP7 | The EU's 7th Framework Programme for Research |
| FRA | Fiduciary Risk Assessment |
| GBS | General Budget Support |
| GCCA | Global Climate Change Alliance |
| GDP | Gross Domestic Product |
| GNP | Gross National Product |

| ACRONYM | NAME |
|---|---|
| GoA | Government of Anguilla |
| GoM | Government of Montserrat |
| GTHN | Groupe de traivail de haut niveau (Mayotte, Comoros) |
| HDM | Human Development Measure |
| IAS | Invasive Alien Species |
| ICT | Information and Communication Technologies |
| IOC | Indian Ocean Commission |
| IOTC | Indian Ocean Tuna Commission |
| IP | Indicative Programme |
| IUCN | International Union for the Conservation of Nature |
| JC | Judgment Criteria |
| MER | Monitoring, Evaluation, Reporting |
| MPA | Marine Protected Areas |
| MS | (EU) Member State(s) |
| MTR | Mid Term Review |
| NAFO | Northwest Atlantic Fisheries Organisation |
| NC | New Caledonia |
| NEA | Netherlands Antilles |
| NGO | Non Governmental Organisation |
| NPP | Northern Periphery Programme |
| OAD | Overseas Association Decision |
| OCT | Overseas Countries and Territories |
| OCTA | Association of Overseas Countries and Territories |
| ODA | Official Development Assistance |
| OECS | Organisation of Eastern Caribbean States |
| OR | Outermost Region |
| OTCC | Overseas Territories Consultative Council |
| OTs | (British) Overseas Territories |
| PACER | Pacific Agreement on Economic Cooperation |
| PAHO | Pan American Health Organisation |
| PBA | Programme Based Approach |
| PFM | Public Finance Management |
| PIU | Project Implementation Unit |
| PLARM | Projet d'Inventaire des Plantes Aromatiques et Médicinales (Mayotte) |
| PMA | Protected Marine Area |
| PRPV | *Programme Régional de Protection des Végétaux dans l'océan Indien* |
| PTOM | *Pays et Territoires d'Outre-Mer* |
| PWP | Partnership Working Party |
| R3I | Regional Risk Reduction Initiative (Caribbean) |
| RAO | Regional Authorising Officer |
| RIO | Regional Integration Organization |
| RIP | Regional Indicative Programme |
| RMF | Road Maintenance Fund |
| ROM | Result Orientated Monitoring |
| RSP/RIP | Regional Strategy Paper/Regional Indicative Programme |
| RUP | Région ultrapériphérique |

| ACRONYM | NAME |
|---|---|
| SBS | Sector Budget Support |
| SIDS | Small Island Developing States |
| SMEs | Small and Medium Enterprises |
| SNAYDP | Support to the Netherlands Antilles Youth Development Programme |
| SPD | Single Programming Document |
| SPM | *St Pierre et Miquelon* |
| STABEX | *Système de Stabilisation des Recettes d'Exportation* |
| TA | Territorial Authority |
| TAAF | *Terres Australes et Antarctiques Françaises* |
| TAO | Territory Authorising Officer |
| TAP | Technical Administrative Provision |
| TCI | Turks and Caicos Islands |
| TIP | Territory Indicative Programme |
| ToR | Terms of Reference |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environmental Programme |
| UTG | *Unité technique de gestion (Mayotte)* |
| VET | Vocational Education and Training |
| WTO | World Trade Organization |
| WWF | Worldwide Fund for Nature |

# ANNEX I: TERMS OF REFERENCE

EUROPEAN COMMISSION

## Evaluation of the European Commission's co-operation with Overseas Countries and Territories (OCT) Region Level Evaluation

**TERMS OF REFERENCE**

**Final version**[1]

1 The Original Terms of References have been slightly modified, in agreement with the Evaluation Manager, by DG AIDCO in May 2010.

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## 1. MANDATE AND OBJECTIVES

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC). It is primordial to account for the management of the allocated funds and for promoting a lesson-learning culture throughout the organisation. The focus is on the **impact** (effects) of these programmes against a background of greater concentration of external co-operation and increasing emphasis on **result-oriented approaches**, particularly in the context of the programmes of the Relex Family[2].

The evaluation of the Commission's co-operation with **OCTs** is part of the **2009** evaluation programme as approved by External Relations and Development Commissioners.

The main objectives of the evaluation are:

- To provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with **OCTs**;
- To identify key lessons in order to improve the current and future strategies and programmes of the Commission.

## 2. BACKGROUND

### 21. Context

- Under part 4 of the Treaty on the functioning of the European Union, it is clearly mentioned that the OCTs are closely associated with the EC. Historically, the list of OCTs associated to the EU mainly included countries and territories that have in the meantime become independent sovereign countries, most of them ACP countries. This explains why the logic applied to cooperation between the EU and the OCTs is to a large extent identical to that applied to cooperation between the EU and the ACP states, despite the fact that the OCTs are covered by a separate legal base in Part 4 of the Treaty on the functioning of the European Union and that OCT citizens in principle are European citizens.

- There are currently 20 Overseas Countries and Territories (OCTs)[3] which are constitutionally linked to a Member State (Denmark, France, the Netherlands and the UK), but without being part of the Community as such. In fact, based on Article 299(3) of the EC Treaty, the provisions of the Treaty in principle do not apply to the OCTs, except Part Four of the Treaty, which deals exclusively with the OCT-EC association. Hence, there is a fundamental difference between the OCTs and the outermost regions referred to in Article 299(2) of the EC Treaty.

- There are huge differences between the OCTs themselves in terms of the degree of autonomy vis-à-vis the Member States to which they are linked, but also in the economic and social field and as regards their geographical characteristics and climate.

2 Directorates General of External Relations, (RELEX), Development (DEV) and the EuropeAid Co-operation Office (AIDCO).

3 The list is indicated in point 24 hereafter. Even though listed in the EC Treaty as the 21st OCT, the arrangements for association are in practice not being applied to Bermuda, in accordance with the wishes of its Government. Some data on OCT (notably population- GNP/inhabitant) are in annexes 5 and 7.

- However, despite the immense diversity between the OCTs, they do share common characteristics: none of them is a sovereign country, they are all parliamentary democracies, they are all islands, the size of their populations is very small and their ecological richness is extraordinary compared to continental Europe. They are all relatively vulnerable to external shocks and are in general dependent on a narrow economic base that mostly revolves around fisheries and services. They are also heavily reliant on imports of goods and energy. In general, exports of goods from the OCTs to the EU or within their respective geographical regions remain limited.

The detailed relations between the OCTs and the Community are governed by Decisions of the Council of Ministers, which are periodically updated. The latest Decision is the Council Decision of 27 November 2001 on the association of the overseas countries and territories with the European Community ("Overseas Association Decision", OAD).

- The nationals of the OCTs are in principle EU citizens, even though the OCTs are not part of the EU or directly subject to EU law. OCTs benefit from **association arrangements** focusing on:

- **Economic and trade cooperation** – favourable rules of origin and a very advantageous trade system;

- **Sustainable development** – support for policies and strategies relating to production, trade development, human, social and environmental development, cultural and social cooperation;

- **Regional cooperation and integration** – support for economic cooperation and development, free movement of people, goods, services, labour and technology, liberalised trade and payments, and sectoral reform policies at regional level.

- There are regular meetings between the Commission, the OCTs and the relevant EU countries. These meetings include:

- The annual **OCT Forum** involving the Commission, all the OCTs and all the relevant EU countries;

- **Partnership working parties** between the Commission, the EU country and its OCTs;

- Regular **informal tripartite meetings** between EC/MS and

OCTs; - **Bilateral meetings** of technical and political nature.

## 22. Development funding[4]

It is to mention that, for operational and legal reasons[5], the rules and procedures of EDF funds have been applied for OCTs until now.

- For 1998-2002(8th EDF), OCTs have been allocated of European Development Funding (EDF), 115 M€ in which 10 M€ for Regional funds.

4 Some data on EC/OCTs cooperation are in annexes 4 and 6.
5 As EDF financial regulations are indeed referred to in the OCT specific implementing regulations of the EDF

- For **2002-07(9th EDF),** OCTs have been allocated **153 M€** of EDF[6]. Since the year 2002, the EU lays down a development strategy for each OCT in form of a Single Programming Document (SPD).

- For **2008-13(10th EDF)**, OCTs have been allocated **286 M€** of EDF:

**195 M€** for specific programmes (for all OCTs with a per capita GNP < the EU's);

**40 M€** for regional cooperation and integration;

**30 M€** is allocated to finance the OCT Investment Facility managed by the European Investment Bank (EIB); it should be noted that the EIB also makes available EUR 30 million for loans from its own resources (and thus outside the EDF) in accordance with Annex IIB to the Overseas Association Decision;

**6 M€** for technical assistance;

**15 M€** for emergency aid.

- Some OCTs have benefited from STABEX transfers (like Mayotte and Falkland islands) and funds from the Banana Budget Line (like in the Caribbean).

- The OCTs are also eligible for participation in and **funding from budgetary aid** for developing countries (ex: DCI) as well as **EU Community programmes** as the research framework programme, education and training programmes, the competitiveness and innovation framework programme, cultural and audiovisual programmes, etc, reflecting their status as part of the European family.

- Regarding the implementation of the cooperation[7], and the implementation of the programmes, projects and budget support are under the responsibility of an EC delegation in the region (like Mauritius Delegation for the Indian Ocean OCTs – Fiji Delegation for the Pacific OCTs) or of AIDCO C4/ Centralised Operations Unit for OCTs located in the Atlantic Ocean. Until now, the EDF procedures are applicable. One exemption however is Greenland that has a Partnership with the EU that follows the rules applicable to the EU budget.

## 23. Future EU-OCT relations

- The four Member States to which the OCTs are linked have since 2003 called for better recognition of the OCTs' specific situation. At the same time, the Commission as well as an increasing number of Member States have expressed reservations as regards the amalgamation of the OCT-EC association and the Community's development cooperation policy. Based on the experience acquired, the Commission launched in 2008 a Green Paper to carry out a holistic review of the relations between the EU and the OCTs and to consider a substantial revision of the OCT-EC association.

- The Green Paper on future relations between the EU and the OCTs is an EC document aiming to examine a series of challenges and opportunities and to obtain input from interested parties before defining a new partnership "more reciprocal" and "based on mutual interest"

6 In which 8 M€ for Regional funds
7 The negotiation of the strategy is the responsibility of DG DEV

between the EU and the OCTs, in particular in view of the expiry of the current Overseas Association Decision at the end of 2013.

- Three central objectives tailored to the OCTs' specificities were identified:
  - enhancing competitiveness;
  - strengthening resilience;
  - promoting regional cooperation.

- Until now, based on a classic development approach, the EU has focused mainly on **fighting poverty**. But the economic situation in the OCTs has changed. The future relationship needs to take account of this new reality, and it should also better reflect the OCTs' specific status: The micro-island economies are very vulnerable given their dependence on very few sectors and there are considerable differences between the islands themselves. Also OCTs, as outposts of Europe all over the world, should be seen as assets for the EU.

- The Communication[8] based on the "green paper and the subsequent consultation "constitutes one step towards the definition of a new EU strategy for the OCTs that shall be presented in 2011 and should be implemented as of 2014.

**24. List of OCTs (**if you click, you can obtain information about the country and on cooperation with EC)

| Caribbean | Pacific | Indian Ocean |
|---|---|---|
| Aruba<br>Bermuda<br>British Virgin Islands<br>Netherland Antilles<br>Anguilla<br>Cayman islands<br>Turks & Caicos islands<br>Montserrat | New Caledonia<br>Polynesie française<br>Wallis & Futuna<br>Pitcairn | British Indian Ocean Territory<br>Mayotte<br>French southern and Antarctic lands |
| **North Atlantic** | **South Atlantic** | |
| St Pierre & Miquelon<br>Greenland | British Antarctic Territory<br>Falkland islands<br>South Georgian and South Sandwich Islands St Helena, Ascension and Tristan da Cunha | |

More detailed background information on the OCTs is attached in Annex 7.

8 The Communication named "Elements for a new partnership between the EU and the overseas countries and territories (OCTs)" http://ec.europa.eu/development/geographical/regionscountries/regionscountriesoctsen.cfm It has been approved on 6 November 2009 following a broad public consultation from 1 July to the 17 October 2008.

## 3. Scope

### 31. Temporal and legal scope

The scope of the evaluation is the Commission's co-operation strategies[9] and their implementation during the period 1999-2009 and on the intended effects for the period under the current programming cycle 2008-2013.

The evaluation should be **forward looking**, providing lessons and recommendations for the continued support to the partnership with the OCTs.

The Consultants must[10] :

– Provide a fully-fledged assessment of the cooperation framework with the OCTs including the main agreements and other official commitments between the OCTs and the EC;

– Analyse the relevance, effectiveness, efficiency, impacts, effects and coherence of the Commission's cooperation strategies with the OCTs (all instruments included) for the period 1999-2009. This should also include the assessment of the focal sectors in the SPD ;

– Analyse the coherence and consistency of policies towards the OCTs with the general policy framework of the EC towards "developing countries";

– Consider in the above mentioned analysis, the level of adaptation to the context and needs of the OCTs and the needs of the populations in the different periods;

– Provide a detailed analysis of the results achieved and lessons learned in the priority sectors. This analysis should also include the use and the contribution of budget support;

– Assess the coherence within the Commission's development programmes in the different zones, the coordination / complementarity and coherence with the partner country's policies and with other donors' interventions (focus on Member States); the consistency between programming and implementation for the same period;

– Provide recommendations and lessons learned on the implementation of the Commission's co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period 1999-2009 and on intended effects for the period under the programming cycle 2008-2013.

9 Evaluation of all EIB operations in OCTs is not included in this study but evaluation of the EIB facility is comprised

10 The consultant will propose to the Reference Group a sample of representative countries (representative regarding the region, the MS concerned and the type/sector of intervention).

## 32. Thematic scope

The scope of the evaluation is to evaluate the overall EC's cooperation with the OCTs during the period 1999-2009 including **all activities as well as modalities** and in particular the Commission's Country Strategies covering that period.

The evaluation should provide a full inventory of the Commission's funding to the OCTs for this period of time.

The evaluation should analyse whether the priorities of financial allocations during that period of time adequately correspond to the priorities of the respective priorities of the SPDs and the Governments of the OCTs.

The coordination and complementarities between activities under different mechanisms, modalities and budget lines as well as between activities initiated at regional versus those at national level should be analysed.

The coherence of the different instruments of cooperation with the OCTs in relation to the main EC policies[11] has to be assessed.

The evaluation shall evaluate whether the recommendations of previous national or regional evaluations have been taken into account.

The consultants have to give opinion on aid modality (the experience with budget support versus project approach).

The purpose of the evaluation is to identify relevant lessons and to produce recommendations for the current and for the future strategy and programmes. The centre of attention should be mainly on the following areas of cooperation:

- Transport ( mainly by air and sea);
- Infrastructures (roads, havens, water);
- Trade;
- Environment.

The evaluation should also look at EC support to:

- Good governance;
- Education; and
- Private Sector Development.

When giving recommendations to the future strategy, it would be relevant to make reference or align with the recent communication for the future relations that aims at 3 objectives for the future cooperation:

1) Enhancing OCTs competitiveness;
2) Strengthen their resilience and
3) promote cooperation between the OCTs and other partners in the regions where they are located (in the EU and beyond).

11 like CAP, environement, migration, drugs etc.

To attain the three objectives outlined above, which are to a large extent intertwined, the Commission has identified principles and axes of cooperation. They are not all necessarily equally relevant for each and every OCT, but should be seen in view of an OCT's specific situation. Moreover, without prejudice to the next Financial Framework, the question of how technical and financial assistance could best be provided by the Community in order to achieve the objectives of the association should be explored, with due regard to coordination with financial instruments for Neighbouring Outermost Regions, ACP states or relevant third countries.

This no longer requires a relationship between donor and aid partner as is the case today, but calls for a new framework of cooperation.

*NB: All completed evaluations in the country related to EC interventions at project and programme level are important reference material to be taken into account. The Consultants should not deal with the points already covered by these evaluations, but build on them.*

## 4. KEY DELIVERABLES

The overall methodological guidance to be used is available on the web page of the EuropeAid evaluation unit under the following address:

http://ec.europa.eu/europeaid/evaluation/methodology/index_en.htm

Within 14 days after the reception of the ToR, the Consultants will present a **launch note** which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- the provisional composition of the evaluation team with CVs[12];
- A proposed budget[13].

Following the launch note, the main key deliverables are:

- The inception meeting;
- The inception report;
- The desk report;
- The final reports and seminar in the country.

12 All birthday dates must be written in the following Format: dd/mm/yyyy
13 In the frame of a "framework contract"

## 41. The inception meeting

Upon approval of the launch note by the Evaluation Unit, the Consultant proceeds to the structuring stage leading to the production of an inception report.

The main part of the work consists in the analysis of all key relevant documents regarding the Commission's co-operation (past and present) with the OCTs. The Consultants will also take into account the documentation produced by other donors, Member States to which OCTs are associated and international agencies.

On the basis of the information collected and analysed, the Consultants will propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements. The consultants wi**l** also identify appropriate judgement criteria.

A meeting will be held with the Reference Group to discuss and

validate: - The evaluation's organization, its context, main users and

expected uses; - The evaluation's central scope;

- The scope extended to related policies;
- The intervention logic according to official documents;
- The evaluation questions;
- Explanatory comments associated to each evaluation questions (when possible, indicate judgement criteria).

Upon validation by the Reference Group, the evaluation questions become part of the ToR.

## 4.2. Inception report

At the end of the inception phase, the consultants must deliver an inception report, which finalises the evaluation questions and describes the main lines of the methodological design including the indicators to be used, the strategy of analysis and a detailed work plan for the next stage.

The inception report contains the following elements:

- the intervention logic;
- the validated evaluation questions;
- a limited number of appropriate judgment criteria per evaluation question;
- a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- a proposal containing suitable working methods to collect data and information in the Commission's headquarters and delegations, including information coming from the country itself and other donors in the country;
- a first outline of the strategy and the methods used to analyse the collected data and information indicating any limitations;

- a chain of reasoning for answering the question;
- a concise description of the development co-operation context of the Commission with the OCTs related to the evaluation questions;
- a detailed work plan for the next stage.

The report will also confirm if necessary:

- The final composition of the evaluation team and
- The final work plan and schedule.

The two latter points will be agreed and confirmed through a formal exchange of letters between the Consultants and the Commission.

### 43. Desk report

Upon approval of the inception report, the Consultants proceed to the final stage of the desk phase. At the end of this phase, the Consultants will present a desk report setting out the results of this phase of the evaluation including all the following listed elements (the major part of the inception report will be in the annex of the desk phase report):

- The evaluation questions with the agreed judgement criteria and its quantitative and qualitative indicators;
- The first elements of answer to the evaluation questions when available and the hypotheses to be tested in the field;
- Progress in the gathering of data. The complementary data needed for the analysis and to be collected in the field have to be identified;
- Methodological design, including evaluation tools ready to be applied in the field phase: (i) suitable methods of data collection within the country indicating any limitations, describing how the data should be cross-checked and specifying the sources, (ii) appropriate methods for data collection and to analyse the information, again indicating any limitations of those methods in the OCTs;
- An exhaustive list of all the activities covered during the period and an exhaustive list of all activities examined during the desk phase, bearing in mind that activities analysed in the desk phase and the field phase (including ROM) have to be representative;
- A work plan for the field phase: a list with brief descriptions of activities, projects and programmes for in-depth analysis in the field. The consultants must explain the value added of the visits.

**The field missions cannot start before the evaluation manager has approved the desk report.**

## 44. Field reporting

The field missions will be organized in 4 different zones (Indian, Atlantic and Pacific Ocean, Caribbean Sea). For each mission, it is necessary to foresee a session of briefing and debriefing in the EC Delegation responsible for the OCTs in the region.

The fieldwork shall be undertaken on the basis set out in the desk report and approved by the Reference Group. The work plan and schedule of the mission are agreed in advance with the Delegation concerned. If during the course of the fieldwork it appears necessary to deviate from the agreed approach and/or schedule, the Consultants must ask the approval of the Evaluation Unit before any changes may be applied. At the conclusion of the field study, the Consultants present the preliminary findings of the evaluation to the Reference Group shortly after their return from the field.

## 45. Final reports and seminar in the country

### 4.5.1. The Draft Final Report

The Consultants will submit the draft final report in conformity with the structure set out in annex 2. Comments received during de-briefing meetings with the Delegation and the Reference Group must be taken into consideration.

The Consultants may either accept or reject the comments but in case of rejection they must justify (in writing) the reasons for rejection (the comments and the Consultants' responses are annexed to the report). If the Consultants don't want to take them in the report, they must explain in a separate document the reasons why.

If the evaluation manager considers the report to be of sufficient quality (cf. annex 3), he/she will circulate it for comments to the Reference Group. The Reference Group will convene to discuss it in the presence of the evaluation team.

### 4.5.2. The Seminar

The Consultants will make the appropriate amendments based on comments expressed by the Reference Group and the Evaluation Unit. The revised draft final report will be presented at a seminar at the occasion of the annual EU/OCT Forum. The purpose of the seminar is to present the results, the conclusions and the preliminary recommendations of the evaluation to the representatives of the National Authorities, the Commission including its Delegations as well as to all the main stakeholders concerned (EU Member States, representatives of civil society organisations and other donors).

The Consultants shall prepare a presentation (*Power point*) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports and the data basis. For the seminar 60 copies of the main report and 10 reports with full printed annexes (see annex 2 of the ToR) have to be produced. All the reports have to be written in English.

### 4.5.3. The Final Report

The Consultants will prepare the final report based on the comments expressed at the seminar and on the basis of further comments from the Reference Group, the Delegation and/or the evaluation manager. The presentation (*Power point)* will be revised in accordance to the final report. The main final report will be written **in English and in French**.

110 copies of the Final Main Report must be sent to the Evaluation Unit with an additional 10 reports with all printed annexes. A CD-Rom with the Final Main Report and annexes has to be added to each printed report.

The evaluators have to hand over on an appropriate support (electronically or paper) all relevant data gathered during the evaluation.

The contractor shall submit a methodological note explaining how the quality control and the capitalisation of lessons learned have been addressed.

The Evaluation Unit makes a formal judgement on the quality of the evaluation (cf. annex 3).

## 5. EVALUATION QUESTIONS

The evaluation will be based on the seven evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, coherence and the EC value added. The first five correspond to the traditional practice of evaluation of development aid and have been formalised by the OECD (DAC). The following two apply to all EC policies. The criteria will be given different weightings based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- **Relevance of the strategies/programmes:**
- **Design and coherence of the intervention strategy/programme:** this mainly concerns the extent to which the resources foreseen were adequate in relation to the objectives set out in the programming documents.
- **Consistency of the implementation in relation to the strategy*:*** the Consultants shall verify the extent to which the work plan, schedule and implementation of the activities (all types of interventions, geographical and sectoral distribution, instruments, and aid delivery channels included) were consistent with the strategy. They shall demonstrate who were the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents.

  The Consultants will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) were appropriate to the objectives.
- **Achievement of main impacts/effects*:*** the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which EC programmes were supposed to produce an impact.
- **Efficiency of the implementation*:*** for the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources contributed to, or hindered the achievement of the objectives and results.
- ***Sustainability of the effects:*** an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.
- ***Coherence:*** The notion of coherence should be understood here as follows:
  (i) correspondence between the different objectives of a strategy, implying that there is a hierarchy of objectives (with lower level objectives logically contributing to the higher level ones); (ii) extent to which the resources foreseen are adequate in relation to the

objectives set out in the strategy

- **Key cross-cutting issues*:*** for example gender, environment and climate change, human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent to which account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention.
- **The 3Cs (co-ordination, complementarity and coherence*)***. co-ordination / complementarity with EU Members States and other donors; coherence with EU policies (including the Member States' own policies and eventual interventions of the EIB).

## 6. RESPONSIBILITY FOR THE MANAGEMENT AND THE MONITORING OF THE EVALUATION

The Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the Reference Group.

Information will be given to the Consultants after the signature of the contract concerning the documents referred in Annex 1.

## 7. THE EVALUATION TEAM

The evaluation team should possess a sound knowledge and experience in:

- Evaluation methods and techniques in general and, if possible, of evaluation in the field of development cooperation;
- The OCTs;
- In the team it is necessary to have a minimum of one specialist of the Caribbean zone and of the problematic of isolated islands;
- The following fields: country strategy analysis, sector wide approaches, budget support, Transport, infrastructures, environment and governance. Knowledge of trade issues within the team would also be useful.
- The following languages: English and French (Dutch and Danish for at least one member of the team is a plus)**.** All persons in the team must be able to read the background documentation. All interviews in the field will be carried out in English or French, so that all experts need to speak it fluently. The main final report shall be written in English and French.

The Evaluation Unit strongly recommends that the evaluation team should include consultants from the country or the region (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

Consultants must be strictly neutral. Conflicts of interests must be avoided.

It is highly recommended at least for the team leader to be fully familiar with the methodological approach set by the EC.

## 8. TIMING

After the approval of the launch note and the signature of the contract, the timing of activities will be set according to the following indicative work plan.

The dates mentioned in the following section may be changed with the agreement of all concerned.

| *Evaluation Phases and Stages* | *Notes and Reports* | *Dates* | *Meetings/Communications* |
|---|---|---|---|
| **ToR** | | ***January '10*** | |
| **Start** | | ***February'10*** | |
| **Desk Phase** | | | |
| Structuring Stage | Short presentation (logical diagram and EQ) | February '10 | RG Meeting |
| | Draft Inception Report | March '10 | Optional: Short preparatory visit of the consultants to the field. |
| | **Final Inception Report** | April '10 | A formal exchange of letters between the Consultants and the Commission confirms the final composition of the evaluation team and the final work plan and schedule. |
| Desk Study | Draft Desk Report | April '10 | RG Meeting |
| | **Final Desk Report** | May '10 | |
| **Field Phase** | | ***June/July '10*** | De-briefing meeting with the Delegation. |
| | Presentation | ***August '10*** | RG Meeting |
| **Synthesis phase (seminar in the country)** | | | |
| | 1st draft Final report | November '10 | RG Meeting |
| | Revised draft Final report | January '11 | Seminar in an OCT at the occasion of the OCT/EU Forum (forum 2010 will likely be in New Caledonia in February 2011).<br>60 copies of the report and 10 reports with full printed annexes. |
| | **Final Main Report**<br>**Presentation of 4-slides by the EQ**<br>**Data gathered** | April '11 | 110 copies of the Final Main Report must be sent to the Evaluation Unit.<br>Additional 10 reports with all printed annexes must be sent to the Evaluation Unit as well. |

*NB: The timing of activities has to be realistic.*
*A country level evaluation takes about 12 months between signature of contract and approval of the final report.*
*Some regional evaluations take about 15-16 months between signature of contract and approval of the final report.*

## 9. COST OF THE EVALUATION

The overall costs include:

- The **evaluation** as such;
- 2.5% of the total budget excluding the costs of the seminar are to be used for **quality control**;
- A **seminar** in the region.

The total of these 3 elements must not exceed € **350.000**.

*NB: The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.*

## 10. PAYMENTS MODALITIES

The payments modalities shall be as follows:

- 30% on acceptance of the Inception Report, plus 2.5% of the agreed budget to be used for quality control;

- 50% on acceptance of the Draft Final Report;

- the balance on acceptance of the final report.

Seminar related costs are to be invoiced and paid separately.

## ANNEX 1: INDICATIVE DOCUMENTATION FOR THE EVALUATION PERIOD

*NB: The following list is indicative and can be adapted / expanded where appropriate.*

1. All legal texts, communications and political commitments related to development cooperation:

   Council Decision 2001/822/EC of 27 November 2001

   Amendment Decision 2007/249/EC

   Commission Regulation (EC) No 2304/2002 of 20 December 2002
   Commission Regulation (EC) No 1424/2007 of 4 December 2007
   Development Cooperation Instrument (DCI) 2007-2013

2. Other Commission/OCT documents:

   Green Paper on future relations between EU and OCTs

   Annex to the green paper

   Report OCTs stakeholders conference

   Elements for a new partnership between, the EU and the OCTs (9/11/2009)

3. Key government documentation/OCTs website and OCT association
4. Access to CRIS (information on the projects and annual ROM) and other databases providing financial and performance information.
5. Single Programming Documents/National Indicative Programmes:
6. Previous EC project and programme evaluation and monitoring reports
7. Relevant documentation (including evaluation reports) from other donors and international organisations:

   DAC Evaluation Resource Centre
   (http://www.oecd.org/infobycountry) World Bank evaluations
   (http://web.worldbank.org/external/default/)

   EC Database of EU evaluations
   (http://ec.europa.eu/comm/dg/aidco/ms ec evaluations inventory/evaluationslist.cfm?)

8. EC Budget Support Methodology

The three following documents are to be handed to the Consultants:

1. On access to the information contained by the ROM system for an evaluation;
2. Methodological note from Euréval concerning North-South approach to country level evaluations;
3. Template for Cover page.

In addition, the consultant will have to consult the documentation available on Internet (DAC/OCDE and EU Inventory websites in particular) as well as the documentation listed or available within the Evaluation Unit (AIDCO/0/3 Library).

## ANNEX 2: OVERALL STRUCTURE OF THE FINAL REPORT

The overall layout of the report is:

**Final report**

- Summary

- Context of the evaluation

- Answers to the evaluation questions

- Conclusions (1)

- Recommendations (2)

*Length: the final report must be kept short (70 pages maximum excluding annexes). Additional information regarding the context, the programme and the comprehensive aspects of the methodology and of the analysis will be put in the annexes.*

(1) Conclusions

– The conclusions have to be assembled by homogeneous "clusters" (groups). It is not required to set out the conclusions according to the 5 DAC criteria;

– The chapter on "Conclusions" has to contain a paragraph or a sub-chapter with the 3 to 4 principal conclusions presented in order of importance;

– The chapter on "Conclusions" must also make it possible to identify subjects, for which there are good practices and the subjects, for which it is necessary to think about modifications or re-orientations.

(2) Recommendations

– Recommendations have to be linked to the conclusions without being a direct copy of them;

– Recommendations have to be treated on a hierarchical basis and prioritised within the various clusters (groups) of presentation selected;

– Recommendations have to be realistic, operational and feasible. As far as it is practicable, the possible conditions of implementation have to be specified;

– The chapter on "Recommendations" has to contain a sub-chapter or a specific paragraph corresponding to the paragraph with the 3 to 4 principal conclusions. Therefore, for each conclusion, options for action and the conditions linked to each action as well as the likely consequences should be set out.

**Annexes (non exhaustive)**

- National background;
- Methodological approach;
- Information matrix;
- Monograph, case studies;
- List of institutions and persons met;
- List of documents consulted;
- Power point presentation with 4 slides for each evaluation questions illustrating in a synthetic and schematic way the evaluation process: 1st slide) logical diagram with the evaluation question, 2nd slide) judgment criteria, indicators and target level, 3rd slide) findings compared with success criteria, and 4th slide) interventions of the EC plus limits of the evaluation.

**NOTE ON THE EDITING OF REPORTS**

- The final report must:
  - be consistent, concise and clear;
  - be well balanced between argumentation, tables and graphs;
  - be free of linguistic errors;
  - include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text;
  - contain one (or several) summaries presenting the main ideas. For example, the answers to the evaluation questions and the main conclusions could be summarised and presented in a box.
- The executive summary has to be very short (max. 5 pages);
- The final version of the report shall be typed in 1,5 lines spacing and printed double sided, in DIN-A-4 format;
- The font shall be easy to read (indicative size of the font: Times New Roman 12);
- The presentation shall be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout);
- The main report shall not exceed 70 pages including the cover page, the table of content, the lists of annexes and abbreviations. The annexes shall not be too long;
- The content must have a good balance between main report and annexes;
- Reports shall be glued or stapled; plastic spirals are not acceptable due to storage

problems. For the Cover page, please use the template mentioned in Annex 1.

**Please, note that:**

- The Consultant is responsible for the quality of translations and their conformity with the original;
- All data produced in the evaluation are property of the EC.

## ANNEX 3 - QUALITY ASSESSMENT GRID

| Concerning these criteria, the evaluation report is: | Unacceptable | Poor | Good | Very good | Excellent |
|---|---|---|---|---|---|
| **1. Meeting needs:** Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference? | | | | | |
| **2. Relevant scope:** Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences? | | | | | |
| **3. Defensible design:** Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions? | | | | | |
| **4. Reliable data:** To what extent are the primary and secondary data selected adequate? Are they sufficiently reliable for their intended use? | | | | | |
| **5. Sound analysis:** Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way? | | | | | |
| **6. Credible findings:** Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale? | | | | | |
| **7. Validity of the conclusions:** Does the report provide clear conclusions? Are conclusions based on credible results? | | | | | |
| **8. Usefulness of the recommendations:** Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable? | | | | | |
| **9. Clearly reported:** Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood? | | | | | |
| **Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.** | | | | | |

**ANNEX 4 Situation End July 2009**

| OCT EDF1-10 Programming Matrix | Related MS | EDF 6 | Transfer EDF 4 to EDF 6 | EDF 7 | Transfers EDF 1,2,3,5 to EDF 7 |
|---|---|---|---|---|---|
| Anguilla | UK | 1.800.000,00 | 0,00 | 2.900.000,00 | 345.246,67 |
| Cayman Islands | UK | 1.500.000,00 | 63,12 | 0,00 | 0,00 |
| Montserrat | UK | 2.000.000,00 | 110.316,11 | 3.900.000,00 | 135.859,18 |
| Turks and Caicos Islands | UK | 1.730.000,00 | 0,00 | 3.900.000,00 | 57.429,93 |
| British Virgin Islands | UK | 1.500.000,00 | 0,00 | 2.400.000,00 | 120.000,00 |
| Aruba | NL | 6.975.000,00 | 209.728,92 | 7.575.000,00 | 497.566,56 |
| Netherlands Antilles | NL | 20.925.000,00 | 629.186,74 | 22.725.000,00 | 6.100.155,08 |
| *Bermuda** | UK | 0,00 | 0,00 | 0,00 | 0,00 |
| **Region Total** | | **36.430.000,00** | **949.294,89** | **43.400.000,00** | **7.256.257,42** |
| **Pacific Region** | | | | | |
| New Caledonia | FR | 7.850.000,00 | 375.476,11 | 12.500.000,00 | 4.198.102,55 |
| Wallis and Futuna | FR | 3.750.000,00 | 7.677,73 | 4.600.000,00 | 20.579,11 |
| French Polynesia | FR | 8.250.000,00 | 169.423,94 | 13.100.000,00 | 1.520.505,94 |
| Pitcairn | UK | 0,00 | 0,00 | 0,00 | 0,00 |
| **Region Total** | | **19.850.000,00** | **552.577,78** | **30.200.000,00** | **5.739.187,60** |
| **North Atlantic Region** | | | | | |
| Greenland | DK | 0,00 | 0,00 | 0,00 | 0,00 |
| St Pierre-et-Miquelon | FR | 3.427.470,84 | 33.388,49 | 3.000.000,00 | 539.140,67 |
| **Region Total** | | **3.427.470,84** | **33.388,49** | **3.000.000,00** | **539.140,67** |
| **South Atlantic Region** | | | | | |
| St Helena Ascension, Tristan da Cunha | UK | 1.400.000,00 | 15.411,10 | 2.400.000,00 | 177.946,01 |
| Falklands | UK | 700.000,00 | 407.000,00 | 0,00 | 15.715,20 |
| British Antarctic Territory | UK | 0,00 | 0,00 | 0,00 | 0,00 |
| French Southern and Antarctic Territories | FR | 300.000,00 | 0,00 | 300.000,00 | 0,00 |
| South Georgia and the South Sandwich | UK | 0,00 | 0,00 | 0,00 | 0,00 |
| **Region Total** | | **2.400.000,00** | **422.411,10** | **2.700.000,00** | **193.661,21** |
| **Indian Ocean Region** | | | | | |
| Mayotte | FR | 4.750.000,00 | 0,00 | 6.700.000,00 | 480,00 |
| British Indian Ocean Territory | UK | 0,00 | 0,00 | 0,00 | 0,00 |
| **Region Total** | | **4.750.000,00** | **0,00** | **6.700.000,00** | **480,00** |
| **All Regions Total** | | **66.857.470,84** | **1.957.672,26** | **86.000.000,00** | **13.728.726,90** |
| *Total* | | 68.815.143,10 | | 99.728.726,90 | |
| **Regional Funds** | | **10.000.000,00** | **0,00** | **11.500.000,00** | **512.105,84** |
| **C-Envelope / B-Env** | | **29.013,16** | **1.565.752,95** | **0,00** | **469.597,01** |
| **Overall Total** | | **76.886.484,00** | **3.523.425,21** | **97.500.000,00** | **14.710.429,75** |

** Upon the request of Bermuda, they are not subject to the Overseas Ass, Dec, implementing part IV of the Treaty*

Greenland receives 25 million€ pr.Year from the general budget as part of the Part, Agr, between the EU and Greenland covering period 2007-13.

Annex 4 suite

| OCT EDF1-10 Programming Matrix | Related MS | EDF 8 | EDF 9 | EDF 10 | All EDF Total |
|---|---|---|---|---|---|
| | | | | | |
| Anguilla | UK | 1.750.000,00 | 8.000.000,00 | *11.700.000,00* | ***26.495.246,67*** |
| Cayman Islands | UK | 100.000,00 | 0,00 | *0,00* | ***1.600.063,12*** |
| Montserrat | UK | 8.000.000,00 | 11.000.000,00 | *15.660.000,00* | ***40.806.175,29*** |
| Turks and Caicos Islands | UK | 2.250.000,00 | 8.400.000,00 | *11.850.000,00* | ***28.187.429,93*** |
| British Virgin Islands | UK | 1.000.000,00 | 0,00 | *0,00* | ***5.020.000,00*** |
| Aruba | NL | 8.875.000,00 | 0,00 | *8.880.000,00* | ***33.012.295,48*** |
| Netherlands Antilles | NL | 18.500.000,00 | 20.000.000,00 | *24.000.000,00* | ***112.879.341,82*** |
| *Bermuda** | UK | 0,00 | 0,00 | *0,00* | ***0,00*** |
| **Region Total** | | **40.475.000,00** | **47.400.000,00** | **72.090.000,00** | ***248.000.552,31*** |
| **Pacific Region** | | | | | |
| New Caledonia | FR | 15.800.000,00 | 13.750.000,00 | *19.810.000,00* | ***74.283.578,66*** |
| Wallis and Futuna | FR | 6.400.000,00 | 11.500.000,00 | *16.490.000,00* | ***42.768.256,84*** |
| French Polynesia | FR | 14.100.000,00 | 13.250.000,00 | *19.790.000,00* | ***70.179.929,88*** |
| Pitcairn | UK | 350.000,00 | 2.000.000,00 | *2.400.000,00* | ***4.750.000,00*** |
| **Region Total** | | **36.650.000,00** | **40.500.000,00** | ***58.490.000,00*** | ***191.981.765,38*** |
| **North Atlantic Region** | | | | | |
| Greenland | DK | 0,00 | 0,00 | *0,00* | ***0,00*** |
| St Pierre-et-Miquelon | FR | 4.000.000,00 | 12.400.000,00 | *20.740.000,00* | ***44.140.000,00*** |
| **Region Total** | | **4.000.000,00** | **12.400.000,00** | ***20.740.000,00*** | ***44.140.000,00*** |
| **South Atlantic Region** | | | | | |
| St Helena , Ascension, Tristand da Cunha | UK | 5.750.000,00 | 8.600.000,00 | *16.630.000,00* | ***34.973.357,11*** |
| Falklands | UK | 0,00 | 3.000.000,00 | *4.130.000,00* | ***8.252.715,20*** |
| British Antarctic Territory | UK | 0,00 | 0,00 | *0,00* | ***0,00*** |
| French Southern and Antarctic Territories | FR | 0,00 | 0,00 | *0,00* | ***600.000,00*** |
| South Georgia and the South Sandwich | UK | 0,00 | 0,00 | *0,00* | ***0,00*** |
| **Region Total** | | **5.750.000,00** | **11.600.000,00** | ***20.760.000,00*** | ***43.826.072,31*** |
| **Indian Ocean Region** | | | | | |
| Mayotte | FR | 10.000.000,00 | 15.200.000,00 | *22.920.000,00* | ***59.570.480,00*** |
| British Indian Ocean Territory | UK | 0,00 | 0,00 | *0,00* | ***0,00*** |
| **Region Total** | | **10.000.000,00** | **15.200.000,00** | ***22.920.000,00*** | ***59.570.480,00*** |
| **All Regions Total** | | **96.875.000,00** | **127.100.000,00** | ***195.000.000,00*** | ***587.518.870,00*** |
| *Total* | | | | | |
| **Regional Funds** | | **10.000.000,00** | **8.000.000,00** | ***40.000.000,00*** | ***80.012.105,84*** |
| **C-Envelope / B-Env** | | **8.125.000,00** | **17.900.000,00** | ***15.000.000,00*** | ***43.089.363,12*** |
| **Overall Total** | | **115.000.000,00** | **153.000.000,00** | ***250.000.000,00*** | ***710.620.338,96*** |

## Annex 5: Some Data on OCTs

| | MS | Population | | GNP/inh. | |
|---|---|---|---|---|---|
| **Caribbean** | | Nbr | Year | Amount | Year |
| Aruba | NL | 71.891 | 2005 | 22.434USD | 2005 |
| Bermuda | UK | 65.773 | 2006 | 69.900USD | 2004 |
| British Virgin Islands | UK | 27.000 | 2005 | 41.700USD | 2006 |
| Netherland Antilles | NL | 191.780 | 2007 | 17.474USD | 2004 |
| Anguilla | UK | 13.600 | 2005 | 9.711USD | 2006 |
| Cayman Islands | UK | 53.172 | 2006 | 46.591USD | 2006 |
| Turk & Caicos Islands | UK | 32.000 | 2006 | 15.683USD | 2005 |
| Montserrat | UK | 4.798 | 2006 | 3.400USD | 2002 |
| | | 460.014 | | | |
| **Pacific** | | | | | |
| New Caledonia | FR | 240.390 | 2006 | 22.734€ | 2006 |
| Polynesie française | FR | 259.596 | 2007 | 17.090€ | 2004 |
| Wallis & Futuna | FR | 14.944 | 2003 | - | - |
| Pitcairn | UK | 55 | 2006 | 1.800LS | 2006 |
| | | 514.985 | | | |
| **Indian Ocean** | | | | | |
| British IO Territory | UK | 3.500 | est | - | - |
| Mayotte | FR | 186.452 | 2007 | 3.960€ | 2005 |
| | | 189.952 | | | |
| **North Atlantic** | | | | | |
| St Pierre & Miquelon | FR | 6.125 | 2006 | - | - |
| Greenland | DK | 56.648 | 2007 | 32.030€ | 2005 |
| | | 62.773 | | | |
| **South Atlantic** | | | | | |
| Bristish Antarctic T. | UK | 200 | est | - | - |
| Falkland Islands | UK | 2.955 | 2006 | 26.125LS | 2005 |
| South Georgian and South Sandwich Islands | UK | 4.655 | 2006 | 4.814LS | 2005 |
| St Helena, Ascension and Tristan da Cunha | UK | 5.467 | 2008 | 3.453LS | 2007 |
| Terres Antarctiques et australes françaises | FR | 200 | est | - | - |
| | | 13.336 | | | |
| Regional+NA | | | | | |
| Total | | | | | |

## Annex 6: Some data on EC/OCTs cooperation

| | MS | 9th EDF | Focal sector(s) | Instrument | 10th EDF |
|---|---|---|---|---|---|
| **Caribbean** | | | | | |
| Aruba | NL | - | - | - | 8,88 |
| Bermuda | UK | - | - | - | - |
| British Virgin Islands | UK | - | - | - | - |
| Netherland Antilles | NL | 20 | Urban infrastructures | Project | 24 |
| Anguilla | UK | 8 | Transports | Project | 11,7 |
| Cayman Islands | UK | - | - | - | - |
| Turk & Caicos Islands | UK | 8,4 | Transports | SBS(2) | 11,85 |
| Montserrat | UK | 11 | Trade | SBS | 15,66 |
| | | 19,4 | | | 27,51 |
| **Pacific** | | | | | |
| New Caledonia | FR | 13,75 | Formation Prof. | SBS | 19,81 |
| Polynesie française | FR | 13,25 | Assainissement | Project | 19,79 |
| Wallis & Futuna | FR | 11,5 | Infrastructures | Project | 16,49 |
| Pitcairn | UK | 2 | Transports | Project | 2,4 |
| | | 40,5 | | | 58,49 |
| **Indian Ocean** | | | | | |
| British IO Territory | UK | - | - | - | - |
| Mayotte(1) | FR | 15,1 | Gestion des eaux | Project | 22,92 |
| | | 15,1 | | | 22,92 |
| **North Atlantic** | | | | | |
| St Pierre & Miquelon | FR | 18,8 | Env.+Tranports | SBS | 20,74 |
| Greenland | DK | - | Education/Training- | SBS | - |
| | | 12,4 | | | 12,4 |
| **South Atlantic** | | | | | |
| British Antarctic T. | UK | - | - | - | - |
| Falkland Islands(1) | UK | 3 | Transports | SBS | 4,13 |
| South Georgian and South Sandwich Islands | UK | - | - | - | - |
| St Helena, Ascension and Tristan | UK | 17,67 | Transports | SBS | 16,63 |
| Terres Antarctiques et australes françaises | FR | - | - | - | - |
| | | 8,6 | | | 8,6 |
| Regional+NA | | 17,9 | | | 55 |
| Total | | 145 | | | 250 |

(1)These countries have benefited from STABEX funds
(2) SBS- Sector Budget Support

## Annex 7

### DETAILED BACKGROUND INFORMATION

### 1. Introduction

Part Four of the EC Treaty (Articles 182 – 188) deals with "the association of the overseas countries and territories". The purpose of this association, according to Article 182, is "to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole."

### List of OCTs and their respective regions

- Caribbean region :
  Anguilla
  Montserrat
  Turks and Caïcos islands
  Netherlands Antilles (Bonaire, Curaçao, Saba, Sint - Eustatius, Sint - Maarten) Cayman Islands
  Aruba
  British Virgin Islands

- Pacific region :
  New Caledonia
  French Polynesia
  Pitcairn
  Wallis & Futuna

- North Atlantic region : Saint Pierre & Miquelon
  Greenland

- South Atlantic region:
  The Falklands
  Saint Helena, Ascension and Tristan da Cunha
  South Georgia and South Sandwich islands
  British Antartic Territories

- Indian Ocean region:
  Mayotte
  British Indian Ocean territories
  French Antarctic and Austral territories

The detailed relations between the OCTs and the Community are governed by Decisions of the Council of Ministers, which are periodically updated. The latest Decision is the Council Decision of 27 November 2001, with few amendments in 2007, on the association of the overseas countries and territories with the European Community ("Overseas Association Decision", hereafter: "OAD").

## 2. OCTs and their institutional link to their related member state.

Most of the inhabited OCTs are situated in 4 principle areas, whereas 2 of them are considered as the most isolated (Falklands, St Helena).

### 21. In the Caribbean region:

***Netherlands Antilles and Aruba***

These two territories are OCTs of the Kingdom of the Netherlands.

The Kingdom of the Netherlands, a sovereign entity under international law consists of three equal partners; the Netherlands, the Netherlands Antilles and Aruba. Each has a distinctive identity and is fully autonomous in its internal affairs.

The ***Charter of the Kingdom of the Netherlands*** has for more than 50 years provided an umbrella construction covering the three countries, each of which has its own Constitution. It is the basis for mutual relations between the three countries and relations with other countries and international organisations. The Kingdom Charter is based on three fundamental principles:

- Each country has a high level of autonomy in pursuing its own interests.
- Common interests are pursued on the basis of equality between partners.
- The countries provide each other assistance when necessary.

Basically, the three countries of the Kingdom conduct their own affairs. However, the Charter includes a limited number of affairs which are conducted jointly, known as "Kingdom affairs". The most important Kingdom affairs are the maintenance of independence and the defence of the Kingdom, and foreign relations. Decisions regarding foreign affairs are taken by the highest executive body of the Kingdom, the Council of Ministers of the Kingdom, consisting of the Minister Plenipotentiary of Aruba and of the Netherlands Antilles (who reside in the Hague), along with the Dutch Ministers.

A treaty is usually signed on behalf of the Kingdom as a whole. Then each part of the Kingdom decides whether the treaty should apply to it.

When negotiating treaties affecting matters which essentially fall within the autonomous sphere of interest of the Netherlands Antilles and Aruba, and which only apply to the Netherlands Antilles and Aruba, it is entirely customary for the Antillean and Aruban authorities to conduct negotiations themselves, sometimes with help (logistic or otherwise) from the Ministry of Foreign Affairs in The Hague. Negotiations are ultimately held in accordance with the rules that apply when the Kingdom accedes to a treaty; only the Kingdom has the authority to sign a treaty. Although the treaty making capacity may be delegated, treaties are signed and ratified by the Kingdom on behalf of the autonomous part concerned.

Foreign relations of the Caribbean parts of the Kingdom are conducted by the respective Departments of Foreign Affairs of Aruba and the Netherlands Antilles, in close consultation with the Ministry of Foreign Affairs in Hague.

The association relation of the Caribbean parts of the Kingdom with the European Union is an affair of the entire Kingdom and the Ministry of Foreign affairs has legal

responsibility. Aspects pertaining to the economic policy responsibility with regard to international trade and cooperation fall under the responsibility of the Government of Aruba and the Netherlands Antilles.

Thus for example, the Netherlands Antilles are full member of the Caribbean Epidemiologic Center (CAREC), Aruba and the Netherlands Antilles are associated members to regional organisations such as the Economic Commission for Latin America and the Caribbean Development and cooperation Committee ((ECLAC/CDCC).

***Anguilla,British Virgin Islands, Cayman Islands, Montserrat, Turks & Caicos Islands***

Competence for external affairs (which is the same as international relations) of all the British OTs remains within the special responsibilities of the Governor (in effect, remains with the UK). If an OT wishes to act in the sphere of external affairs, e.g. by negotiating a treaty or joining a regional or international organisation, it has to seek an entrustment (authorisation) from the UK before it can do so.

If it acts without such an entrustment, actions, such as signing a treaty, would be without legal effect.

Furthermore entrustments are granted on an individual and ad hoc basis and that, even after having been given an entrustment to join a regional or international organisation, before an OT can sign up to any agreement being made by such an organisation, a further entrustment is required

## 22. In the North Atlantic region:

***Greenland and Saint Pierre et Miquelon***

### 1. Greenland:

In Greenland, an extensive type of self-government (Home Rule Government) has been set up by the Home Rule Act n° 577 of 29th November 1978.[14]

In application of this act, sovereignty continues to rest with the central authorities of the Danish Realm. Exclusive affairs of the state such as external relations defence and monetary policy may not be transferred to the Greenland Home Rule.

Specific provisions apply regarding mineral resources of Greenland (joint decision-making power).

Cooperative procedures exist in relation to external relations to ensure Greenland interests are taken into account by Denmark in its foreign policy. Thus the Danish Government must consult the Home Rule authority before entering into treaties that particularly affect Greenland interests.

The Home Rule authority is likewise compelled to consult central authorities before adopting measures liable to prejudice Denmark's interests (e.g. fisheries regulation...).

The central authorities may upon request authorise the Home rule authority to conduct international negotiations on purely Greenland affairs (section 16(3) of the Act).

14 Further to a referendum, Self Rule was adopted 21 June 2009.

Moreover, since June 2005, Greenland may negotiate and conclude agreements under public international law on behalf of the Kingdom that concern areas for which full responsibility has been taken over by Greenland. Greenland cannot conclude international agreements by itself if:

- They also concern the Faeroe Islands
- In the field of defence and security policy
- They shall apply to Denmark
- They are negotiated in an organisation of which Denmark is a member.

When international organisations allow entities other than states to acquire memberships in their own names, the Government may, upon request of the Greenland Cabinet, decide to submit or support an application that Greenland becomes a member if membership is consistent with the constitutional status of Greenland.

Greenland has representative vis-à-vis the EC in Brussels and vis-à-vis Canada in Ottawa.

### 2. Saint Pierre et Miquelon:

SPM is a French territory, formerly an overseas department of France. No competences of the Government and its representative in SPM (Préfet) have been transferred to locally elected bodies in the field of international relations. This is very different from the status of New Caledonia for example.

However the head of the local council (Président du Conseil general) participate informally along with France's representative in a Commission established in the framework of the Franco-Canadian Agreement of 1994.
In the NAFO (Northwest Atlantic Fisheries Organisation) and the ICCAT (International Commission for the Conservation of Atlantic Tuna), France is a member on behalf of SPM and the head of the local council is the head of delegation.
The Local Council has specific competences for the taxation of hydrocarbon mines leases within its Exclusive Economic Zone.

Even though the Government representative is the official partner of the Commission for the application of the Association decision, the head of the local council has frequent contacts with the Commission for example for the procedures set out in Chapter 3 of the Association decision. He is a founding member of OCTA.

Thus SPM local council participates informally on economic development issues, in close relationship with France's representative in SPM.

## 23. In the South Atlantic region

### 1. St Helena

Fisheries are a key sector in the St Helenian economy. St Helena is accredited to export fish to EU markets. St Helena also exports small quantities of high quality coffee.

ICCAT:
The main species of fish caught are tuna and tuna-like species. St Helena has therefore become a Contracting Party to the International Commission for the Conservation of Atlantic Tunas (ICCAT) under the auspices of the United Kingdom. St Helena receives and applies ICCAT management information and recommendations and

reports all required statistics to ICCAT annually. St Helena is also invited to attend annual meetings of the Commission.

SEAFO:
In the latter part of 1996 a proposal was made by the Namibian Government for the establishment of a South East Atlantic Fisheries Organisation (SEAFO), a recognised body for the control and management of fish stock in the South East Atlantic. This organisation would play a similar role to ICCAT, an organisation already established for the management of Atlantic Tunas. St Helena and its Dependencies were invited to participate as it was thought possible that we might share the same straddling stocks as our neighbours. Under the Straddling Stocks Agreement (SSA), Articles 7 and 8, Coastal States that share straddling stocks or stocks of highly migratory fish are obligated, at the very least, to cooperate in regional conservation measures.

The signing of the SEAFO Convention took place in Namibia in April 2001 where representation from St Helena and its dependencies were invited to attend. St Helena is now a member of SEAFO but does not at the present time have the capacity to fish species under the regulation of this Organisation.

### 2. Tristan da Cunha

Tristan is a small and remote UKOT in the South Atlantic with a total population of 270, and has no trade links or international agreements. Tristan exports rock lobster product via South Africa to markets in the USA and Japan. It does not have accreditation to export to the EU, and tariff barriers prevent exporting to China.

## 24. In the Pacific region:

***Pitcairn, New Caledonia, Wallis et Futuna, French Polynesia***

### 1. Pitcairn

Pitcairn is a very small territory, with a population of only 47 people. This British overseas territory is administered by a Governor based in Wellington, who is also the British High Commissioner to New Zealand. Thus, Pitcairn has few interests in international relations. Pitcairn has recently been in discussion with the Government of French Polynesia, its closest neighbour, to improve transports and trade links between the two territories. Pitcairn is also a member of the South Pacific Community.

The rest of the Pacific OCTs are French. The differences which exist among French OCTs, even in the same region, show how the current statuses are the result of local negotiations, votes and evolutions.

### 2. New Caledonia ( Nouvelle Calédonie)

In New Caledonia, a French overseas country with a new status since 1999, competences are divided in three categories:

- Exclusive competences of New Caledonia;
- Exclusive competences of the member state, France;
- And shared competences.

External relations are part of the third category:

The Government of New Caledonia can negotiate and sign international agreements. New Caledonia can be a member, an associate member or an observer of international organisations. The government of New Caledonia can have an official representation in Pacific countries and can cooperate with other OCTs such as Wallis et Futuna and French Polynesia. Nevertheless, agreements signed by the government of New Caledonia and foreign States or territories must be respectful of the international commitments of the French Republic.

New Caledonia is:
- an observer in the Pacific Island Forum
- a member of the Pacific community

both of which group all South Pacific countries on economical and social subjects.

New Caledonia is also a member, an associate member or an observer of several more specific regional organisations, in areas such as fisheries, environment protection, tourism, customs, development and economic cooperation. The Congress of New Caledonia authorised several months ago the President of New Caledonia to start negotiations with PICTA, the Pacific island countries trade agreement.

New Caledonia's current strategy is to strengthen its links with the rest of the Pacific region
- by continuing integration and negotiation with regional organisations,
- by a close follow up of Economic Partnership Agreement (EPA) negotiations and the consequences they could have for New Caledonia
- and by helping develop a better knowledge of New Caledonia by its neighbours, including through more informal aspects such as education, sports and arts.

### 3. Wallis et Futuna

Wallis and Futuna is a French territory in the South Pacific. In application of a statute from 1961 (Loi n° 61-814, 29th July 1961, article 7), France is in charge of the external relations of Wallis and Futuna, through The High Commissioner of the Republic for the Pacific region in Noumea or the Administrator of the territory depending on issues at stake.

### 4. French Polynesia (Polynésie Française)

Land Area: Total: 4,176 sq km (121 islands and atolls in five archipelagos) Land: 3,5 sq km / Water: 507 sq km EEZ: 5.03 million sq km. Population : 252,900 (January 2005) Official Languages : French (official) and Tahitian (official)

French Polynesia was an "Overseas Territory of France" since 1946. Following the passage of the French Polynesia's Statute of Autonomy in 1984, however, French Polynesia has enhanced self-governing status within the French Republic. Under the March 2004 new autonomy statute, French Polynesia became an "overseas country" of France with increased domestic and international autonomy. The term "pays d'Outre mer" is used (POM).

In French Polynesia, competences are divided in three categories:
- exclusive competences of French Polynesia
- exclusive competences of the member state, France
- and shared competences

External relations are part of the third category: the Government of French Polynesia can negotiate and sign international agreements. French Polynesia can be a member, an associate member or an observer of international organisations.

Under the French Constitution, France is responsible for conducting foreign relations on behalf of French Polynesia (ONU, WTO...). The government of French Polynesia can have an official representation in Pacific countries and can cooperate with other OCTs such as Wallis et Futuna and New Caledonia. Nevertheless, agreements signed by the government of French Polynesia and foreign States or territories must be respectful of the international commitments of the French Republic.

French Polynesia's regional links in the Pacific have been growing in recent years to reflect its constitutional status as an autonomous territory. French Polynesia has separate representation in the Secretariat of the Pacific Community (SPC) and in 1999 hosted the SPC Conference. French Polynesia is also looking to forge closer links with the Pacific Islands Forum. In April 5th, 2006 French Polynesia's government have officially asked permission from the French government to bid for the newly-created "associate member" status within the Pacific Islands Forum. In April 2001, French Polynesia participated in the first Western Central Pacific Fisheries Convention (WCPFC) preparatory conference. French Polynesia participates in the South Pacific Regional Environment Programme (SPREP) and is a member of the Pacific Islands Development Programme as well as being as associate member of the South Pacific Applied Geoscience Commission (SOPAC).

There is a strong will from French Polynesia to strengthen its trade relations within South Pacific Region. French Polynesia intends to join PICTA, the Pacific island countries trade agreement.

## 25. In the Indian Ocean region:

### Mayotte

Mayotte is a specific case because its status is currently evolving: this French territory hopes to become a "Région ultrapériphérique", like Réunion, Guadeloupe, Martinique and Guyane. As such, it could become an outermost region of the European Union. For the moment though, Mayotte has less competences in regional cooperation than most French OCTs and than French outermost regions.

Regional cooperation is limited in Mayotte, because the signature of any treaty or agreement with a foreign state is an exclusive competence of French State: none can be signed between local authorities in Mayotte and a foreign State.

Nevertheless, a law voted in 2001 permits the local council (Conseil general) to address to the French government propositions concerning the signature of international agreements in its region.

Furthermore, if Mayotte cannot sign international agreements it can sign conventions with its neighbours. The representative of the French government (Préfet) must control the legality of such conventions before their publication.

Finally, it should be noted that Mayotte experiences difficulties in joining some regional organisations because this French territory is a source of conflict between Comoros and France. Comoros still claim sovereignty over Mayotte and refuse for instance its participation in the Indian Ocean Commission, the main regional organisation in the South-West of the Indian Ocean.

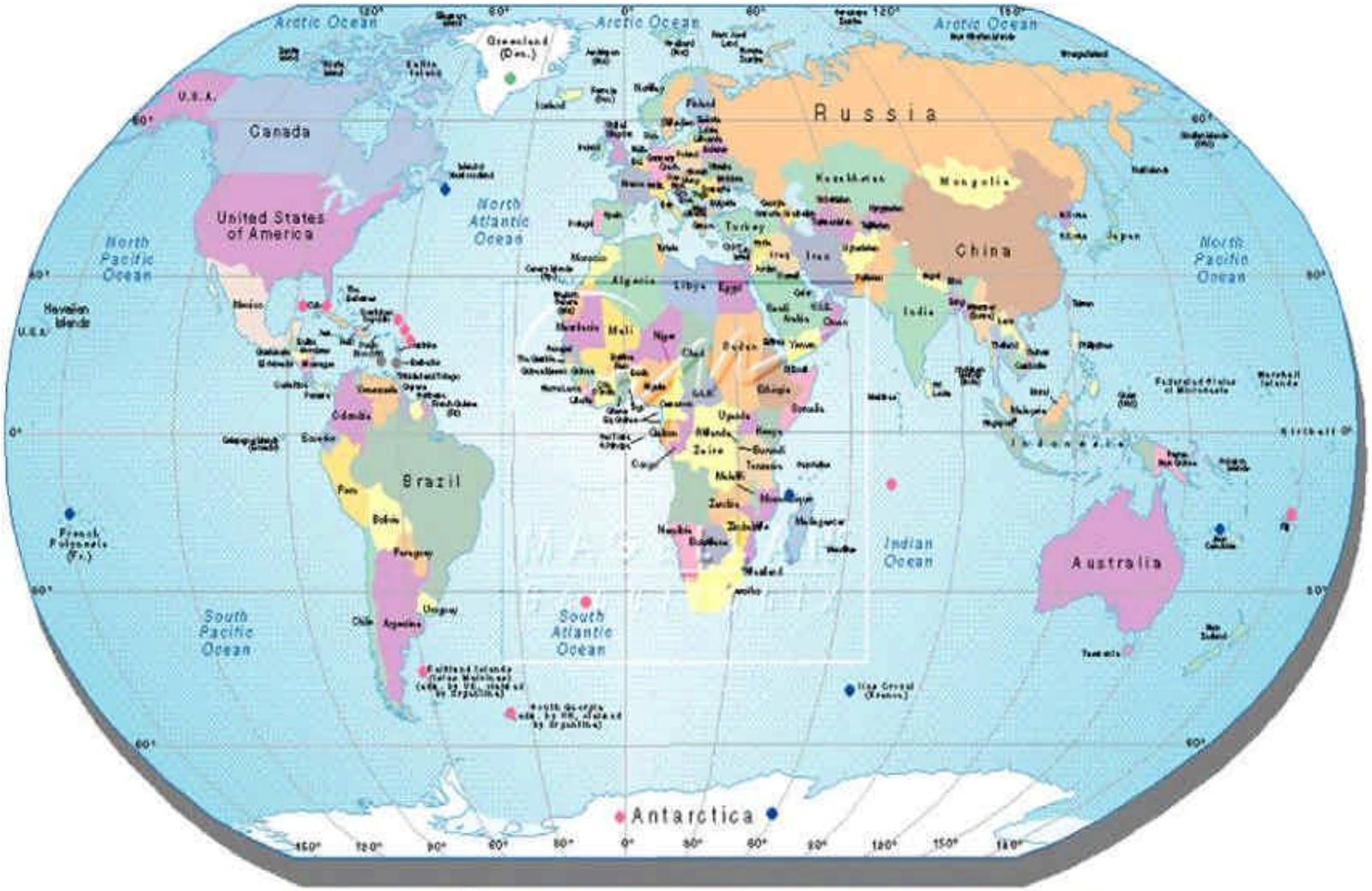
### The French Southern and antartic Lands - TAFF

The TAAF are an overseas collectivity, created in 1955, composed of the Archipelagos of Crozet and Kergelen, and the Island of Saint-Paul and Amsterdam, of the Adélie Land within the Antartic continent. Since 2007, the Scattered Islands (Europa, Glorieuses, Jaun de Nova, Bassas de India and Tromelin) were included in TAAF. The headquarters are in Saint-Pierre, in Réunion Island.

The TAAF are under the authority of a High Commissioner who not only represents the French State but is also responsible for the collectivity. He is represented in each district by a head of district.

The TAAF are part of the French delegations at the advisory group meetings of the Antartic Treaty System and at the Commission for the Conservation of Antartic Marine Living Resources.

The Scattered Islands make the TAAF part of the French Indian Ocean and contribute with Réunion Island and Mayotte to the actions of regional cooperation concerning fishery, biodiversity and scientific research on some of the major planetary issues.


Arctic Ocean
Arctic Ocean
Arctic Ocean
Greenland (Den.)
U.S.A.
Canada
Russia
Kazakhstan
Mongolia
United States of America
North Atlantic Ocean
Turkey
China
North Pacific Ocean
North Pacific Ocean
Japan
Hawaiian Islands
U.S.A.
Algeria
Libya
Egypt
India
Mali
Niger
Chad
Sudan
Ethiopia
Somalia
Uganda
Kenya
Zaire
Burundi
Tanzania
Zambia
Mozambique
Madagascar
Namibia
Botswana
Zimbabwe
Swaziland
Colombia
Ecuador
Peru
Brazil
Bolivia
Paraguay
Chile
Argentina
Uruguay
Indonesia
Indian Ocean
Australia
French Polynesia (Fr.)
South Pacific Ocean
South Atlantic Ocean
Falkland Islands (Islas Malvinas)
South Georgia
Kerguelen Islands (Fr.)
Antarctica
PTOM FRANCAIS
PTOM BRITANIQUES
PTOM NEERLANDAIS
LE GROENLAND

# ANNEX II: OCT SPECIFIC CONTEXT

## OCT linked with Denmark: Greenland

### *1. Overview*

Greenland faces several challenges linked to its remoteness, climatic conditions and small population with a particular social and economic situation and a cultural mix that is a legacy of its history and special relationship with Denmark.

Greenland's economy is characterised by a predominant public sector, including publicly owned enterprises and the municipalities, and an underdeveloped private sector. Tourism has economic potential but remains rather limited due to a short season and high costs. The natural resources of Greenland have not been fully exploited yet. There are high expectations in regard to the mining industry and possibilities for oil exploitation.

Only about 15% of Greenland's land area is free of ice. Greenland is the world's largest island with a population of only 57,000 scattered widely over the country. 18 towns have a population of over 1000 (16.000 in the capital, Nuuk), accounting for three quarters of the population. The rest live in settlements, the majority of which have a population under 100. The towns are accessible only by boat or plane, not connected by roads. Greenland has rapidly become a modern society based on the Danish welfare model.

The main environmental challenges for Greenland relate to climate change and the melting of the ice cap (with a long-term impact on the world's sea level, but also in Greenland); widespread presence of contaminants in the Arctic environment as well as conservation and sustainable use of the Arctic fauna. These elements have implications for the sustainable development of Greenland because of their impact on the society (for example, in terms of internal migration, emigration and the loss of livelihoods from hunting, fishing and herding), and on the economy (for instance, the dwindling of fisheries and other coastal and marine resources as well as the deterioration of infrastructure built on permafrost soil).

Greenland's overall budget (2007) totals approximately € 700 million. € 400m is funded by the block grant from Denmark accounting for 56% of the national expenditure budget or 32% of total GDP. This level of funding is expected to continue in the medium and long-term. . It also obtains € 200m by tax revenues and € 124m by other revenues, including EC assistance for the sustainable development of Greenland (€ 25m) and compensation based on the fisheries agreement between the Community and Greenland (€ 17.8m).

From 2001 to 2006, the EC contributed € 42.8m per year on the basis the Fisheries Agreement with Greenland. The overall financial cooperation is foreseen to remain at the same level for the 2007-2013 period.

### *2. Legal status*

Greenland is an autonomous community, part of the Kingdom of Denmark. In 1979, the Greenland "Home Rule Act" transferred nearly all responsibilities to the autonomous authorities of Greenland. In 2008, Greenland voted 'yes' for Self-Governance, and in 2009 the self-rule act was adopted. Denmark welcomed the result; however, the move to Self Rule does not change the constitutional arrangements between Denmark and Greenland as the new arrangement is to be placed "within the framework of the existing unity of the Realm".

The central authorities may, upon request, authorise the Self Rule authority to conduct international negotiations on purely Greenland affairs (section 16(3) of the Act).

When international organisations allow for entities other than states to acquire memberships in their own names, the Government of Greenland may decide to submit or support an application that Greenland becomes a member (provided that the membership is consistent with the constitutional status of Greenland).

**External and regional environment**

Greenland has representations to the EU in Brussels and a representation in Copenhagen.

- Greenland is an independent member of the Nordic Council.
- The Nordic Atlantic Cooperation and the West Nordic Foundation provide the basis for specific cooperation with Iceland and the Faeroe Islands.
- As regards the environment, Greenland takes part in the Arctic Council.
- It is a member of the Inuit Circumpolar Conference, an NGO within the UN, which is active in the area of cooperation between the Inuit peoples. Denmark and Greenland are also collaborating within the UN Human Rights Commission, towards the setting-up of a Permanent Forum for Inuit Peoples within the UN.

### *3. EC relations with Greenland*

**Overall relations**

Greenland became a member of the Community in 1973 when Denmark joined. When the Greenland Home Rule Government was established in 1979, it saw one of its first tasks as withdrawing Greenland from the EU owing to the wishes of full sovereignty over its fishing territory and, more generally, of minimizing direct influence from outside of Greenland.

A referendum was held in 1982 and a majority voted in favour of withdrawal. Between 1982 and 1984 the terms were negotiated and Greenland withdrew from the European Community on 1 February 1985 as a result of the coming into force of the Treaty of Withdrawal of 13 March 1984 ("the **Greenland Treaty**", declaring Greenland a "special case".) The Greenland Treaty emphasises cooperation and development. Its preamble refers to *"arrangements being introduced which permit close and lasting links between the Community and Greenland to be maintained and mutual interests, notably the development needs of Greenland, to be taken into account"*.

This "special case" provided a fisheries agreement between the parties in which the EU kept its fishing rights and Greenland its financial contribution as before the withdrawal[15]. It also gave Greenland tariff-free access for fisheries products to the EU as long as there exists a satisfactory fisheries agreement. Greenland was furthermore associated with the EU through its placement in the Overseas Countries and Territories Association Decision.

Since 1985, Greenland has had the Fisheries Agreement with the EC / EU, with successive Protocols laying down the specific terms. In 2003, a mid-term evaluation of the Agreement was completed with the resulting decision of splitting the overall Agreement in two:

- A continued Fisheries Partnership Agreement[16], mainly based on commercial terms[17], with is corresponding Protocol[18], and

[15] An annual contribution of €42.8m related to EC/EU fishing in Greenland waters.
[16] Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand. (L 172/4, 30.6.2007).

- A EU-Greenland Partnership Agreement, focusing on cooperation in the education sector.

Thus, until end-2006, the relations focused on the fisheries sector. Since 2007, the comprehensive partnership defines that the cooperation is twofold on fisheries and on other areas of cooperation.

The EU-Greenland Partnership Agreement aims in particular at strengthening relations and contributing to Greenland's sustainable development. One of the partnership's objectives is to provide a basis for economic, scientific, educational and cultural cooperation founded on the principles of mutual responsibility and support in accordance with the purpose of the EC-OCT association.

Greenland plays a central role in discussions between the EC, the OCTs and the related MS on environmental issues and climate change in the context of a Partnership Working Party (PWP). The purpose of the discussions is to formulate an integrated strategy on the environment in the OCT, which should also be reflected in regional cooperation programmes between the OCT supported as part of the OCT association with the EC.

Greenland is also seeking to strengthen cooperation with the Community in other areas and in particular in the area of environment, research and food safety. A third Agreement on Cooperation in the veterinary sector was expected to be signed at the time of the evaluation field study in Greenland.

In 2010, a Mid-term Review of the EU-relations was undertaken. In conclusion, it states that: *The two partnership agreements on EC financial assistance and related to the education and fisheries sectors are very much the cornerstones in EC-Greenland cooperation. Overall the two programmes both seem to be performing well and "continue as now" in a sensible way forward*[19]

**Fisheries Partnership Agreement**

On January 1, 2007 the new commercialised Fisheries Partnership Agreement between EU and Greenland came into force. It implies a total annual EU financial contribution of maximum €15.8m per year for fishing rights and quotas in the Greenland Exclusive Economic Zone (EEZ) including a financial reserve of €1.540.000m for additional capelin and/or cod quotas and including €3.261.449m for a sectoral policy.[20]

The main objectives of the Fisheries Partnership Agreement are to provide the EU with fishing opportunities in line with sustainable and responsible fisheries, to fight against illegal, undeclared and unregulated (IUU) fishing, to support Greenlandic sectoral policy and to maintain and strengthen the relationship in fisheries between the EU and Greenland. This includes scientific cooperation and the possibility for closer economic cooperation within the fishing industry through the setting up of joint enterprises involving firms from both parties.

[17] According to Greenland officials, the EU was of the opinion the Fisheries Agreements and Protocol rested on "paper fish" until this revision, which served to update the EU-Greenland cooperation.

[18] Protocol setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand. (L 172/9, 30.6.2007).

[19] Mid-term review assessment of the EU-Greenland Cooperation Strategy and its programming. Final Report, July 2010, (p.31).

[20] The then established EU-Greenland Partnership Agreement, focusing on the education sector, includes annual sector budget support of €25m. This amount was deducted from the new Fisheries Partnership Agreement.

The Agreement also details the work of a Joint EU-Greenland Committee as the forum for monitoring its implementation.

The present EU-Greenland relations in the Fisheries' Sector are governed by the Agreement and the Protocol, running over a period of 6 years from 1 January 2007 to 31 December 2012. The Protocol lays down the fishing opportunities for EU vessels, the financial contribution, the categories of fishing activities and the conditions governing them.

**Overall financial contribution related to fishing opportunities**

The annual EU financial contribution related to fishing **opportunities** in the Greenland EEZ is €14.307.244 (€85.843. 464 over the six-year period). To this amount is to be added:

- A financial reserve of €1.540.000 (€9.240.000 for the six-year period) for additional quantities of cod and capelin made available by Greenland beyond those set out in the Protocol, which, however, has never been used.
- The fees due by ship-owners of the EU Member States, estimated at €2m per year (as a private financial contribution).

The Greenland authorities have full discretion regarding the use of the financial contributions, except for:

- An element of EU **sector budget support for securing continued responsible fishing** in the Greenland Exclusive Economic Zone: annually €3.261.449, (exceptionally for 2007 €3.224.244)
- Annual support of €500.000 to biological research on commercial fish species at the Greenland Institute of Natural Resources, and €100.000 to staff training in the Dept of Fisheries, Agriculture and Hunting
- In 2007, an additional amount of €186.022 was to be used for cod management plan studies.

**Implementation of the overall Fisheries Agreement**

Annual (and if needed bi-annual) EU-Greenland Joint Committee meetings on the implementation of the Protocol are held. According to the observations of the consultant, the arrangement related to the Fisheries Partnership Agreement and the annual financial contributions has in general, been working to the satisfaction of both parties – although the partnerships between companies in the sector do not appear to have materialised. This includes, according to representatives of both parties, the implementation of the sectoral policy support part of the funds that has been smooth and in line with the prescriptions of the agreement.

At the November 2009 Joint Committee Meeting it was agreed that the parties found no need for a mid-term review of the Protocol; instead corrective measures were established within the Joint Committee.

However, a recurrent issue for the Joint Committee is the apparent long-term tendency towards a reduction of the fishing quotas, in relation to what was stipulated in the Protocol,

owing to restrictions caused by biological research. This has lead to the accumulation of a growing Greenland "debt" related to certain species[21].

The discussion between the parties on the resolution of the issue focuses on the possible combination of the different options of:

- Additional or new fishing opportunities (preferred by the EU),
- Reduction of the financial contribution (which parties prefer to be avoided),
- Expansion of the sectoral policy program[22] (preferred by Greenland, EU might accept such solution for part of the debt but not for its entirety).

At the June 2010 Joint Committee Meeting, it was agreed to establish a Common Working Group to elaborate of package of these elements and this issue was finally solved at November 2010 Joint Committee Meeting, where it was agreed that one part of the debt will be compensated as a recovery and the second part will be used for the sectoral policy support.

A this last Joint Committee Meeting it was also agreed that the negotiations of the next Protocol to the Fisheries Partnership Agreement should start in 2010.

**Implementation of sectoral policy support securing continued responsible fishing**

The EU and Greenland are to agree about which sector activities that are to be supported and Greenland is to report on the results of the support. In line with the guidelines in the Protocol, Greenland presented a multi-annual Sector Policy Programme Document), which established the following overall objective: *To promote sustainable management and utilisation of the fisheries.*[23]

The Sector Policy Programme Document for 2007 was approved by the Joint Committee. Subsequently, the reporting structure has been changed. The "new structure" includes a general Sector Policy Programme Document and annual status reports. The general Sector Policy Programme Document and the annual status report for 2009 has been approved by the Joint Committee in November 2010. The annual status report for 2008 was approved by the Joint Committee in June 2010, after discussion of certain items. [24]

**Greenland political and sector policy perspectives**

During the Greenland field visit, general satisfaction with EU-Greenland cooperation in the fisheries sector was found . Nevertheless, the Chairman of the Greenland Employers' Association was of the opinion that the Greenland could easily find financially more advantageous ways of exploiting its fish resources than the existing arrangement with the EU.

The Greenland Premier was of the opinion that the "quota-debt"-issue might be more easily resolved when seeing it in a larger perspective and linking it with other outstanding EU-Greenland policy matters, such as climate policy issues or the EU observer status in the Arctic Council. The opposition leader was of the opinion that experimental fisheries and biological

[21] Commonly referred to as "paper fish".
[22] Such as for the (considerable) Greenland costs related to the implementation of the new EU legislation on IUU (Illegal, Unregulated and Unreported fisheries) or expenses related to purchase of a new vessel for the Greenland Institute for Natural Resources.
[23] Sector Policy Programme Document: Sector Policy for the Fisheries in Greenland 2007-12. The Agency of Fisheries, Nov 2009, p.2
[24] Such as a new Fisheries Act on the agenda of the Greenland Parliament autumn 2010, the draft of which will be sent to the EU for comments and the cod management plan (abovementioned special allocation in 2007) to be finalised autumn 2010.

advice should be much stronger represented in the Fisheries Partnership Agreement, which should emphasise sustainability and be more visible.

Greenland sector officials emphasised that they see the Fisheries Partnership Agreement as beneficial to both parties, in the sense that the EU is provided with concrete influence on sector development, while the reporting for the sector budget support has helped Greenland in getting a better sector overview and in placing more emphasis on sustainable fisheries. They also underlined that the entire EU-related arrangements places considerable environment-related burdens on Greenland, and so does the Greenland implementation the EU IUU-legislation, for which Greenland would like to be compensated over the sector policy.

**EU-Greenland Partnership Agreement**

**Education and training** was selected as the focal sector for cooperation between the European Community and the Greenland Home Rule Government in addition to **fisheries**. The EU support (€25m annually 2007-2013, 2006 prices) has a special focus on the Greenland Education Programme with an emphasis on vocational training, the acquisition of qualifications for skilled jobs and competence courses for unskilled persons. EU financial assistance is granted as **sector budget support**, considering Greenland's sound macroeconomic policy and public finance management, on the background of its special relationship with Denmark.

The EU support to Greenland is based on the European Community-Greenland Partnership Agreement for the Sustainable Development of Greenland, as covered by (i) Council Decision 2006/526/EC (the Greenland Decision) of 17 July 2006 between the European Community, and Greenland and the Kingdom of Denmark1, with implementing provisions in (ii) Commission Regulation No 439/20072. Cooperation funding originates from the general EU budget, not from EDF funds. The Programming Document is in line with the new Northern Dimension policy as described in the Policy Framework Document adopted at the Northern Dimension Summit, November 2006.[25]

[25] The Northern Dimension Policy Framework Document adopted at the Northern Dimension Summit of 24 November 2006 in Helsinki is the basis of the new Northern Dimension policy shared by the EU, Russia, Norway and Iceland. The geographical area defined for the Northern Dimension policy is from North-West Russia to Iceland and Greenland, with the Arctic and Sub-Arctic regions as a priority area. Research, education and culture are among the Northern Dimension priority sectors. The Policy Framework Document addresses several objectives of specific relevance in the North, i.e. its fragile environment, indigenous peoples' rights, cultural diversity, health and social well-being. See also: Communication from the Commission to the European Parliament and the Council: The European Union and the Arctic Region, COM (2008), 763, 20.11.2008.

## OCTs linked with France

### *1. Overview*

France's inhabited OCTs are mainly Pacific archipelagos: French Polynesia, New Caledonia, and Wallis & Futuna. Beside this group, Mayotte is located in the Indian Ocean (close to Madagascar and South Africa) and St Pierre & Miquelon in the Atlantic, close to Canada. In addition, the inhabited French Southern and Antarctic lands (TAAF) belong to the overseas territories of the French Republic.

The French OCTs' economic development is still largely driven by a large administration, with salary scales similar or above French public service salary scales, thus with high purchasing power for limited local production capacity. The percentage of public employment on total employment is far above metropolitan level (22%), for example 47% for Mayotte, 39% for New Caledonia and 65% for Wallis and Futuna. The corresponding salary scale and the level of subsidies and social benefits are the driving factors for high GNP/inhabitant ratios as well as high HDM index ranks. Prices are high even for local products, aligned on imports.

None of the French OCTs has yet developed an industrial sector and the agricultural sector is largely dominated by subsistence farming (unlike the French Outermost regions). The coverage of imports (50-60% coming from France) by exports is limited to 10% for French Polynesia and St Pierre and Miquelon, while it is reaching 39% for New Caledonia (based on nickel exports from two industrial units). Mayotte export revenues (aquaculture, vanilla, Ylang-ylang and cinnamon) covers only 1.8% of its imports. The limited size of local markets is a stumbling block for developing local production that could be substitutes of imports, and high costs of production are an obstacle to developing exports with ACP neighbours.

All inhabited French OCTs have been engaged for years in developing domestic production for export mainly in the primary sector and oriented towards maritime resources: fisheries, aquaculture, and pearl culture. The extent of private initiatives is a persistently low and is a concern when considered in relation to investments of public funds on infrastructure, research and SME support. Private resources can easily find alternatives to exporting through several rent seeking activities in real estate or financial markets. Tourism, based on unique and still largely well-preserved natural environments is, and might be for the coming years, the more valuable asset for developing economic activities and local employment. The construction sector is another pillar of the French OCTs' economic activity, supported by publicly financed development programmes and special fiscal regimes for infrastructure.

**Main features of the six French OCTs**

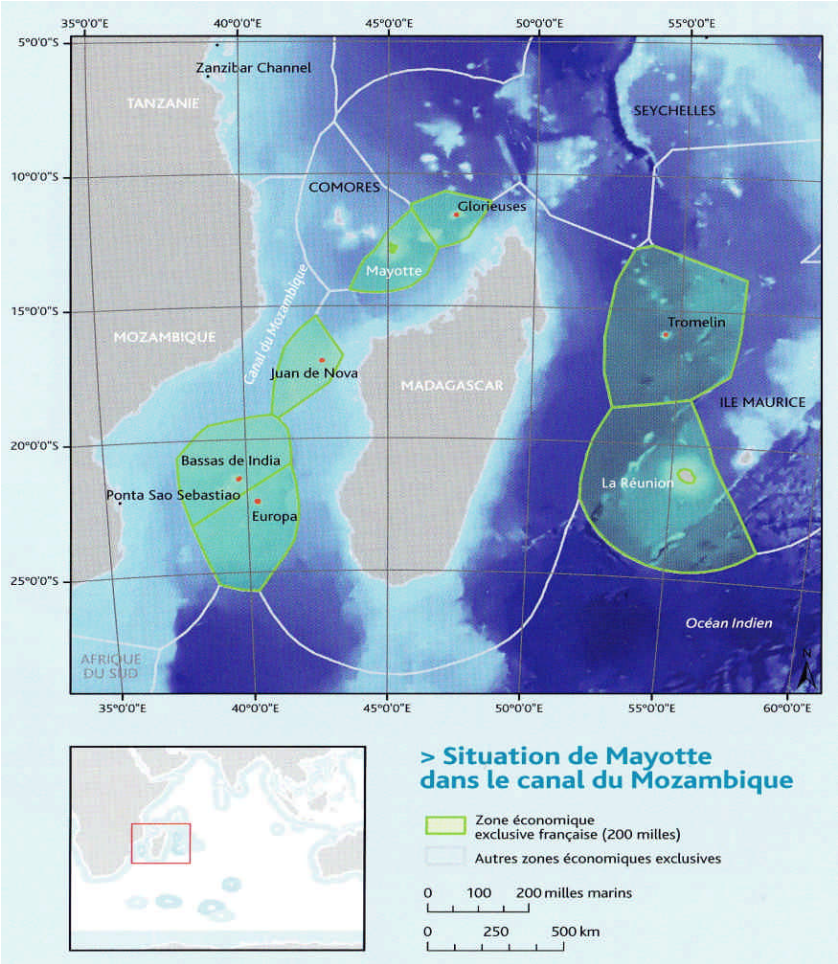
French Polynesia has the largest maritime area (2.5m sq. km, equivalent to EU surface) with more than one hundred islands in five archipelagos. The distance among islands is a major issue for developing economic activities for a population of 250,000 inhabitants. The economic re-conversion conducted since the 90s is based on tourism, pearl culture and fishery. The touristic affluence has been decreasing over the last five years. Fisheries never developed beyond the local market. Pearl culture is developing but in a few suitable islands only, and with shortcomings in quality control.

French southern and Antarctic lands (TAAF) are an overseas collectivity, created in 1955, composed of the archipelagos of Crozet and Kerguelen and the island of Saint-Paul and Amsterdam, of the Adélie Land within the Antarctic continent. Since 2007, also the Scattered islands (Europa, Glorieuses, Juan de Nova, Bassas da India and Tromelin) form part of the

TAAF. The headquarter of the TAAF is in Saint-Pierre, Réunion Island. The TAAF are under the authority of the High Commissioner who not only represents the French State, but also is responsible for the collectivity. He is represented in each district by a head of district.

The TAAF are part of the French delegations at the advisory group meetings of the Antarctic Treaty System and the Commission for Conservation of Antarctic Marine Living Resources (CCAMLR). The Scattered Islands (Les Îles éparses de l'océan indien) make the TAAF a part of the French Indian Ocean and contributes, together with the Réunion Island and Mayotte, to the activities of regional cooperation concerning: fisheries and fishery inspection and species monitoring, biodiversity and scientific research on some of the major planetary issues related to climate change. The TAAF manage an Exclusive Economic Zone of 2, 39 million km² - France's second biggest Exclusive Economic Zone after French Polynesia. Indeed, in terms of maritime surface area France comes second behind the United States which, together with its overseas territories, accounts for over 11 million km². The strategic importance of the French EEZ in the Indian Ocean is illustrated below.

**Figure 1: Location of Mayotte in the Mozambique Channel**




*Source: Agence ses aires marines protégées: Parc naturel marin de Mayotte (undated)*

Mayotte comprises two main islands for a total of 375 sq. km and 160,000 inhabitants. It is located in an economic vacuum, between Comoros Islands, Madagascar and Mozambique. The economy of Mayotte is therefore still totally dependent on French subsidies and social

benefits. Aquaculture (worth €0.58m of export in 2008) is being developed although still limited by the cost of air transport. Vanilla, Ylang-ylang and cinnamon contribute equally to exports. In addition, a tourism industry, built up with respect for the natural environment, is being developed - based on the natural environment of Mayotte, its marine resources, and its coral barrier reef protecting one of the largest lagoons on the planet, providing homes to important (migratory and/or endangered) marine species - whales, dolphins and turtles. Some 40,000 visits have been recorded yearly over the last 5 years, with one third specifically coming for "holidays" (INSEE data).

France has taken the decision to have the boundaries of the Marine Protected Areas overlap with its claimed EEZ. This has potentially far-reaching consequences for the management and protection of the marine environment in the Indian Ocean and Mozambique Channel, particularly in view of the objective, within the context of the establishment of the marine protected area, to make Mayotte a "centre of excellence" in the monitoring of tropical marine ecosystems and mangroves. [26]

**Marine Protected Areas,** or MPAs, have boundaries determined on the basis of their natural heritage interest (remarkable habitats or species, for instance), the significant ecological functions they perform (spawning areas, nurseries, areas of high production, migratory stopovers, etc.) and the uses made of them (fisheries and aquaculture, tourism, mining, etc.). Their objective, usually combined with the aim of sustainable use, is to protect the environment, and they provide a framework for governance along with the appropriate means and measures.
Source: www.aires-marines.fr

New Caledonia is comparatively large (18,575 sq. km) and populated (220,000 inhabitants). It has a diversified economy even if chiefly based on nickel production and a relatively high well-established level of tourism. It is relatively close to Australia and New Zealand.

St Pierre and Miquelon has the smallest territory (242 sq. km) and population (ca. 6,000 inhabitants). It has not had any significant economic activity since the fishery crisis of 1993.

Wallis & Futuna is an archipelago of which the islands' surface is 142 sq. km for a decreasing population of some 10,000 inhabitants. It is the least developed among French OCTs as most transport and social infrastructures are in poor condition. It is strongly constrained by a lack of human and natural resources, with no export economy. The economy is therefore fully geared towards self-sufficiency at household and island level. The main sources of income are from French government financial transfers (overall €100 m each year for the 10,000 inhabitants).

### 2. *Legal status*

In the Constitution of 1958, two categories of local government located overseas were considered: the Overseas departments (DOM) and the Overseas Territories (TOM). The term "DOM-TOM" had become common to refer to all the overseas French territories. From the 1970s, this dual classification has been circumvented by the proliferation of a special status to some: (Mayotte in 1976, Saint Pierre and Miquelon in 1985, New Caledonia since 1985, French Polynesia more recently), in addition to those already existing (TAAF, Wallis and Futuna). In many ways, French DOM-TOMs are constitutional and legal laboratories where some flexibility is allowed within a framework otherwise known to be comprehensive but rigid.

[26] Source:Agence des aires marines protégés www.aires-marines.fr

From 2003, all inhabited French DOM-TOMs became Overseas Collectivities, under a unique federal status in French territorial administration. This status is clearly different from the one of RUPs ("regions ultrapéripheriques") and DOMs ("départements d'outre-mer"), which are fully oriented towards decentralisation.

This new status needed a revision (28 March 2003) of the 1958 French Constitution. In its Article 74, the Constitution requires a specific law for each PTOM defining the consistency of this new status. As for now, only French Polynesia law (Loi organique 2004-192 27/02/ 2004) was passed, the other PTOM still following the previous legal regime.

**Wallis & Futuna** are close to direct administration although the law 61-814 29/07/1961 provides them with administrative and financial autonomy. Traditional organisation is recognised, with its three kingdoms. The king (the *Lavelua* in Uvéa (Wallis), the *Tuiagaifo* in Alo and the *Keletaona* in Sigave (Futuna)) has his own government.

**Mayotte's** local government ("collectivité territoriale") has enjoyed special status since 1976. This was upgraded by the 2001 law to a "collectivité départementale" very close to the status of a metropolitan "département", with its related local administration (Conseil Général) in addition to the State territorial administration (Préfecture). This status is in the process of being further upgraded as a full-fledge "département" after the 2009 referendum (95% yes-votes). Mayotte will then become a Departement in 2011 as regards French administration, which is seen as a step on the way to becoming an Outermost Region of the European Union. The formal change of status to OR (Outermost Region) has been scheduled for 2014, but depends on Mayotte meeting a number of minimum standards necessary for admission to OR status. This is not a simple formality and will require a number of steps to be taken before France can formally propose to the EU that Mayotte should become an Outermost Region. Becoming an OR also comes with some consequences for EU financial support, notably that Mayotte will no longer receive funds from the EDF; rather they will be eligible for substantially more funds from the ERDF, through DG REGIO.

**St Pierre and Miquelon** statutory history has been in constant evolution. It stayed under France direct administration until 1976 when it became an overseas "department". Its status changed again in 1985 (law 85-595 11/06/1985) to that of a local government ("collectivité territoriale") with a local administration on its own (Conseil général) whose competencies are a mix of typical metropolitan "départements" and "region"-ones.

**New Caledonia** has a relatively unique status, which has provided increasing government autonomy since 1984 (Lemoine status). The 1998 Accord de Nouméa represented a major milestone in the territories' political development, granting political power to New Caledonia and its original Kanak population, until the territory decides whether to remain within the French Republic or become an independent state in a referendum to be held between 2014 and 2019. Following signature of the Accord, both a Territorial Congress (Congrès, with voters limited to persons living in the territory for more than ten years) and government have been established, with increasing powers as a result of the gradual implementation of a devolution of powers from France towards New Caledonia.

**French Polynesia** has a reinforced status of autonomy set up in 2004 by law (Loi organique 2004-192 27/02/ 2004), in application of the 2003 constitutional revision introducing the autonomy principle of French OCTs. The territory is allowed to have its own elected deliberative assembly (whose competencies are common law) and government. The main building blocks of the French view on autonomy are the ability to defend its own interests,

competencies transfers (out from sovereignty ones), central control on the coherence of local laws with the Constitution, and a local preference regime, notably on employment.

### *3. EC activities in individual OCTs*

**Mayotte**

The 8th (€ 10m) and 9th EDF (€ 15.2) were dedicated at 85% each to the environment, and more specifically to water management. The 8th EDF focused on wastewater (€ 6m) and solid waste (€ 2.5m); the 9th EDF on rainwater management upstream by tree plantations (€ 1m) and downstream by drainage and tanks (€ 11m). The specific objectives of those two programming periods are thus fairly different, the 8th EDF focusing on urban development and pollution, while the 9th aims to preserve scarce drinking water resources.

Absorption capacities of the "Conseil Général" for the 8th EDF and Stabex resources (COM 1996/1998 of € 1.03m, COM 1999 of € 0.09m) proved to be extremely low (18% and 6% respectively) at the time of programming the 9th EDF. The strategic response of the 8th EDF was therefore essentially not implemented. The remaining € 8.2m were considered as "reliquats" and used under the 9th EDF whose initial envelope increased by over 60% to totalize € 24.5m. The lack of absorption capacity is linked to turnover among French civil servants posted in Mayotte that prevent a follow-up of EC projects and their related procedures. The complications inherent in the implementation of EDF procedures likely contributed to limiting or even preventing greater EU involvement in Mayotte. A dedicated PIU is financed (€ 1m, 6.6m of the TIP) under the 9th EDF. The PIU (the UTG - *unité technique de gestion*) was a conditionality under the 9th EDF imposed by the EU following the problems during the 8th EDF with implementing EU regulations, and takes into account that Member State procedures are not the same as the EU procedures; and that the French civil servants are all on short term contracts (maximum 4 years) and do not master EU regulations and procedures. The UTG is staffed by 4 locally recruited technical and financial staff, reporting to the Conseil Géneral, and supported by a senior expatriate adviser. The UTG has built a capacity within the Conseil Général for dealing with EU procedures, and has established good working relationships with the EU Regional Delegation in Mauritius.

EDF resources complemented the amount granted by France, mainly under 5-year agreements ("Contrat de Plan Etat-Région", CPER) but also through direct budget transfers for areas of sovereignty such as education, health or social housing. The 8th EDF € 10m thus complemented the € 18.3m available under CPER for the same objectives, notwithstanding local government resources or agreements passed at city level ("contrat de ville"). It remains difficult to put in perspective the weight of EC financial contribution at project level and more so, at sector level. The focus of the 9th EDF was an interlinked environmental programme, which covered rainwater management, reforestation and urban waste and waste water management.

The studies which estimated the minimum required interventions and investments in order to tackle the most urgently required interventions ended up with a budget which was about 4 times greater than the funds available under the EDF, even with the *reliquat* from the 8th EDF. The fact that the available funds did not meet what was seen as being required resulted in a number of delays during which time a number of difficult compromises had to be made - many of them political rather than technical. It became important to show that there was a proper spread of development activity covering a number of communes, rather than focussing on a few areas and doing them properly - and building up experience to cover the other communes when the new budget with support from ERDF comes in after the 10th EDF. The

time taken in arriving at a political consensus (discussions interrupted by elections and the referendum on staying French) involving the choice of 5 communes, as well as delays with the studies related to species-choice for reforestation, resulted in problems with the EU D+3 rule. Even though a year extension on D+3 was accorded, a number of corners needed cutting in order to push through the tenders. With the delays, there was actually nothing visible "on the ground" during the Evaluation field visit.

An amount of € 22.92m is foreseen under the **10th EDF** programming period (2008-2013) as Budget Support. The main focus for the 10th EDF will be on providing support to the financial management capacity of the Conseil Général (seen also as a preparation for the change of status from OCT to OR, and as a preparation for the sourcing and administration of ERDF funds); and secondly focussing on improving Mayotte's problems of access, particularly to France and to Europe. The subject of the capacity of the runway of the international airport is a recurring theme although: (i) the EU would does not perceive budget support as being project related; (ii) the costs could never be covered by the 10th EDF allocation anyway; and (iii) the new generation of long-haul aircraft may well allow for the continued use of the existing runway - with only the improvement of airport facilities being required. Finally, any plan to build or extend the runway would most likely fall afoul of an Environmental Impact Assessment, as extension would mean building into the fragile marine environment of the lagoon. The 10th EDF SPD had not yet been approved at the time of the field visit.

***Source**: UTG presentation to the EDF Comité de Pilotage, October 2010*

Mayotte will also receive 10th EDF regional funds in a joint RSP/RIP with the TAAF. This will be in the form of project support and will focus on the sustainable management of the natural resources heritage of Mayotte and then Scattered Islands. An amount of €3 million has been allocated and the Action Fiche is expected to be finalised in December 2010. In fact the main interventions of the regional programme will be on climate change related research.

### French Polynesia

Wastewater continues to be a focal sector for the OCT as seen in the **8th** (€ 14.1m) and the **9th EDF** (€ 13.25m) in Polynesia, with respectively 67 and 75% of the TIP. The 8th EDF resources are contributing to the last phase of Bora Bora water sanitation while those under the 9th EDF are dedicated to the same sub-sector in Punaauia, in Tahiti Island, both in continuation to the 7th EDF. The objective of these programmes was to preserve the lagoons'

environment, which is of utmost importance for tourism development, particularly in Bora Bora. They are both parts of larger programmes with co-financing, but still account (9th EDF) for 76% of total cost. EDF projects are targeted on well-defined areas.

Besides this main thrust of TIP, EC funding was allocated to pearl culture for the 8th EDF (€ 3.6m). The pearl culture development was already funded under the 6th and 7th EDF. EC support under the 8th EDF was targeted on SMEs (training and equipment) and dissemination of research results. The project faced severe delays at all stages and was near to be cancelled. It was actually resumed after the 2007 ROM mission, which succeeded to improve significantly the initial design and create some interest from the government. Subsequent efforts in training and increasing ownership for the department in charge, supported by one TA, allowed the project to be implemented. Pearl firms were supported through training and the establishment of the Maison de la perle, while the two main studies financed are being completed (though their contribution to the activity is controversial).

The French Polynesia government did not face major difficulties in mastering EDF procedures and in reaching an almost full consumption of EC funding under the 8th EDF thanks to the focus on infrastructure. The service exerting the functions of the TAO, the Service du Plan et de la Prévision (SPP, for Planning and forecasts department), was not in a position to coordinate effectively EC projects through lack of human resources and capacity. The weight given by the local government to EDF resources was another driving factor for inertia and lack of commitment to previous agreements passed with the EC. Political instability of the last years increased the difficulties met in managing EC projects and procedures, particularly during the on-going formulation of the 10th EDF.

Capacity was developed in the Environment department at territory level that were re-used to manage 9th EDF project in Punaauia. More significant shortcomings were met in the management of the sanitation systems, particularly in Punaauia where the financial viability of the initial design was challenged when competence over water and sanitation was transferred to local councils (in 2004). EDF procedures not allowing the EC to contract directly with local authorities, the retrocession after the work completion is often an opportunity of claims on the initial design of the project and do not allow to reinforce the capacity of the administrative level in charge of managing the infrastructures. Local politics are also not conducive for securing tariff structures, which would establish sustainable management of the installed facility.

An amount of € 19.79m is foreseen under the 10th EDF programming period (2008-2013). It is targeted on a sanitation project in Papeete, Polynesia capital city, with TA for preparing the shift to budget support in the sector of water and sanitation for the 11th EDF.

**Wallis & Futuna**

The **8th EDF** was focused on water resources conservation for agriculture. It faced a fairly low absorption capacity due to lack of management capacity by the Agriculture department, as some € 5m were passed on the 9th EDF as reliquats ("left-over funds") from previous EDF programmes.

The **9th EDF** (€ 11.5m) has one focal sector only ("infrastructures") with two very different components: primary education (30% of the TIP) and ports (53% of the TIP).

- The primary education component was targeted on schools rehabilitation (and an extension for a boarding school in Wallis) for a total amount of € 5m. The programme

is still on-going but faced initially important delays and mismanagement by the Vice-rectorat staff; after replacement, implementation of the project improved and physical targets will be met.

- The port component related initially on the one hand to the development of the commercial port of Mata-Utu (€ 3.5m for the wharf and transformation/storage buildings), and on the other hand on the construction of the fishing port of Halalo (€ 5.38m); the cost of the wharf rehabilitation was widely underestimated by the feasibility study and the opportunity of the fishing port was doubtful; the whole budget is now allocated to wharf rehabilitation and extension. Works should start by November 2010.

In order to fix the capacity issues evidenced with the 8th EDF TIP implementation, the 9th EDF programme financed a dedicated technical assistance (cellule Europe) for an amount of € 2.75m. This amount, equivalent to 20% of the TIP, gives a clear idea of the extent of the capacity shortage in Wallis and Futuna. Improvement in managing EDF procedures and projects is widely acknowledged.

An amount of € 16.49m is foreseen under the **10th** EDF programming period (2008-2013.). It is targeted on the rehabilitation of the only wharf of Futuna (3,000 inhabitants), the second island of the territory, and on TA for preparing the shift to budget support in the next EDF programming cycle

**New Caledonia**

From the 6th to the 7th EDF, vocational training was a significant sector of contribution that resumed with the 9th EDF. The 8th EDF (€ 25.8m) was focused on two sectors: infrastructures on one hand, including road rehabilitation in the North Province (€ 12.8m) and Suburban Noumea water sanitation (€ 5.6m), and on the other hand fishery and aquaculture (€ 3.8m) for promoting diversification of the economic basis of the territory. The amount of the 8th EDF was subsequently reduced by € 10m for reasons that will be analysed during the next phase of the evaluation. Absorption capacity and the use of reliquats are not mentioned as issues in the documents we have at hand.

The 9th EDF (€ 21.5m incl. reliquats) was entirely focused on vocational training, a major policy orientation of the New Caledonian government. The EC support was requested under budget support. The EC resources (some 18% of the total cost) were targeted to four components of the programme: sector-wide needs assessment, individual follow-up, training in strategic sectors and the extension of training centres.

An amount of € 19.81m is foreseen under the **10th EDF** programming period (2008-2013). The focus will stay on vocational training.

**St Pierre and Miquelon**

Under the **8th EDF**, EC funding (€ 4m) targeted health (renovation of St Pierre hospital, € 1.2m), water sanitation (water resources management and wastewater treatment, € 2.32m) and Miquelon airport runway extension (€ 0.28m). The absorption capacity at the time of programming the 9th EDF was of 89% and the EC was praised for its understanding of climate constraints in making its procedures flexible.

The **9th EDF** (€ 18.94m) kept two focal sectors only: transport (58%) and environment (42%); the implementation modality was budget support. The transport component of the strategic response comprised three operations:

- Port infrastructures in both islands,
- Miquelon airport runway extension, and
- Road rehabilitation in St Pierre inner city and across Miquelon.

The envisaged environment component encompasses three entry points: drinking water distribution, solid waste and nature conservation.

An amount of € 20.74m is foreseen under the **10th EDF** programming period (2008-2013).

### Overall EC activities 1999-2009

From available CRIS data at this time, the implementation of EC strategic responses introduced some significant changes and most of all very significant delays. These are often not positive for coherence and comprehensiveness, moreover when other more reliable financial sources are available.

The total amount of EC contribution under the TIPs in the 8th (2000-2003) and the 9th EDF (2004-2007) for French OCTs is € 116.4m (notwithstanding the cut of € 17.75m for New Caledonia between the TIPs and EC cumulative table enclosed in the ToR). Allocated funds during the same period amount to € 176.7m due to late decision on previous programming periods.

**Table 1: Total EDF allocations 1999-2009 for French OCTs**

| OCT | Allocation | % | Population | €/inhab. |
|---|---|---|---|---|
| French Polynesia | 49 767 480 | 28% | 259 596 | 192 |
| Mayotte | 30 339 063 | 17% | 186 452 | 163 |
| New Caledonia | 54 386 510 | 31% | 240 390 | 226 |
| Saint Pierre and Miquelon | 22 414 541 | 13% | 6 125 | 3 660 |
| Wallis and Futuna | 19 851 163 | 11% | 14 944 | 1 328 |
| TOTAL | 176 758 757 | 100% | 707 507 | 250 |

*Source: CRIS extraction (March 2010)*

The ratio per inhabitant of allocated EDF funds varies widely among French OCTs. On an annual average basis, it ranges from a maximum of € 366 (SPM) to a minimum of € 19 (French Polynesia).

It is difficult to interpret the sector-wide distribution of EDF allocated funds because the column "Decision Titles" might cover support to more than one sector, as for budget support in SPM. However, the following table shows a wide diversity among OCTs and, for each of them, a limited sector convergence over time (with the New Caledonian exceptional focus on vocational training).

**Table 2: Sector EDF allocated funds 1999-2009**

| Sector | French Polynesia | Mayotte | New Caledonia | Saint Pierre and Miquelon | Wallis and Futuna | Total |
|---|---|---|---|---|---|---|
| Transport | | | | 18 944 541 | 18 193 748 | 37 138 289 |
| Vocational | | | 30 214 370 | | | 30 214 370 |
| Water and sanitation | 18 262 084 | 254 434 | | 3 470 000 | | 21 986 518 |
| AT TAO | 9 301 166 | 3 624 000 | 8 914 714 | | | 21 839 880 |
| Water resource | | 20 526 000 | | | 987 015 | 21 513 015 |
| Fishery | 14 145 000 | | | | | 14 145 000 |
| Reg. Integration | | | 11 200 000 | | | 11 200 000 |
| Micorrealisations | | 4 146 839 | | | | 4 146 839 |
| Energy | 4 100 000 | | 7 426 | | | 4 107 426 |
| Finance | 3 293 068 | | | | | 3 293 068 |
| Environment | | 56 735 | 2 200 000 | | 670 400 | 2 927 135 |
| TCF | 666 162 | | 1 050 000 | | | 1 716 162 |
| Governance | | | 800 000 | | | 800 000 |
| Culture | | 672 646 | | | | 672 646 |
| Agriculture | | 520 121 | | | | 520 121 |
| Aquaculture | | 512 594 | | | | 512 594 |
| Solid wastes | | 25 695 | | | | 25 695 |
| GBS | | | | - | | - |
| Total | 49 767 480 | 30 339 063 | 54 386 510 | 22 414 541 | 19 851 163 | 176 758 757 |

*Source: CRIS extraction (March 2010)*

Water (resource management and sanitation) and transport infrastructures stand as the major focus of EDF funded projects with respectively 25% and 21% of the total amount allocated.

Technical assistance to the Territory Authorizing Officers (TAO) appears rather surprisingly as another recurrent feature of EC interventions representing up to 12% of the total. If confirmed, this level of expenses on TA would be unsustainable.

In rare cases, it is difficult to find a clear consistency between the EC response strategy stated in SPDs and projects actually financed. For example, the social housing programme in French Polynesia under the 9th EDF cannot be found in CRIS. The decision process and the related constraints that induced those changes will be investigated during the next phase.

Absorption capacity proved to be a problem in most cases, with induced long delays in programming, getting the EC decision and contracting. In the period 1999-2009, the average absorption ratio is 60%[27] for all French OCTs. The poorest record is shared by Wallis and Futuna (21%) and Mayotte (26%) while French Polynesia and SPM are ranking high with 80% of allocated funds disbursed.

**Table 3: Absorption capacity 1999-2009**

| OCT | Allocated | RAL | % Absorbed |
|---|---|---|---|
| French Polynesia | 49 767 480 | 11 457 093 | 77% |
| Mayotte | 30 339 063 | 22 547 650 | 26% |
| New Caledonia | 54 386 510 | 17 024 672 | 69% |
| Saint Pierre and Miquelon | 22 414 541 | 4 494 541 | 80% |
| Wallis and Futuna | 19 851 163 | 15 759 073 | 21% |
| Total/average | 176 758 757 | 71 283 029 | 60% |

*Source: CRIS extraction (March 2010)*

[27] On all decision taken between 1999 and 2009 ; decision passed on 2008 and 2009 account for 13% of the total.

## OCT linked with the Netherlands[28]

### *1. Overview*

The Kingdom of the Netherlands, a sovereign identity under international law, consists of three partners: the Netherlands itself, the Netherlands Antilles and Aruba. Each has a distinctive identity and is fully autonomous in its internal affairs. There is a process of constitutional reform taking place, which is discussed below in the section on legal status. This overview is based on the situation under 8th and 9th EDF.

**The Netherlands Antilles** are made up of five islands: Curaçao, with 75% of the 191,780 population[29] of the islands; Bonaire; St Maarten; St Eustatius and Saba. The population of **Aruba** was estimated at 72,000.[30]

**Netherlands Antilles's** GDP per capita was €12,441 in 2001, making it wealthier than all of its Caribbean basin neighbours. Its economy is based on tourism, oil refining and transhipment, and offshore finance. However, there remain substantial issues of social deprivation, and the islands tend to lose skilled manpower through emigration to the Netherlands. The Netherlands Antilles are undertaking major IMF-inspired structural reforms in order to safeguard its financial sector and its position as a provider of offshore finance. This has involved substantial public sector retrenchment. The Netherlands Antilles has received substantial development assistance from the Netherlands, including investment in economic and social infrastructure.

The data tables from the Netherlands Antilles SPD give an overview of their selected development indicators.[31]

**Aruba** is an island in the Caribbean of 193 square kilometres with a population of 102,000 (2006). Formerly part of the Netherlands Antilles, it has had a separate status since 1986. Few detailed indicators are available for Aruba at this point, as no SPD was prepared under 9th EDF for Aruba. The indicators below are drawn from the Mid-Term Review.[32] Aruba is one of the richest countries in the Caribbean with an estimated GDP per capita of € 20.000 (2004).[33] Half of the value-added comes from tourism and related industries such as construction. Offshore banking and oil refining are also important. Aruba receives no territorial allocation from the OAD for the 9th EDF, although it did have funds remaining from previous EDFs.

It is noted that for both the Netherlands Antilles and Aruba - dependent as they are on tourism - the **environment** and its protection are major challenges. Both increasing population density in low-income areas (partially fuelled by migration from neighbouring islands) and the influx of mass tourism contribute to growing environmental problems. Liquid waste contaminating the groundwater cause ecological hazards for the sea and the marine environment. Landfills are reaching their limits, also risking groundwater pollution - and there is a clear need for

[28] This section draws on: Overseas Countries and Territories Technical assistance for the Mid Term Review 2006; SPD for the 9th EDF of the Netherlands Antilles 2004-2007; the Terms of Reference for the OCT Evaluation; and the web-site of the Netherlands Ministry of the Interior and Kingdom Relations http://www.minbzk.nl/english/subjects/aruba-and-the
[29] 2007 figures, source: ToR.
[30] 2005 figures, source ToR.
[31] SPD Netherlands Antilles 2004-2007 (Summary Data; Netherlands Antilles).
[32] Overseas Countries and Territories Technical assistance for the Mid Term Review 2006; (p.226).
[33] It is hypothesized that this is the reason why no SDP was prepared for Aruba.

better waste management, effective management of water resources and policies which focus on preserving the islands' biodiversity.[34]

### 2. *Legal Status*

The Head of State of the Netherlands Antilles and Aruba is the Queen of the Netherlands who is represented by a Governor General. As regards the Netherlands Antilles, as well as having a Central Government and Assembly for the community of five islands, each island has its own government and considerable decision-making powers in social and economic policy.

The Netherlands, through the Ministry of Foreign Affairs, remains responsible for external relations - which includes, for example, the negotiations with the USA regarding the stationing of US Air Force planes in Aruba and Curaçao (as part of the "war on drugs"), as well as the involvement in the negotiations on the revisions of the EU discussions on the OCTs.[35] Meanwhile, the Netherlands Ministry of the Interior and Kingdom Relations is responsible for policy relating to security; the General Intelligence and Security Service; civil-service renewal; constitutional affairs and senior government bodies. It is also responsible for the general coordination of Kingdom Relations; the entire policy with respect to municipalities and provinces (including security regions, the fire service and medical assistance in accidents, disasters and crisis management); open government; the Senior Civil Service, and the Central Government Organisation and Management Department. [36]

The ongoing process of constitutional reform in the Kingdom of the Netherlands will result in a new status for the Netherlands Antilles - this reform has culminated in the transformation of the NEA into 5 separate territories in October 2010. An accord to finalize the new status was signed at the Round Table Conference in Willemstad on the 15th of December 2008, and formally came into effect on 10th October 2010 - or "10.10.10" as commonly termed. Besides constitutional reform, the reforms focus on public finances, the economy, law enforcement and good governance. The transition process covers four main elements:

- Bonaire, St Eustatius and Saba are to become public authorities of the Netherlands with a status similar to that of municipalities in the Netherlands (the Netherlands is responsible for this process);
- St Maarten and Curaçao are to attain country status (the governments of St Maarten and Curaçao are to be jointly responsible for the process of the political and administrative organisation of the islands as separate countries);
- Consensus is to be reached on a Kingdom Law governing the new status of the islands (the Netherlands is taking the lead, but the preparations and details will be prepared jointly in two multilateral project groups);
- The administrative and political structure of the Netherlands Antilles as an entity is to be dismantled (the Netherlands Antilles is responsible for this process).

Thus the change in the legal status of the Netherlands Antilles will have implications for future cooperation with the EC (under the 10th EDF and future EDFs). While these changes will have no impact on the evaluation of interventions implemented during the 8th and 9th

[34] SPD for the 9th EDF of the Netherlands Antilles 2004-2007, p12
[35] Behartiging van de Buitenlandse Belangen van de Nederlandse Antillen en Aruba. Een evaluatie van de rol van het Ministerie van Buitenlandse Zaken. IOB 2003, Evaluatie 295
[36] Netherlands Ministry of the Interior and Kingdom Relations www.minbzk.nl/english/subjects/@125680/portfolio-division

EDF, the constitutional changes will take place before the finalisation of the delayed 10th EDF and will take place during the OCT Evaluation. It was strongly recommended by the Reference Group that the fieldwork should take place before these constitutional changes come into effect (10th October 2010) while the present institutional framework with TAOs and Deputy TAOs was still in place.

### *3. EC activities in individual OCTs*

Subsequent to the 8th EDF, which followed a project approach for both Aruba and the Netherlands Antilles, the **Netherlands Antilles** opted to continue with the project approach under the 9th EDF rather than budget support. According to the MTR, *"Commission interlocutors would have preferred that the Netherlands Antilles had chosen a Budget Support approach (feeling) that it would have simplified an overcomplicated implementation structure"*.[37] The EC expressed a similar viewpoint in the run-up to the 10th EDF preparation process; a viewpoint shared by the NEA national authorities that also considered budget support as giving the NEA more ownership. The above notwithstanding, the EC later changed its mind and requested the NEA to revert to project support for 10th EDF, despite time and funds having been allocated to training staff from the 5 island administrations in EU budget support procedures, and despite the formal recommendations of the PFM reports.

**Aruba**

Under the **8th EDF**, the Framework of Cooperation with Aruba had one focal area, tourism development, with two sub-foci: environmental conservation and the preservation of cultural heritage.

The following projects were identified in the CRIS:

- TA Services for Project Preparation for Arikok National Park and National Museum
- TA for Project Preparation for Arikok National Park and National Museum
- Preparatory Studies for Designing the National Park (Roads And Centre) and National Museum in Aruba
- Various interventions related to Arikok National Park

Only the last project is still under implementation with expected finalisation between 2012 and 2014.

As previously stated, no SPD was prepared for Aruba under the **9th EDF**. € 8.88m have been earmarked under the **10th EDF**. [38] The sector "education" has been identified and the SPD for the 10th EDF budget support was being finalised at the time of the field visit.

**Netherlands Antilles**

Under the **8th EDF**, two focal areas were agreed:

- Expansion and rehabilitation of urban infrastructure (70% of Indicative Programme resources), and
- Support to the social sector (25% of Indicative Programme resources). The remaining 5% were reserved for activities outside the focal sectors.

[37] Overseas Countries and Territories Technical assistance for the Mid Term Review 2006; (p.155).
[38] Commission Staff Working Document, accompanying the Green Paper EC, 2008).

The following projects were identified in the CRIS:

- Small Enterprises Stimulation Programme (SESNA). (7th EDF - now finalised although there are some unused funds remaining)
- Support to the Netherlands Antilles Youth Development Programme (NAYDP)
- Rehabilitation of Saba Harbour

Under the **9th EDF**, the EC cooperation outlined in the SPD focuses on the promotion of economic and social development. Within this broad framework it was agreed to focus EC development cooperation on **poverty alleviation through social development**. One focal sector was identified, that being urban infrastructure for socially deprived areas.

The following projects were identified in the CRIS:

- Urban Infrastructures for Socially Deprived Areas
- Restoration Of The Queen Emma Bridge
- Sewerage and Sanitation Project Bonaire

A total of € 24 million have been earmarked under the 10th EDF.[39] No sectors have been specified. This was overtaken by events when the EC decided to change the implementation modality back to project support, and the following activities - all falling broadly into the category environment, disaster preparedness and climate change - have now been earmarked and will be further developed by the 5 new territories under the new constitutional set-up:-

- Bonaire - Tourism and tourism-related infrastructure (finalisation of the Bonaire waste water management and sewerage project)
- Curacao - Tourism
- Saba - Environment (waste management)
- St. Eustatius - Harbour (securing the container loading area and anti-erosion measures around the harbour as a preparation for climatic events, such as hurricanes)
- St. Maarten - Infrastructure and Environment.

[39] Commission Staff Working Document, accompanying the Green Paper EC, 2008)

## OTs linked with the UK

### *1. Overview*

The British Overseas Territories associated with the EC aid programme comprise:

- Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands, in the Caribbean
- The Falkland Islands, St Helena and its dependencies[40], Ascension Island and Tristan da Cunha, in the South Atlantic
- The Pitcairn Islands in the Pacific

British OTs also include the British Antarctic Territory, the British Indian Ocean Territory and South Georgia and the South Sandwich Islands, which have no indigenous population[41]. Finally, there are Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus. The latter are generally excluded from consideration as OTs, and since they do not form part of the relationship with the EC, they have been excluded from this evaluation. Table 4 provides an overview of the UK Overseas Territories:

**Table 4: Overview of UK Overseas Territories**

| Overseas Territory and Location | Estimated population | GDP per capita | Summary of Circumstances & Challenges | Receipt of EC support? |
|---|---|---|---|---|
| Anguilla | 13,600 | US$ 9,700 | Rapid growth in high end tourism and related property development which came to an abrupt end in 2008 | Yes |
| Bermuda (North East of Caribbean) | 63,000 | US$ 76,400 | GDP per capita reported to be highest in world, with financial services (insurance), tourism and real estate. | No |
| Cayman Islands (Caribbean) | 48,300 | US$ 48,700 | Highly reliant on offshore financial services, principally banking. Rapid growth curtailed in recent recession. | No |
| Turks& Caicos Islands (Caribbean) | 31,000 | US$ 15,700 | Recent property and tourism boom has been curtailed by recession. Hit by Hurricane Ike in September 2008. Direct rule re-imposed by London in August 2009 following corruption and governance concerns | Yes |
| Gibraltar (Mediterranean) | 28,800 | US$ 36,700 | Tripartite agreement with Spain reached in 2006. Declining military presence, but until recently growth from financial services and tourism. | No |
| British Virgin Islands (Caribbean) | 27,000 | US$ 38,000 | Offshore financial services (in particular company registration) under threat following international financial crisis. | No |

[40] Following the introduction of a new Constitution Tristan and Ascension Island are no longer termed dependencies of St Helena.

[41] Chagos Island, one of the British Indian Ocean Territories was evacuated for military security reasons in the 1950s and has been subject to a long-running legal dispute.

| Overseas Territory and Location | Estimated population | GDP per capita | Summary of Circumstances & Challenges | Receipt of EC support? |
|---|---|---|---|---|
| | | | Strong tourism destination, especially sailing. | |
| St Helena (South Atlantic) | 4,100 | US$ 5,600 | Only access is by sea, via a dedicated ship. Airport project deferred due to financial crisis. Budget support form UK exceeds £20m pa. | Yes |
| Tristan da Cunha Island (South Atlantic) | 280 | TBA | Remotest inhabited islands in world. Lobster exports. | Yes (via St Helena) |
| Ascension Island (South Atlantic) | 1000 (no indigenous population) | TBA | All residents are employees or their dependants. No right of abode. | No |
| Montserrat (Caribbean) | 4,800 | US$ 7,700 | Active volcano on this small island. After volcanic eruption, the population declined from 11,000 to 3,000 but has since recovered somewhat. | Yes |
| Falkland Islands (South Atlantic) | 2, 950 | US$ 46000/ £25,000 | Economic growth has been based on fisheries licences. Islands viable. Offshore oil exploration. Relations with Argentina continue to be volatile | Yes |
| Pitcairn (South Pacific) | 47 | US$ 3,400 | Pitcairn has received DFID budget support since 2004. Management unit based in Auckland, New Zealand. Additional support provided following sexual abuse convictions. | Yes |
| British Indian Ocean Territory | C 4,000 military personnel | N/A | Diego Garcia is a military base. Continuing dispute re rights of displaced Chagossians to return | No |
| British Antarctic Territory | 200 staff (scientists) | N/A | Two research stations. | No |
| South Georgia and South Sandwich | Small number of scientists. No permanent population | N/A | Growth in tourism, with revenues devoted to conservation | No |

### 2. *Legal Status*

The UK Government's position is that the Overseas Territories (OT) retain their connection with the UK because it is the wish of their population that they do so. This has been periodically re-affirmed through referenda and consultation processes.

In most cases, the OTs have a substantial measure of responsibility for the conduct of their own affairs[42]. Local self-government is generally provided by an Executive Council and

[42] In the case of Turks and Caicos Direct rule was re-imposed in 2009 on an interim basis because of concerns about the deteriorating level of governance.

elected Legislature. Governors or Commissioners[43] are appointed by the Crown on the advice of the Foreign Secretary, and retain responsibility for external affairs, defence and, usually, internal security and the public service. A constitutional reform process has been underway in recent years to modernise the constitution and to improve accountability, as well as generally limiting the powers of the Governor.

**Overview of Governance and Constitutional Affairs**

In 1999, the UK Government published a White Paper entitled: *Partnership for Progress and Prosperity: Britain and the Overseas Territories* (Cm 4264). This established four underlying principles as the basis for partnership between Britain and the Overseas Territories:

- **self determination**, with the OTs remaining British for as long as the wish to do so;
- **mutual responsibility**, with Britain pledged to defend and encourage the sustainable development of the OTs, but expecting the highest standards of probity, law and order, good government and observance of Britain's international commitments in return;
- **democracy**, with the people of the OTs exercising the greatest possible control over their own civic affairs;
- continuing **financial and technical help** for those OTs that need it, although at the time of the White Paper only Montserrat and St Helena were receiving budget support[44]

The White Paper placed considerable emphasis on **good governance**. It highlighted that democracy, human rights and the rule of law are all as relevant in the Overseas Territories as elsewhere. The principles, which the Paper noted should underlie modern constitutions, are clear: there must be a balance of obligations and expectations, and both should be clearly and explicitly set out.

The White Paper set out actions to be taken with respect to:

- measures promoting more open, transparent and accountable government;
- improvements to the composition of legislatures and their operation;
- improving the effectiveness, efficiency, accountability and impartiality of the public service;
- the role of Overseas Territory Ministers and Executive Councils and their exercise of collective responsibility for government policy and decisions;
- respect for the rule of law and the constitution;
- the promotion of representative and participative government;
- freedom of speech and information;
- the provision of high standards of justice;
- adoption of modern standards of respect for human rights.

During the past 11 years there has been a significant process of constitutional reform for the UK Overseas Territories in order to put in place these improvements. New constitutions have been finalised for most British OTs including Falkland Islands, Gibraltar, Cayman Islands and St Helena, Ascension and Tristan da Cunha. It is intended that these will strengthen democratic processes and be consistent with the aims of the 1999 White Paper.

43 Or Administrators in the case of Tristan and Ascension Island.
44 Pitcairn has subsequently started receiving budget support.

These may be illustrated by reference to the new St Helena Constitution. Among other changes under the new Constitution, the Governor's power has been limited in a number of areas as have the powers of senior officials and the Administration, while more power has been entrusted to elected Counsellors. The Constitution now incorporates a Bill of Rights. This enables people to raise legal challenges in the local courts on human rights issues, instead of having to go to the European Court of Human Rights in Strasbourg.

Dialogue between the UK Overseas Territories and the UK is maintained through an Overseas Territories Consultative Council (OTCC) that meets on an annual basis. Most recently, the 11th OTCC took place in London in December 2009.

In 2007/08, the House of Commons (UK Parliament) Foreign Affairs Committee undertook a review of Britain's Overseas Territories[45]. This review highlighted concerns about corruption and intimidation on Turks and Caicos and led to the re-imposition of direct rule in 2009. It also highlighted concern about allegations of corruption in Anguilla and Bermuda. Key issues addressed included:

- sovereignty issues related to the Falkland Islands and Gibraltar;
- the opening up of appointments of Governors to candidates from outside the diplomatic service;
- improved environmental governance, including a strategic assessment of OT's funding requirements for conservation and ecosystem management; and
- human rights and rule of law issues.

**Financial Affairs and Public Finance Management**

Only three of the British OTs currently receives budget support from the UK Government: Montserrat, St Helena and Pitcairn Island. In addition the financial reserves of Tristan da Cunha have been declining and effort is being put into ensuring its viability. Public finances in several Caribbean OTs including Anguilla and Turks & Caicos have been adversely affected by the recent international recession, and support has concentrated on revenue raising and fiscal sustainability measures.

Although the Falkland Islands Government (FIG) is solvent, with substantial financial reserves (intended to provide cover of approximately 2.5 years of FIG spending), it does not pay directly for its defence costs. In the event that substantial commercial oil resources are exploited, there is a general expectation that FIG would contribute to its defence costs

A long-term concern of the UK Government has been to ensure that Overseas Territories do not build up unaffordable liabilities, given the risk that these could ultimately reside with the UK taxpayer. As a consequence Borrowing Guidelines have been agreed which impose ceilings on the debt that can be built up by OTs. These are monitored on an annual basis by the Foreign and Commonwealth Office (FCO). One issue of concern is the prospect of off-balance sheet financing, for example through public-private partnership (PPP) type arrangements or the provision of guarantees that could represent contingent liabilities. OTs in receipt of budget support are not permitted to borrow.

In 1997, the UK National Audit Office prepared a report entitled *"Report on Contingent Liabilities in the Dependent Territories"*. This was followed up a further review entitled

[45] House of Commons Foreign Affairs Committee: Overseas Territories, Seventh Report of Session 2007-08, published HV147-1 6th July 2008.

*"Managing Risk in the Overseas Territories"* published in 2007.[46] This report recommended, *inter alia*:

- a more proactive engagement by other UK Government departments;
- the development of modern risk management practices;
- developing stronger investigative and prosecution capacity, bolstering regulatory standards and increased legislative drafting capacity;
- developing further cross-working, and sharing of information and good practice;
- Strengthening audit and accountability mechanisms, including Public Accounts Committees.

**Citizenship**

In the run-up to the hand-over of Hong Kong in 1997, citizenship and right-of abode in the Overseas Territories was a sensitive issue. The White Paper noted the sense of injustice felt in many Overseas Territories from not enjoying right of abode in the UK. A process of consultation found that there was interest in British citizenship – but only based on non-reciprocity. It committed the UK Government to looking sympathetically at the possibility of extending citizenship.

Citizens of the British OTs were given the right of abode in the UK in 2002. This has had differing consequences in different OTs, largely depending on their economic prospects. Substantial out-migration has occurred on St Helena and Montserrat, which has affected their socio-economic characteristics and viability. In the latter case, this has started to reverse. A major airport project intended to reverse out-migration on St Helena was envisaged, but has been stalled due to the current financial situation in the UK.

Turks and Caicos and some Caribbean OTs have attracted substantial in-migration, including many from Haiti. This includes a substantial population of illegal migrants. Immigration policy is a power devolved to the individual OTs, although security and the rule of law remain a responsibility vested in the Governor (therefore to the UK).

**UK Government Oversight**

The UK Government has two ministries with responsibility for the British OTs, both of which maintain Overseas Territories Departments:

- The Foreign and Commonwealth Office (FCO), which leads for the non-aid-dependant OTs, and
- The Department for International Development, with a lead role for the aid-dependant OTs.

Some stakeholders consider that this separation of responsibilities complicates oversight and may impose additional costs. Since the EC is providing support under the 8$^{th}$, 9$^{th}$ and 10$^{th}$ EDF to OTs that are not receiving budget support from the UK, including Falkland Islands, Anguilla and Turks & Caicos, it engages with both DFID and the FCO.

Generally, closer financial oversight is maintained on those territories receiving budgetary support, with annual Development Aid Planning Missions (DAPMs) and independent Fiduciary Risk Assessments (FRAs) commissioned every third year, with update reviews conducted annually.

[46] www.nao.co.uk

The FCO undertakes a programme of annual Economic Update Reviews that cover most of the non-aid dependent territories. Amongst other things, these missions monitor the OT borrowing limits. The OTs not routinely include the Falkland Islands, which has substantial financial reserves and therefore has no need to borrow; it is also not involved in offshore financial services.

Following a review of the management of the aid programme in the Caribbean region, DFID decided early in 1998 to concentrate all support work for the Overseas Territories in London; the Parliamentary Under-Secretary of State for DFID was given specific responsibility for overseeing the aid relationship with the Overseas Territories. At the same time, the FCO decided to transfer back to London responsibility for its Good Government funding and most of the other work hitherto done by the joint FCO/DFID Dependent Territories Regional Secretariat in Bridgetown. The Secretariat consequently has been closed, although some advisory expertise is maintained in the Caribbean, which covers OTs as well as other jurisdictions, covering issues such as disaster preparedness/management, financial regulation, money laundering and narcotics.

**Trade between UK OCTs and Europe**

In terms of trade links with Europe, only the Falkland Islands is a significant exporter. In addition to close relations to the UK, the Falkland Islands maintains close commercial relations with other EU member states, in particular **Spain**. This reflects the strong fisheries sector, which has a number of companies with joint ownership structures. More specifically through its fisheries interests the FI maintains close relations with Galacia in North Western Spain, especially Vigo.

In a good year, the Falkland Islands exports some 250,000 tonnes of fish, and is the dominant exporter of squid (calamares) to Europe, providing some 80% of Spain's consumption. The FI claims it manages its fisheries resource on the basis of scientific carrying capacity and adjusts its licenses accordingly. Fisheries licences are based on tradable fisheries rights, a system which is based on best practice and is intended to create an interest in long-term fish stock preservation by fisheries companies. Catches are very volatile, especially the illex squid, which follows a migratory pattern as far North as the River Plate. Fisheries revenues to FIG are also very volatile.

### *3. EC activities in individual OTs*

**Anguilla**

Under the **7th EDF**, Anguilla received a grant allocation of some € 3.0m. Of this amount, 80% was used for the development of the **water supply, storage and distribution system.** The project was successfully completed in 1995.

Under the **8th EDF**, € 1.75m was made available to Anguilla. The funds, along with the balance outstanding allocated to a road **development and maintenance programme** was meant to improve access to commercial and tourism sites. The majority of the funds are being used to construct a new development road linking the ferry terminal at Blowing Point (which is the major entry point of visitors to the island, primarily day-trippers from St. Martin/Maarten) to the Valley (the capital town) via Little Harbour.

The SPD under the **9th EDF** allocated € 8m, together with an unspent balance of € 0.29m from the 8th EDF. The focal sector for support for the 9th EDF is the transportation sector, in

particular the development of the **air transportation sector**. Support covered both physical infrastructure and capacity building and institutional development initiatives.

The main challenge identified was the expansion of Wallblake Airport, which was identified as being crucial to sustaining and expanding the tourism sector. The catalyst for this was that American Eagle Airlines announced that it was withdrawing its ATR 42 aircraft and replacing them with larger ATR 72s[47]. This connection, via the Puerto Rican hub, enables visits by tourists from the USA, who constitute the great majority of tourists to Anguilla.

It was envisaged that support would cover physical infrastructure capacity building and institutional development initiatives. The allocation will be disbursed by way of budgetary support over the duration of the 9th EDF in "tranches" linked to progress in implementation of the sectoral programme.

**British Virgin Islands**

The focal area under **the 8th EDF** was **human resource development**, which was assigned 100% of IP resources. The specific focus of the intervention was training of qualified professionals in food preparation and services. An envelope of € 1.0 million was made available to the British Virgin Islands for the implementation of this Indicative Programme

**Cayman Islands**

Under the **8th EDF** a budget of € 100,000 was programmed (as with other OTs in addition to this Cayman was potentially eligible for STABEX and SYSTEM funds). The focus was on **tourism development** including completion of the Tourism Plan and an environmental protection project, together with establishing an environmental protection management unit.

**Montserrat**

Montserrat has suffered greatly because of its active volcano, which destroyed much of the island including the capital. Under the **8th EDF,** it was allocated a budget of € 8m, with 90% of resources directed towards **resettlement and Human Resource Development (HRD)**, including housing and support services for people displaced by the volcano. It also covered the construction of a tertiary level college. Support was linked to a country policy matrix agreed with the national authorities and DFID. The remaining 10% was directed towards general TA and complementary actions in support of regional cooperation.

Expenditure under the 7th and 8th EDF was suspended during the period 1996 to 1998 as a result of the volcanic eruptions that took place during that time. Funds from the 7th EDF had been earmarked for improvements to the W H Bramble Airport but the airport, together with Plymouth Seaport, were both rendered unusable by the volcanic eruptions. After consideration of all the available options for providing Montserrat with air and sea access, it was decided in 2001 that the most feasible option was to develop new facilities in new locations in the North. EDF Funds were therefore reallocated to the development of a new airport at Gerald's in order to provide the island with a fixed wing facility for the first time since 1997. Construction of the new facility commenced in 2002.

[47] These are turbo prop aircraft made by the ATR consortium.

In addition to the airport, priorities for the 8th EDF funds were the on the development, sub-division and allocation of residential land as well as the construction of residential buildings for those who had lost their homes as a result of the volcanic activity.

For the **9th EDF** it was decided that **"Trade in Services"** should be treated as the focal sector and that the resources available under the 9th EDF be concentrated on this area of support. The rationale is the scope for support for sustainable tourism through infrastructure development, private sector development and ICT development.

Underpinning this is that the promotion of tourism as the lead sector of the economy and the strengthening of Montserrat's tourism assets would contribute to the long-term socio-economic development of the island. Investment is needed to provide improved tourism facilities, to support capacity building in the sector and to create the enabling environment for increased local business opportunities.

The specific objectives are to:

- Support the development of infrastructure in order to facilitate and encourage tourism development.
- Promote private sector development in support of tourism development.
- Promote and establish a more competitive and modern ICT environment to facilitate and support tourism and general development.

Anticipated results areas are as follows:

- Capacity of Montserrat Tourist Board strengthened.
- Hotels and Tourism Association established.
- Nature and Heritage resources improved and effectively managed.
- Little Bay infrastructure, port, waterfront and ancillary facilities upgraded and marina established.
- Montserrat Chamber of Commerce and Industry (MCCI) strengthened to provide effective business support services.
- Investment Incentives Regime consolidated, updated, approved and promoted
- New Telecommunication and IT legislative and regulatory framework established
- Infrastructure for a range of ICT services provided.

The 9th EDF reflected new thinking with the preparation of a Single Programming Document and the concept that it as a partnership between the member state, EC and OCT. This resulted in the concept of supporting Trade-in-Services (see box for more details).

The 9th EDF has proved very challenging to implement with rules that were changed as the programme progressed. The agreed modality was Budget support, but extensive delays were experienced. Whilst the SPD was approved in July 2004, it took until September 2006 to have a signed Financing Agreement. After signature of the agreement, there were delays in 9th EDF tranche releases. Whilst the first tranche was more or less immediate: the 2nd Tranche took about one year to get the funds released and the 3rd tranche took another nine months after submission. Prior to releasing funds, the Commission advised that the European Court of Auditors required greater specificity. One requirement is for an annual PFM review to demonstrate progress with PFM strengthening.

Concern regarding management of the development assistance programme by the EC has been expressed at a high level with letters sent by the Chief Minister of Montserrat to the EU Director-General.

A fundamental issue of the Trade-In-Services design is that it relies on physical progress with individual investments, linked to the redevelopment of Little Bay. Even though the GoM intended to partly finance these from EDF facilities, undertaking the project activities required the agreement of DFID, which pays for much of the GoM budget and a very high share of capital projects. The Montserrat Government would like to raise part of the capital cost, including the cost of a new port and related breakwater, from the Caribbean Development Bank (CDB) but this depends on the approval of the UK Government since it would exceed the current borrowing limits. This decision remains pending (as of October 2010).

Since 2008 the Caribbean property market has slumped. Although Montserrat still needs a port (to provide secure ferry facilities in bad weather) and a new town centre (Plymouth, the former capital was destroyed in the earthquake), there are doubts about whether private sector developers will be willing to construct villas and other real estate investments. There are many empty properties elsewhere on the inhabited side of the island.

Under the **10th EDF**, a Single programming Document has been prepared (in October 2010) that envisages support to Montserrat's Sustainable Development Plan and Sustainability Roadmap through General Budget Support. These are intended, like the support under the 9th EDF, to support the reduction of aid dependence and creation of a viable economy.

**Turks and Caicos Islands (TCI)**

Under the **8th EDF** the designated focal area was **Tourism,** with focus on one infrastructure project with a budget of € 2.25m. It was envisaged that 90% of funding should be on a single infrastructure project with the remaining funding (10% of IP resources) being directed to a general reserve and with a view to financing a second phase of the 7th EDF micro-finance project. The Government of TCI has agreed that funding available under the 8th EDF should be used to support sustainable expansion of tourism and to contribute to more balanced development in the archipelago.

Under the **9th EDF** Turks and Caicos received an allocation of € 8.4m. This amount, along with a carry over of € 2.3m from the 8th EDF, means that the TCI will have approximately € 10.7m available. Given the importance of the transport sector for the overall development of the Islands, it was agreed that development of the **transport sector** would be the main focus of the 9th EDF. This would ensure that the Government had sufficient resources to implement its development policy for the transport sector as well as of balanced development and poverty reduction in the Islands.

The overall objective of the measures to be implemented in the transportation sector is to improve access to and from the outside world, particularly in the less developed islands and therewith to a more balanced development of the economy of TCI through the further development of the private sector and in particular of the tourism industry. Particular attention will be given to the area of the establishment of port and road facilities in the less developed islands. The programme will be implemented as direct budget support.

The TCI has borrowed € 2.68m from the European Investment Bank, most recently a consolidated line of credit € 2.2m in 2002 to facilitate lending to the local private sector.

**St Helena, Ascension and Tristan da Cunha**

An indicative envelope of € 5.5m was made available to St Helena under the 8th EDF, with a focal area of infrastructure, to which 100% of IP resources were allocated. The major

investment was to be on port infrastructure for James Bay, through a wharf improvement project. This was prioritised in order to *"improve safety, reliability and efficiency of cargo and passenger movements on James Bay wharf"*.

Disbursement was slow, and as a consequence there was carryover of funding from St Helena's 8th EDF allocation of approximately € 7.1 million which was added to St Helena's 9th EDF allocation of € 8.6 million. The focal area for the 9th EDF continues to be the development of **infrastructure** to improve access in order to facilitate economic growth.

The existing harbour at Tristan da Cunha, due to poor location and design, is unsuitable for current requirements and is in danger of destruction from South Atlantic storms. At present under these conditions, access by sea is only possible for around 60 days per year.

Under the 9th EDF, Ascension Island has given priority to the works at Wideawake Airfield as these will improve revenue-earning potential, with a view that some of the revenue can be reinvested in the works at the pier at a future date.

**Falkland Islands**

The Falkland Islands Government was a beneficiary of the EC **STABEX** scheme. The STABEX scheme was set up and operated to mitigate the harmful consequences to primary producers (such as the Falkland Islands) of any instability in agricultural export earnings. In the case of the Falkland Islands, there was instability in the price of wool exports.

Funding provision was € 6,089,000 and the agreements were first formulated in 1990 although they have been subjected to severe delays. The funding was originally allocated for the construction of a meat processing facility to enable a degree of agricultural diversification from the focus on wool. As stated in Article 2.3 of Annex 2 of the 2007 Framework of Mutual Obligations (FMO), there are four areas where the support was to be used:

i) Improvement in the quality and returns from agricultural production through strategic training programmes, livestock development and improved animal husbandry (termed the *agriculture project*);
ii) Development of a Falkland Islands seafood industry for diversification in rural areas (the *aquaculture project*);
iii) Improvement in infrastructure in rural areas through repairs to or replacement of jetties and sea truck ramps (the *jetties conservation project)*;
iv) Development of renewable energy systems for commercial and industrial buildings within the rural sector ("the *renewable energy project*").

Some € 2,220,000 of unallocated STABEX funds in the Falkland Islands STABEX account was carried forward to complement the 9th EDF resources.

In addition, the **European Investment Bank** provided loans totalling £ 2,650,000 (€ 3,763,000) to support energy supply and distribution. These were guaranteed by the Falkland Islands Government (FIG) with loans made to Stanley Services Limited.

Under the **9th EDF** EC allocated funds of € 4.57 million available over the programming period 2003 to 2007. It was agreed that the funding would target capacity and institution building aspects of supply-side constraints on trade development as described in Commission Document COM (2002) 513 *Trade and Development: Assisting Developing Countries to Benefit from Trade.*

The overall objective has been to accelerate sustainable economic growth by supporting private sector development in trade related sectors. The capacity building for trade development focal area has two intended outcomes:

- To increase the share of the private sector in the overall economy.
- To increase the contribution of key export sectors to gross domestic product.

It was intended to address supply-side constraints involve sector-specific capacity-building initiatives to encourage trade growth and increased value added in the Falklands Islands key trade sectors – maritime industries, agriculture and tourism.

**Pitcairn Island**

Pitcairn was allocated EC funding for the first time under the **8th EDF.** A sum of € 350,000 was approved for joint funding of the reconstruction of the Hill of Difficulty road. It was envisaged that this £842,000 (€ 1.24m) project would be funded jointly using the EDF funds, funding from the UK DFID and funds from private donations.

The financing agreement with the EC was signed in June/July 2000 by the Commission and DFID. The project design and tender for construction was prepared in collaboration with the EC, and launched in December 2000. However, implementation was put on hold pending clarification of investigations into allegations of sexual abuse on the island and a decision on possible legal proceedings.

Under the **9th EDF**, Pitcairn received an allocation of € 2 million. Given the delays and the introduction of new procedures introduced for 9th EDF funding, the 8th EDF allocation of € 350,000 was combined with 9th EDF funds and transferred into budgetary support for **infrastructure**. Following a consultation process, a prioritised list of response areas for the 9th EDF was prepared, comprising:

- Construction of a breakwater and improvements to the jetty and slipway. (€ 1.05m)
- Upgrading of the road from the landing to the settlement at Adamstown, called the "Hill of Difficulty". (€ 1.5m).
- Construction of an Airstrip (€ 1.95m)
- Upgrading of public buildings (particularly the school, clinic and public hall) and improvements to electricity generation. (€ 300,000)
- Improvements to Internet service.

# ANNEX III: INTERVENTION LOGICS FOR 8TH, 9TH AND 10TH EDF

**Figure 2: Intervention Logic for 10th EDF 2008-2013 (no detailed amounts available)**

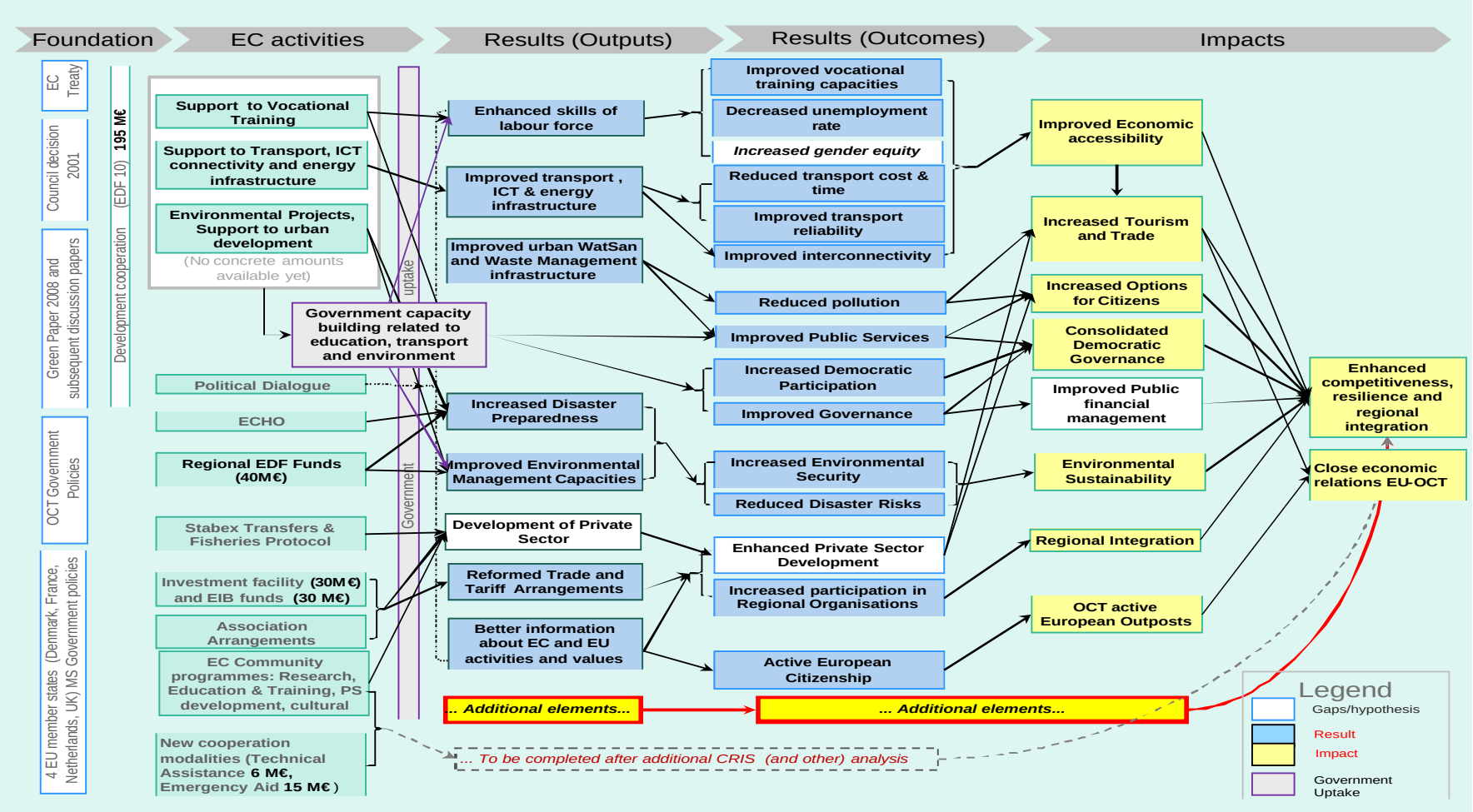


**Figure 3: Intervention Logic for 9th EDF 2002-2007**

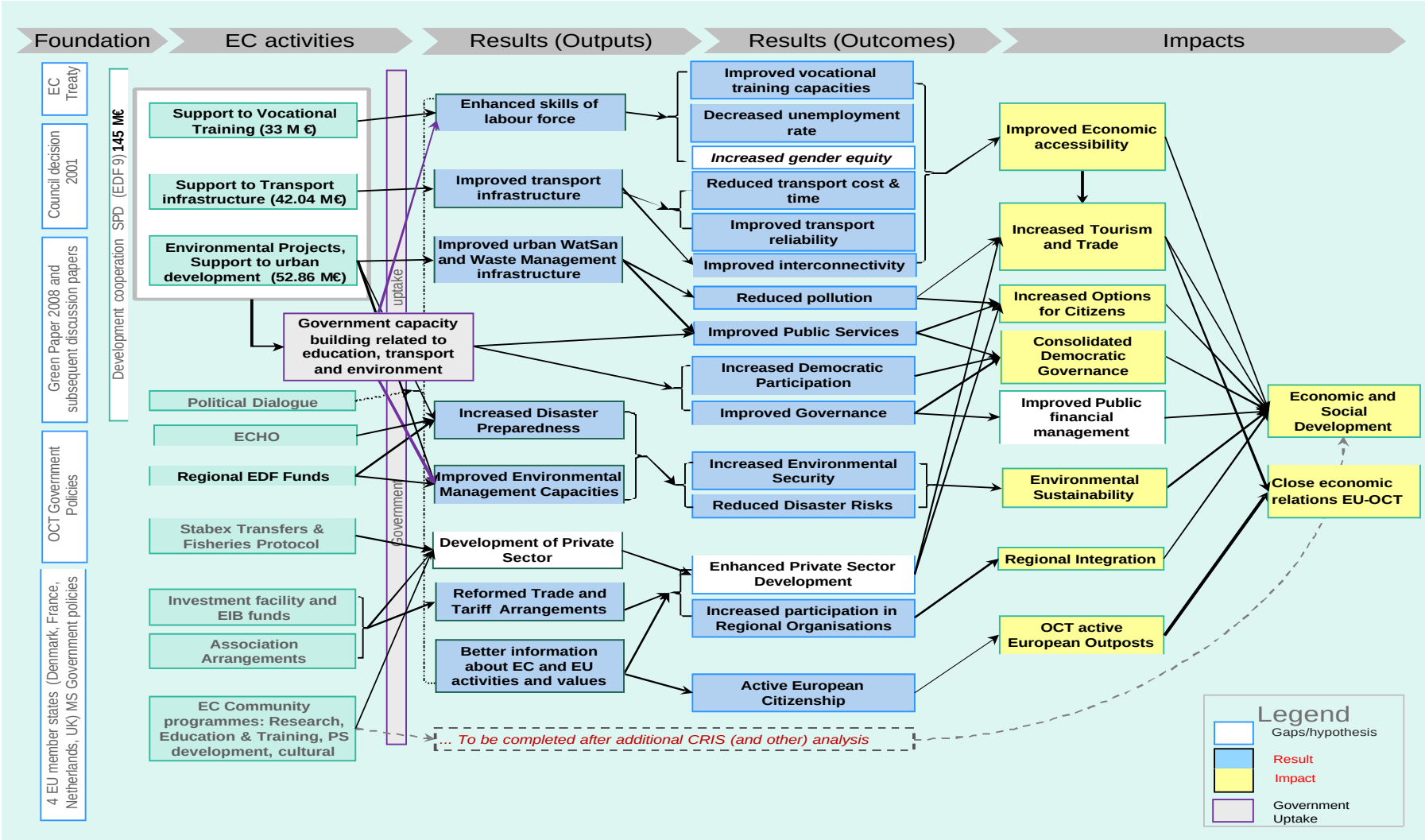


**Figure 4: Intervention Logic for 8th EDF 1998-2002**

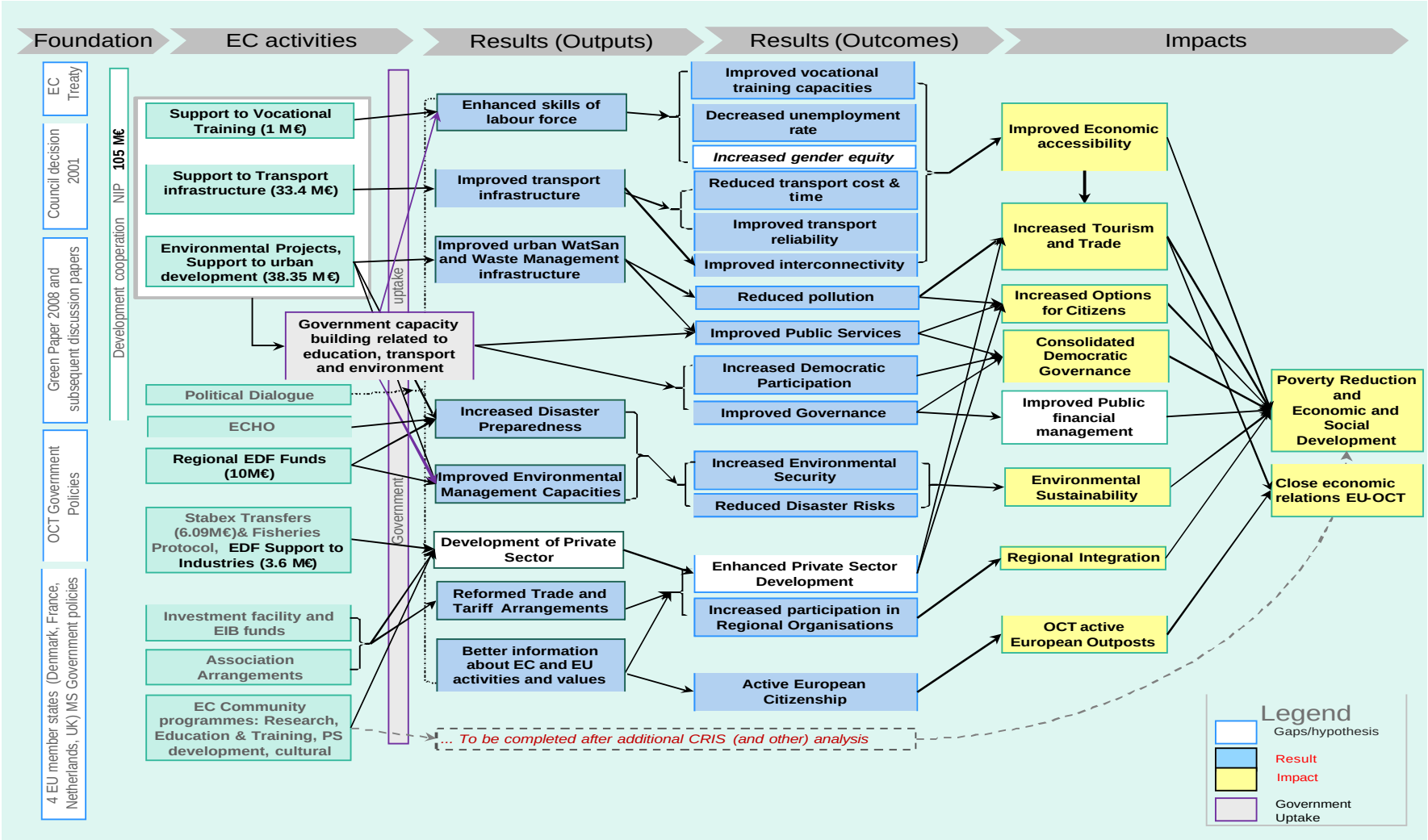
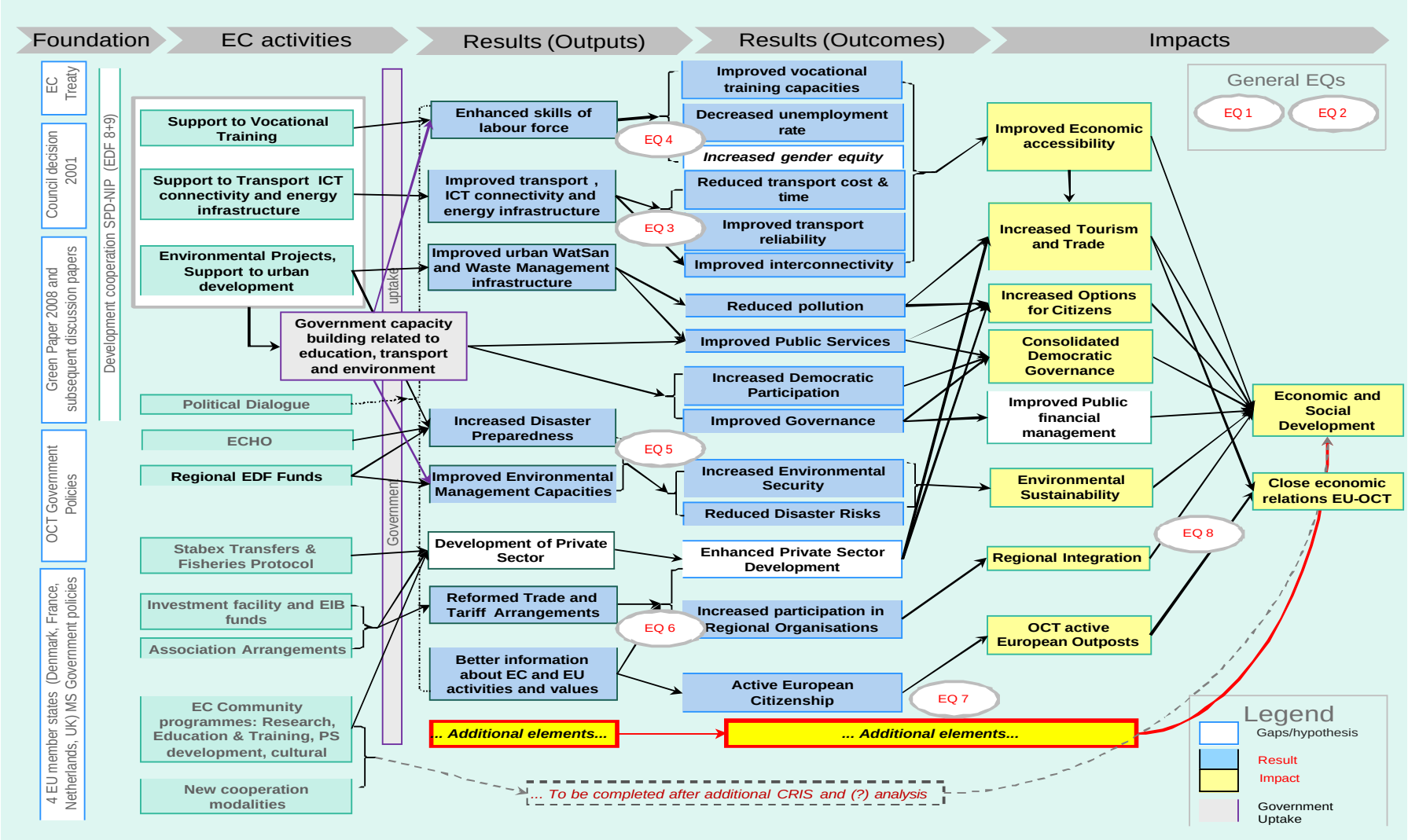


**Figure 5: Consolidated Intervention Logic 1999-2009**



# ANNEX IV: ASSOCIATION OF OVERSEAS COUNTRIES AND TERRITORIES OF THE EU (OCTA)

November 2000, the first OCT Ministerial Conference was organized in Brussels. At this Conference, the governments of the OCTs decided to establish the **Association of Overseas Countries and Territories of the European Union (OCTA**).

**Mandate**

The OCT Association (see www.octassociation.org) is a non-profit making international organisation, with objectives to:

- Provide a forum for exchange of ideas and discussion of issues of common interest;
- Work for the mutual benefit of the members;
- Share specific information on issues of interest and benefit to all OCTs,
- Make recommendations, where necessary, to the governments of all OCTs and the related EU-Member States on the appropriate courses of action;
- Develop effective working relationships, as a group, with the EU institutions, the ACP-Group and its Secretariat and other relevant international, multi-lateral and regional organisations and institutions;
- Share best practice among members in relevant areas;
- Defend the collective interests of the Members and to represent these interests vis-à-vis the institutions of the European Union for all matters outlined in the OCT-Decision

OCTA's **mission** is to serve as a communication tool for all its members, no matter to which EU Member State they are linked. Close collaboration between all OCT is one of the success stories of the organisation. OCTA supports its members in dealing with the European Commission and all related services. It serves as the Regional Authorising Officer and therefore is in charge of the Regional Co-operation.[48]

The **vision** of OCTA is to pursue its path as a well-established and known international organisation enabling OCTs to be understood in other areas than the ones where are located.

Acting President of ExCo OCTA: **Kedell Worboys,** Treasurer of ExCo OCTA: **Ophélie Ferrare.**

The Secretariat of the OCTA is located in Brussels (www.octaassociation.org).

In the 10th EDF, €5M is allocated for TA and TCF, to be partly used for the upgrading of this office, which is then supposed to become a more important player in the EC-OCT relations. This funding is to be used for a 4-person TA presence, which will cover environment, trade, research and education & training in addition to communication and an increase in the capacity to implement projects. Insufficient communication capacity has led to problems in preparing the newsletter and keeping the website up to date.

[48] Under 10th EDF OCTA is RAO for the regional thematic envelope.

# ANNEX V: INFORMATION MATRIX

## Evaluation Question 1: Relevance & Internal Coherence of Support

| **EQ 1** | **To what extent has the EC cooperation with the OCTs been consistent with the OCT and EU policy objectives and the needs of the OCT population?** |
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| **Justification and Comment** | The EC cooperation with OCTs covers very different OCTs, with special relations to four EU Members States, through a diversity of cooperation instruments. It is essential for the evaluation to assess the consistency with which the EC cooperation responds to the inherent challenges of this construction in relation to the overall EC and OCT priorities. The answer will be of interest also to the future development of the OCT-EC relations.<br>While the overall objective of the EC's cooperation is to promote the economic and social development of the OCTs, the cooperation has developed historically within the poverty-oriented EU-ACP context. For that reason, it is appropriate to explore to what extent poverty-orientation is reflected in the cooperation. |
| **Scope** | Relevance, (Internal) Coherence |
| **Judgment Criterion 1.1** | **No contradiction is found between the evolving EC-OCT response strategies and the EU policy objectives related to OCTs** |
| I 1.1.1: Correlation between the objectives of the EC response strategies under the 8th and 9th EDF, the promotion of economic and social development of the OCTs and the establishment of close economic EC-OCT relations | A high degree of coherence between the strategies and the development needs of the OCTs set out in official documents was found. There has been no contradiction since the specific SPDs, the Partnership Agreements with Greenland and the general trade preference system have reflected, in particular, the promotion of economic and social development of the OCTs and, more indirectly, close economic relations between the EU and the OCTs.<br>Article 1 of the Overseas Association Decision (OAD) contains the objectives of:<br>- Promotion of the economic and social development of the OCTs, and<br>- Establish close economic relations between them and the Community as a whole.<br>- Focus on the reduction, prevention and, eventually, eradication of poverty and on sustainable development and gradual integration into the regional and world economies.<br>The SPDs under the 8th and 9th EDF and the Partnership Agreements with Greenland were in line with these objectives. |
| I 1.1.2: Representation in the response strategies of the 10th EDF of the increase of economic competitiveness, environmental resilience and increased participation in | Regarding the present and future cooperation, there is a general consensus about the framework of cooperation being outdated. The poverty orientation of the ACP-oriented 8th and 9th EDF is, according to the Green Paper consultation process, to be replaced by a cooperation which emphasises:<br>- Competitiveness of the economies of the OCTs<br>- Resilience of the OCTs in relation to their vulnerability<br>- Enhanced integration of the OCTs in their regions<br>From OCT interviews and the Survey, it emerged that since 2009, the OCTs have further emphasised the importance of the foreseen climate change and their future energy challenges (and opportunities). In addition, the definition of the EU policy objectives may need updating in order to include issues of growing importance, |

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| regional integration of the OCTs | such as the substantial marine resources in the substantial exclusive economic zones surrounding the OCTs and the Arctic policy and strategy.[49]<br>In addition, the relations between the OCTs and the ORs of the EU seem to be an issue of increasing importance:<br>At the OCT Ministerial Conference and Forum, March 2010, the importance of this issue was underlined:<br>- By the newly elected OCTA-president, Mr Gomes, of New Caledonia: *"For us to interact more with ultra-peripheral regions… in an efficient manner, these approaches must rely on new tools, internally and externally"*;[50]<br>- and by Denmark: *"Nothing in the present Treaty provisions regulating the association of the OCTs with the Union prohibits equal treatment, or something like that, between the OCTs and the outermost regions"*.[51]<br>From the team interviews with the MS, it emerged that:<br>- The Netherlands endorses this shift from a classical development approach to an approach focusing on the increase of OCTs resilience. However, the move away development cooperation should not coincide with a decrease in the financial support available to the OCTs.<br>- In the UK, DfiD noted that the move towards a neighbourhood relationship by the EC might leave the poorer OCTs (e.g. St Helena, and to a lesser extent Montserrat) isolated. These OCTs will not be moving out of a traditional aid relationship. DFID had the concern that any new relationship should leave them worse off. DFID also expressed the concern that a new relationship after 2013 should not increase the procedural burden, which they see as being heavy.<br>Field study findings on the representation of new objectives show that:<br>The **Caribbean Regional SME Programme** [52]- involving both Dutch and British OCTs - focuses on competitiveness, resilience and regional integration but is still in the start-up phase. The Caribbean Regional Envelope for the 10th EDF will focus on support to SME and is based on a project idea, originally prepared by the BVI, which has been modified to become a regional programme involving the Dutch and British OCTs. The Regional SME programme has taken the whole regional envelope.[53] The programme is still in its formulation phase and is facing a certain amount of difficulties reconciling the different expectations between the OCTs involved.<br>The unresolved status of **Mayotte** within the region makes regional integration difficult. This might change with change of status to DOM/OR (as with Reunion - which, for example, is a full member of the IOC (Indian Ocean Commission) and combines its ERDF funds in joint funding with EDF initiatives). However, this is unlikely to happen during the 10th EDF period. Hence, there are missed environmental opportunities hampered by territorial claims.<br>Marine resources are an example. Mayotte has a rich marine biodiversity but, for example, the regional programme RECOMAP (Regional Programme for the Sustainable Management of the Coastal Zones of the Indian Ocean Countries) |

[49] Communication from the Commission to the European Parliament and the Council: The European Union and the Arctic Region, COM (2008), 763, 20.11.2008.
[50] Intervention/conference ministerielle/24 mars 2010, Nouvelle-Caledonie, President Gomes, translated.
[51] ON, OCTA Newsletter, May 2010, p.4.
[52] Regional SME Programme : (€ 15.000.000). To strengthen the development of Small and Medium Enterprises (SME) in the British and Dutch OCTs to reduce social, economic and environmental vulnerabilities through enhanced cooperation and competitiveness within the region).
[53] This means that, for example, there is no room for potential implementation activities resulting from the R3I disaster preparedness work.

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| | cannot work in or with Mayotte, being blocked within the IOC by the Comoros. Mayotte is excluded from an ongoing initiative linked to the IOC for establishment of Marine Protected Areas (MPAs) in spite of its particularly important zone in the middle of the IOC's geographic zone.[54] Instead, a €3 million "regional" programme is being prepared, with strong MS- involvement, which involves the MPAs of Mayotte and the Scattered Islands of the French Southern and Antarctic Lands (les Isles Èparses des TAAF) [55]. As the MPAs overlap with the Economic Exclusive Zones (EEZ) of Mayotte and TAAF, there are geo-political issues at stake here, not just environmental considerations.<br><br>The same issue arises to a certain extent with the BIOT (British Indian Ocean Territory) - uninhabited except for the US airforce base on Diego Garcia (leased to the USA by the UK but claimed by Mauritius).[56] The marine reserve in the Chagos Archipelago with its 210,000 sq km will become the world's largest marine reserve, banning fishing, collection of corals and the hunting of turtles and other wildlife.[57] Thus, the opportunity of turning the whole Indian Ocean area covered by the IOC, Mayotte, the TAAF and the BIOT (British Indian Ocean Territories) into a protected marine zone has been missed.<br><br>Another missed opportunity is the absence of synergy between neighbouring countries active within the same sectors of the EDF, which could have added considerable value and cross-fertilised ideas and expertise. Such as the decentralisation programme in the Comoros and the local government programme in Mayotte, both focussing on management of solid waste.<br><br>In the **Pacific**, more consistency with OCT-EU joint policy objectives, particularly those stated in the green paper, was initially considered in **French Polynesia** by focusing on climate change. Lack of reactivity on government side (in allocating required human resources) and lack of timely support from the EC (training on SBS or TA) resulted recently in the abandonment of these options. Instead contribution was made to an already identified project of extension of Papeete sanitation network, where the territory has proven its technical capacity. The government still keep in mind the orientations stated in the Green Paper and would like to embody them at a later stage – contradictory to the option of preparing a SBS on water and sanitation for the 11th EDF during the 10th EDF.<br><br>In **New Caledonia,** the 10th EDF territorial TIP does not reflect increased emphasis on those new topics. Left are regional programmes, opening for sustainable management of natural resources, with the INTEGRE programme under formulation. Yet to be concretely defined, this programme will most likely target the interactions in coastal environment.<br><br>In **Wallis & Futuna**, those topics were initially considered, but quickly abandoned to adjust to urgent needs such as the safeguard of Futuna island wharf. EC resources are distinctly targeted on capital investment to mitigate the inability of France to meet those requirements. W&F are associated to abovementioned INTEGRE regional programme. |

[54] Note that Mayotte is not the only area in dispute. The UK initiative to establish an MPA in the British Indian Ocean Territories is being resisted by Mauritius which disputes the British claim on the Chagos Archipelago.
[55] Note that Mauritius, the Comoros, Seychelles, and Madagascar dispute France's sovereignty over the Scattered Islands.
[56] During the late 1960s and early 1970s, when the Indian Ocean ACP countries were gaining their independence from the UK, the population living in the Chagos archipelago was re-settled in the Seychelles and Mauritius, at which point the islands were declared as being uninhabited. This allowed the UK to lease one of the islands of the Chagos archipelago – Diego Garcia – to the United States, for the construction of a military base. This stands at the basis for the claims by Mauritius and the Seychelles on the archipelago; and their disagreement on the declaration of the Protected Marine Area as an impingement on their sovereignty.
[57] http://www.guardian.co.uk/environment/2010/mar/29/chagos-island-marine-reserve-plans

| **Judgment Criterion 1.2** | **No contradiction is found between EC-OCT response strategies under 8th, 9th and 10th EDF and the corresponding OCT priorities** |
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| I 1.2.1: Alignment of the objectives of the EC strategies with OCT Government priorities | It is found that there has been alignment of the objectives of the EC strategies with OCT Government priorities under the 8th, 9th and 10th EDF. The Team's communication with the OCTs and the field visits showed a high degree of correspondence between the OCT priorities and the EC-OCT response strategies.<br>According to the answers to Survey question1: *Has EC support reflected the priorities of the Government of your OCT*, there has been a high degree of correlation under the 8th and 9th EDF since all answers, but one, indicate high correspondence, as illustrated below:<br>- "High, the programs and projects financed with EDF were also nominated as priority by the OCT".<br>- "All bids for support made to the EC over the past 10 years have related to the key, formally endorsed priorities of ... Consequently, all EC-funded interventions have been consistent and coherent in addressing the development needs of the Islands".<br>- "High, at least since 2004".<br>- "High: EDF could be used for projects identified by the Conseil général".<br><br>The field visit findings on the alignment, including for the 10th EDF, indicate that:<br>In **Aruba,** project support from the EDF 8 (but implemented under EDF 9) focussed on tourism and sustainable development and resulted in the completion of two flagship projects with high EU visibility - the National Museum and the National Park. Under the 10th EDF, focus changed to budget support in the education sector as a reflection of national priorities.<br>In the **Netherlands Antilles,** the EC support programme under the 10th EDF 10 is a continuation of the project support under previous EDFs, but the preparation process was delayed as efforts were first made to prepare a Budget Support programme. This decision was rescinded by the EC and the NEA told to revert to Project Support. This process had started during the field visit but effectively put on hold pending the constitutional changes of 10th October 2010. The administrations of the 5 NEA islands had decided to suspend further work on the 10th EDF till after the constitutional change, which would include the upgrading of the offices of Deputy TAO to full TAO status and allow each (new) TAO office to work directly with the EU Delegation in Guyana (instead of through the TAO in Curacao)<br>Although there have been considerable delays in the preparation of the 10th EDF SPD, the EDF priorities chosen by the 5 NEA territories reflect their own perceived priorities (Bonaire, tourism and infrastructure; Curacao, tourism; Saba, environment; St. Eustatius, harbour; St. Maarten, infrastructure and environment) and the continuation of EDF 8 and 9 support to the same or related sectors. For example, the waste management project in Bonaire will pick up the gaps left from the discrepancy between original design and availability of finance.<br>**Mayotte**<br>The Budget Support programme prepared for the 10th EDF is seen by the Mahorais as giving them more ownership in the way funds are managed. However, Mayotte would like to see the Budget Support used for transport projects, notably the extension of the airport runway[58], whereas the EC only |

[58] The extension of the runway at the international airport of Dzaoudzi is a recurring theme in Mayotte, and is also mentioned in the SPDs. However, the EDF funds provided through budget support would not be enough to

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| | considered transport as one element and that the territory's financial administration needed improving. Therefore the Delegation found the idea behind budget support not really understood.<br>Mayotte has prepared both a sustainable development plan (PADD - Plan d'Aménagement et de Développement Durable) and a waste management strategy (PEDMA - Plan d'Elimination des Déchets Ménagers et Assimilé), both of which are part of the EC prerequisites for budget support. PEDMA provides an important context for the EDF 9 environment/waste management projects.<br>The technical cooperation facility (UTG, Unité Technique de Gestion), established as a condition for support to Mayotte during the EDF 9 implementation, was also involved in supporting the preparation of the EDF 10 budget support programme. Nonetheless, problems remained because a number of conditions remain difficult to meet. This may need to be resolved on a case-by-case basis in Brussels with the involvement of the Member State, which can act as sovereign guarantee for certain conditions (particularly in a context where the OCT doesn't have relations with the IMF and therefore decisions cannot be based on IMF analyses). The approval of the 10th EDF will also trigger a number of support measures by the EC. As regards Budget Support, the Delegation raised the issue that there are no particular OCT guidelines for budget support and that ACP guidelines for budget support are not necessarily appropriate. Moreover, the poverty criterion is not applicable to OCTs.<br>In **Falkland Islands** budget support envisaged under the 10th EDF will continue in support of priorities identified in the Islands Development Plan, "Support to Trade development and private sector business expansion in the Falkland Islands" particularly concerned with reducing dependence on fisheries as the main source of revenue, so there is continuity.<br>In **Montserrat,** there has been growing consistency from the 8th EDF to the 9th EDF and now the 10th EDF. To some extent this reflects the different phases of Montserrat's reconstruction effort, with the reprogrammed 8th EDF funds supporting essential reconstruction e.g. the new airport and housing for those displaced by the volcanic activity and the 9th EDF focusing on attempts to revitalise the economy through private sector development.<br>The 10th, like the 9th EDF, will focus on General Budget Support as the aid instrument. The draft SPD (dated October 2010) highlights that it is highly complementary with the EC financed programmes under the 9th EDF allocation, as well as with DfID's framework of assistance. The overall objective is to support implementation of the Sustainable Development Plan and Sustainability Roadmap to contribute to the recovery of Montserrat by facilitating improved economic, social and environmental conditions for sustainable development.<br>In **French Polynesia,** the same focal sector was kept for the 10th EDF, allowing the same degree of consistency. By choosing to continue its support to vocational training with the 10th EDF, the EC kept a high degree of consistency with the **New Caledonia** policy objective, which sees vocational training as a main ways to attract part of the educated Kanaks into the workforce. In **Wallis & Futuna**, the project approach was so basic that it is difficult to assess a high degree of consistency, be it for the 8th, 9th, or 10th EDF. Moreover, one out of the three projects initially considered (fishing port) was abandoned to fund the commercial port extension.<br>The cooperation under the EU-**Greenland** Partnership Agreements is fully aligned with the Government's policy objectives.<br>The answers to the survey question (37): *Are there examples of EC support,* |

fund even if the environmental objections could be overcome. Moreover the necessity for the extensions may well be overtaken by events, as the new generation of long-haul aeroplanes will not require a runway extension.

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| | *which you would have preferred but which has not been possible*, indicate that the OCT governments find a need for more effective participation in extra-EDF EC-cooperation:<br>- "Real opportunities for access to horizontal budget lines. Access to research and development support. Practical support (e.g. provision of equipment and materials) to facilitate implementation of the recommendations of the Disaster Preparedness/Management consultant funded from the 9th EDF Envelope C".<br>- "Yes, there is a need for EC to better communicate on their initiatives in order to allow us to participate. Hence, if the EC wants to boost regional integration, it has to integrate OCTs in the activities implemented with ACP countries".<br>- "Access to all EC programmes and guidance… There is little effect in allowing OCTs access to EC programmes if this is not followed up by guidance on how to network and when to apply and the process of applying to a programme. Generally the fact that OCTs have access to regional cooperation could be given more visibility by the commission in the OCTs and specifically to the isolated OCTs".<br>In continuation the below sample of answers to the Survey question (17): *The current cooperation modalities are due to expire in 2013. If possible it would be helpful to know your preferences for the cooperation modalities beyond 2013*, illustrate some of the OCT expectations to the future design of their cooperation with the EC:<br>- "Continuation of Sector Budget/Budget support by means of a pre-determined allocation to the most isolated and vulnerable OCT's in order to support their sustainable economic growth, with flexibility to target more than a single sector should this be required… Increased access to horizontal programmes and associated calls for bids. …Access to research and development funding on an equal footing with ACPs. A ring-fenced funding allocation to support projects that address key issues relating to the natural and built environments, against which only bids from OCT's are entertained…".<br>- "Cooperation modalities that are more flexible, better adapted to the particularities of OCTs (small countries, low population number) and to their challenges".<br>- "… Finds trade preferences of vital importance to the continued development of exports ... If trade preferences are to keep eroding, compensation should be given or other modalities in the field of trading made possible. Access to EC programmes should be kept and further developed to cover all programmes. Access to structural funds should be considered for OCTs in areas, which can help a sustainable development of our societies".<br>- "Simplified procedures, more dialogue, more transparency (notably, between delegations and OCTs) should be put in place. Too many intermediaries are slowing down processes. If one or various OCTs are not kept informed about discussions between the delegation and the Regional Authorizing Offices concerning projects they are implementing, this is neither reasonable nor equitable". |
| I 1.2.2: Existence of OCT Government structures necessary for implementing the EC response strategies | It has been possible for the OCTs to implement the response strategies, but not always to fulfil the requirements for budget support, which was supposed to have become standard by the 9th EDF. (See Section EQ 2 for a more detailed analysis of the issue)<br>Interviews with MS and EC-officials indicated that the OCTs, with their small populations, face capacity limitations and that it is "not the easiest for them to comply with the EU regulations".<br>However, the OCTA emphasised that while the EC has complained about the |

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| (including capacity to be eligible to budget support or to implement project support) | OCTs not allocating the right human resources, or "being late", the OCTs have become in control of the process. Thus, it was mentioned that in 2007, remaining funds were to be lost, but an EC-effort gave the needed results in terms of identification and action fiches. |
| **Judgment Criterion 1.3** | **No contradiction is found between different elements of individual EC-OCT response strategies** |
| I 1.3.1: Consistency between subsequent objectives in the EC response strategies over the 8th, 9th and 10th EDF in the same OCTs | Generally, there has been consistency between the objectives of the response strategies of the 8th and 9th EDF as expressed in the SPDs as well as in the team communication with the OCTs.<br>Answers to the survey question 2: *How consistent has the EC support been over the period 1999-2009? (E.g. level of support; guidance provided and method of support including "aid modality")* vary between medium and high. Below some illustrations:<br>- "High, The support provided by the EC was the last 10 years very EC driven.<br>- "High, from 1999 to 2003, support consisted in diverse sporadic operations but from 2004 onwards, with sector budget support on VET; there is a consistency in EC support (around F.CFP 500m per year since 2004)".<br>- Medium, when budgetary support was introduced to the trilateral cooperation in 2007 it was the impression given to … from the EC negotiators that it would have flexible reporting mechanisms. However as it turned out, flexibility had not been introduced to the implementers and … and authorities were to follow the same guidelines as other budgetary support receivers through Aidco.<br>- Medium, over the past five years the support has improved greatly. We have been able to dialogue more with the regional Delegation (…) and have gotten great support from them within the last five years." |
| I 1.3.2: Existence of consistency between the objectives of different simultaneous EC interventions in the same OCT (when applicable) | It is found that there has been such consistency, in the few cases applicable.<br>Sample answers to survey question 3: *Has the EC support been coherent (e.g. between different sectors, if applicable)*, illustrate the generally positive assessment:<br>- High, support from AIDCO has always been of an extremely high quality. DG Dev has suffered from changes of personnel that have resulted in some delays to programming. Other DGs have been slow to respond in some cases<br>- High, Jusqu'en 2009, il s'agissait d'investissement sur les équipements transports/eau/environnement. A partir de 2010, compte tenu de la crise économique (et de ces effets sur la démographie), l'effort se concentrera sur des objectifs de développement economique. |
| **Judgment Criterion 1.4** | **No contradiction is found between the EC-OCT strategy and the modalities and administrative process applied to it.** |
| I 1.4.1: The cooperation modalities and procedures reflect the objectives of the strategy | Based on the logics of the SPDs, it is found that the cooperation modalities and procedures reflect the objectives of the strategy – in the narrow sense.<br>In a wider interpretation of modalities and procedures, it would have been desirable from on OCT point of view, that the EU-HQ or EUDs in some cases had provided more advice and support to them regarding how to deal with the procedures – and had established a more coherent anchor-unit with more human resources to work with the OCTs.<br>In other cases, such as the extra-EDF EU-HQ cooperation with Greenland, |

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| | cooperation has been described as smooth in spite of complaints over procedures. In this, as well as other cases[59], the OCT was of the opinion that while there had been quite heavy initial difficulties in working with the procedures, the efforts had been rewarded by a resulting better sector overview and policy making in the OCT.<br>Such needs may be covered by foreseen TA support to the OCTA-secretariat under the 10th EDF, in relation to its undertaking a supporting role to the OCTs.<br>Regarding the human resources of the involved EU-HQ services and consequent policy direction and guidance, their staffing constraints was underlined by OCT and MS representatives. In addition, they reported a high staff-turnover in the concerned units and it was pointed out that there are diseconomies of scale in dealing with small projects.<br>Also regarding the OCT relations with EUDs, the team was presented with a mixed picture, in which dissatisfaction with alleged slowness and staff turnover was a strong element, but also with examples of what the OCTs had experienced as good and adequate support.<br>The OCTA noted that the EC finds it difficult to give high priority to the OCTs. Given that 20 OCTs share a 1% allocation of the total EDF-budget, they are not a high priority in terms of human resources within the EC. It was mentioned as a complicating factor that the OCTs are mainly defined negatively - they are not ACP countries, they are not outermost regions, etc. The small amount of funds allocated to individual OCTs implies that it is more difficult to allocate human resource support to the consequent small projects, (one reason why the EC prefers budget support as the modality). |
| I 1.4.2: The OCT Governments find the cooperation modalities and procedures in line with the objectives of the strategy | It was expressed by OCT-representatives and confirmed by MS as well as EC-officials, that the EC procedures to be followed in the cooperation are generally perceived as cumbersome and detracting resources from other purposes by the OCTs. While such difficulties have not prevented the materialisation of planned cooperation, they have reportedly contributed to delays taking place. (See the analysis under EQ2, p.88 ff.)<br>At the OCT Ministerial Conference and Forum, March 2010, the importance of a strengthened institutional framework to deal with the OCT-issues was underlined by the newly elected OCTA-president, Mr Gomes, prime minister of New Caledonia:<br>"***Internally*** *... in the office of the OCTA, which will be extremely useful once it is set up in the end of 2010 ...* ***Externally****, we need a strengthening of the management of our cases within the European Commission….We need* ***the OCT unit to be transformed into a unit with more human resources and decision-making power".***[60]<br>In the answers to survey question 27: *Please briefly describe your perception of the main trends in the cooperation with the EC since 1999,* is mentioned:<br>- "Wish to (and discussion about) smoothening procedures however without tangible result so far, positive concentration, problems in communication between headquarter and delegations not solved yet, difficulties in perception of cooperation".<br>- "OCTA made the dia logue more visible and mutual goal oriented. Support to the Bureau will be of major importance for the continued dialogue among OCT parties and the EC. Partnership Working Parties (PWPs) must be given resources in terms of technical support and travel costs for experts to attend. |

[59] However cumbersome, some OCTs also mentioned that working with the EU-procedures had been a useful learning procedure and there were references to the "serious nature of the EU".
[60] Intervention/conference ministerielle/24 mars 2010, Nouvelle-Caledonie, President Gomes, translated.

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| | By giving ownership in the OCTs to EC-OCT cooperation projects the creation of mutually benefiting projects will be given incentives." |
| **Judgment Criterion 1.5** | **EC cooperation reflects the stated needs of the poorer parts of the population** |
| I 1.5.1: Response strategies include information about the needs of the poorer parts of the population | There is generally little explicit information in the response strategies about the specific needs of the poorer parts of the population. However, the SPDs and the EU Greenland Partnership Agreements are based on information, which includes the socio-economic conditions in the OCTs. Furthermore, the response strategies have been endorsed by democratically elected assemblies. |
| I 1.5.2: Involvement of civil society in the design of the implementation of the EC cooperation | According to the information received from the OCTs, civil society has, in most cases (8 out of 10 answers from inhabited OCTs), been involved in the design of the implementation of the EC cooperation through consultative processes – whether related to projects or budget support.<br>In only one OCT, there was no involvement of civil society. In another case, the involvement only started in 2009.<br>In the below sample of answers to question 4: *Has civil society been involved in the implementation of the EC support*, the private sector has been included under civil society.<br>- "Yes: The … Government prepared all proposals with consultation with relevant NGO's".<br>- "Yes: During preparation and implementation of 8-th and 9-th EDF NGO's, training institution, neighbourhood centres etc have been consulted. Also public hearings have been held during preparation".<br>- "Yes: The implementation working groups include non-Government members. The local private sector has been fully involved in the 9th EDF-funded construction works and the regional project relating to invasive species on the Islands. Strategies for public consultation and feedback are in place at all stages of the programme/project cycle".<br>- "Yes: Budget Support entails implications for the civil society".<br>- "Yes: As the Government of … chose the existing extraordinary education plan to be part of the … Programming document, civil society had already been part of the hearing process. An education reform in the … administrative system always undergoes a hearing procedure whereby civil society via organisations is heard".<br>- "Civil society is getting involved since 2009 through its participation in the elaboration of development policies which will be funded through the EDF from 2010 onwards".<br>In addition to the territorial civil society organisations (CSOs), international CSOs are working extensively with the OCTs in the environmental field (see EQ 5). |

## Evaluation Question 2: General Efficiency of Support

| EQ 2 | To what extent have the delivery mechanisms of EC support and their management been conducive to the objectives of the cooperation? |
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| **Justification** | EQ 2 provides the evidence base from which guidance may be developed regarding future support to the OCT. It is phrased in a way that includes the different instruments and modalities used by the EC to deliver development assistance over the 8th, 9th and (where applicable) 10th EDF.<br>Specifically this entails examining performance of:<br>- Projects, using EC-specific procedures concerning procurement etc;<br>- Budget support - both Sector Budget Support (SBS) and, to the extent applicable, General Budget Support (GBS);<br>- The transition from project modalities to budget support modalities, and whether this has been efficiently managed<br>- The adequacy of EC funding in the context of the projects and programmes of the OCTs, and their perceived needs;<br>- The EQ also provided insights into the efficiency of the EC's management processes, including programming of development assistance, and the processes by which projects and programmes have been identified, formulated and delivered. This was not to be understood as an audit but as comparison of performance against expected norms.<br>The policy framework of the 10th EDF states that Budget Support is the default mode, and development assistance should be provided using this modality unless there are clear reasons not to do so. The EC has prepared Guidelines concerning Support to Sector Programmes and General Budget Support.<br>These highlight the Eligibility Criteria for using budget support, which include:<br>i) A well-defined sector policy is in place or under implementation;<br>ii) A credible and relevant programme to improve public finance management (PFM) is in place or under implementation; and<br>iii) A stability orientated macro-economic policy is in place or under implementation.<br>A key objective of this EQ has been to explore the interplay between the evolving backdrop of the use of Programme Based Approaches (PBAs) and use of budget support in the context of the OCTs. It is appreciated that the OCTs have specific relationships with EU member states, and this sets them apart from other EU development cooperation partners. It has been constructive to consider the extent to which assumptions made by the EC, for example concerning PFM, have been appropriate, and what lessons may be learned from this. Reflecting feedback from the reference group, note will be taken of the prevailing view held in 2003 that the PFM was not relevant because Member States took responsibility for PFM issues in their OCTs, and this criteria was not applied as part of the design criteria at that time.<br>The EQ enabled further insight to be gained on whether the release of funding has linked into the OCTs' annual budget cycle, and whether it facilitated smooth planning, execution and accounting of the budget. Such criteria were not applied as part of the design criteria at that time.<br>The EQ enabled further insight to be gained on whether the release of funding has linked into the OCTs' annual budget cycle, and whether it has facilitated smooth planning, execution and accounting of the budget. |

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| **Scope** | Efficiency, (Internal) Coherence |
| **Judgment Criterion 2.1** | **There has been a timely delivery of support, facilitating achievement of its objectives** |
| I 2.1.1 Dates of key milestones (i.e. correlation between proposed and actual dates for key events such as programming reports and approvals, preparation of action fiche, project/budget support formulation; release of funds; project completion) | Whilst all respondents had experienced delays, the duration of these had varied from less than one year, to three years or more, with the bulk reporting the 1-3 year range.<br>Available documentation did not provide sufficient information to identify the precise milestones - CRIS rarely carries all the documents on a given programme and a high share of ROM reports are missing. Furthermore, respondents, whilst highlighting the delays, did not provide consistent reasons for their causes.<br>The single most revealing outcome of the EC support to OCT's is the high proportion of funding that had to be carried forward from one EDF programme to the next. Indeed as shown, in the Annex to the Inception report some €18.23m of unspent resources were carried forward from previous EDF programmes. This points to a combination of unrealistic programming and administrative constraints, although it is not possible to determine where the fault lay – indeed as noted in some questionnaire responses, it was often down to a combination of factors.<br>Delays were encountered during the programming phase (that can be illustrated by the on-going process of 10th EDF SPDs) as well as the implementation phases of the 8th and 9th EDF. The OCT survey highlighted the frustration felt by many OCT with respect to this. |
| I 2.1.2: Consistency of reasons for possible delays | Delays occurred for a number of reasons including:<br>- The lengthy programming and approval phases, which undermined efforts to link funding to Government planning and budgetary cycles;<br>- Changes in procedures and reporting requirements; including preparatory documentation;<br>- Prevarication about the use of aid instrument (as in the Netherlands Antilles),<br>- The imposition of additional reporting requirements due to concern by the European Court of Auditors that insufficient attention was paid to issues such as Public Finance Management strengthening;<br>- Staff changes which diminished institutional memory and placed an excessive burden on a small number of dedicated officials,<br>- Administrative constraints which meant that special focus groups such as the STABEX Taskforce did not have the resources needed to provide tailored support to individual OCTs;;<br>- Lack of provision of TA, or inappropriate TA.<br>These are highlighted by the survey responses cited below:<br>"We have experienced delays for over a year as a result of the <u>lengthy approval process</u> under Budget Support aid modality. Payments were finally made after numerous emails and eventual involvement of DFID to speed up the approval process. In many instances, the agreed requirements for disbursement of tranches changed at short notice".<br>"Sometime the delays are due to the OCT government or sometime the EC cumbersome decision taking procedures and process. Also the changes in the EU Delegations organization, the down sizing of the EU Delegation Office in NEA and ultimately closure of the EU Resident Advisor Office mid 2002 in the NEA. More recently, the constitutional developments, political priorities and the slow/complex decision-making procedures in the NEA are due to the delays. In |

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| | time, the problems were solved. The need for direct communication lines with the Delegation continues to be a concern".<br>[Delays reported to be more than three years]:<br>- "Due to changes in officials at the relevant Delegation and offices in Brussels".<br>[Delays are caused by]:<br>- "Too many intermediaries"<br>- "Procedures are cumbersome and the complex process of programming funds is too long and evolving with new materials required"<br>- "Les principales raisons étaient : l'absence d'Unité Technique de Gestion du FED, l'absence d'assistance technique, la faible maîtrise des procédures du FED. Depuis, 2007, une Unité technique, avec une assistance technique, est en place. Des actions de formation du personnel de l'Unité ont été mises en place. Les chargés de projets au sein des directions techniques ont pu bénéficier de formation."<br>The TAO in both NEA and Aruba, plus implementation organisations (such as USONA) and the Deputy TAOs on the island territories underline the **efficiency** problems with the EU. There has been constant struggle with interpretation of regulations; and necessity to start all over again when staff in the Delegations change, and when there is a new EDF.<br>**French Polynesia** recorded considerable delays in programming phases, mainly by lack of government capacity to identify a clear and definitive option against political instability, to develop proposal in line with EDF requirements, and to follow-up documents between the three EC layers (Nouméa, Fiji, Brussels). The SPP was particularly not reactive as not implementer of the EC programmes. The EC multi-layer arbitration process (unofficially, officially) contributed significantly to those delays. At one time, the French Polynesia President intervene directly in Brussels to speed-up the EC approval process, leading to a blockage of the proposal for months as retaliation. The Nouméa delegation was supportive in facilitating the process, even if limited by only two missions a year by the chargé d'affaires and the consequences of an air crash in 2007 that killed the then chargé d'affaires and several members of the government implied in EC project management.<br>At implementation level, the Environment Department developed a capacity to manage EDF procedures that allowed to avoid excessive delays. Still firms' payment took sometimes more than 6 months due to EC approval delays. The EDF procedures are however seen by most as a learning opportunity for managing project cycle and adopting a mid-term programming approach.<br>In **Wallis**, the 9th EDF will take 10 years to eventually build the extension of Wallis wharf, and some 8 years to have a few buildings constructed in existing school compounds. Most of the delays were accumulated between the signing of the FA and contracting. W&F were about to fall under the sunset clause from a day or so and were only sorted out by a direct involvement of the Delegation. The administration, staffed mainly by French functionaries and headed by the Préfet, was unable to adjust to EDF procedures. The establishment in 2008 of the Cellule Europe with EC support proved to release most of the issues related to EC procedures. This idea was long resisted by the administration and imposed itself only after the Territory to be so close to lose EC 9th EDF allocation. W&F will stay on the project approach for the 10th EDF, a specific budget being allocated to prepare the shift to sector budget support for the 11th EDF. |
| I 2.1.3: Predictability of funding | "Regional projects have been delayed [with the average delay given as 2-3 years], for a range of reasons" (including difficulties within the region and with regional institutions such as PAHO); |

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| | As the evidence above demonstrates there was very little predictability of funding. This has particularly hit those poorer OCTs which utilised funding for very specific purposes, for example for funding specific capital works (e.g. Montserrat in its Little Bay infrastructure construction works). By contrast better off OCTs such as the Falkland Islands, were able to adapt more successfully by utilising their own resources and then using funds, when received, for replenishment purposes. |
| I 2.1.4: Consequences of untimely support, e.g. missed objectives, donor phasing problems, inputs not delivered when needed | There are cases when the better off OCTs have proceeded with project and programme interventions, and then been replenished their funding with the EDF finance once it has been made available. For example:<br>"Due to the lack of a clear timetable for fund draw-downs it is difficult to define what constitutes a delay in terms of implementation. In addition, due to the use of budget support, implementation of a project often goes ahead under [our OCT] government budget, with monies then coming in from the Commission to underwrite this at a later date. All 9th EDF funds have been received (late 2009), so there was a delay but not a major one compared to some OCTs".<br>In Aruba the budget support process took such a long time that a second PFM survey was required by the EU - despite the fact that the first report had concluded that the capacity to implement budget Support was there. The other issue - for Aruba - was that as new information became available - i.e. 2008 statistics - the draft Education SPD had to be updated with these figures to replace the 2007 figures, etc. This required a lot of extra work but did not change the essence of the SPD at all, but was necessary in order to comply with the EU rules, as interpreted by the EU Delegation in Guyana. This was difficult for the OCT administration to understand; both the necessity of carrying out these additional tasks, as well as finding the capacity required to comply with the new demands. The point raised by Aruba (as well as the NEA administrations) was that – in their view – the capacity of the individuals in the institutions is of sufficiently high standard to meet the EU's demands – but that the institutional capacity (in the sense of the number of individuals in the institutions available to carry out the tasks) is not adequate to meet these on-going demands for constant changes and updates.<br>**Delays and Consequences of EU Procurement Procedures**<br>Stakeholders in the Falklands, including Counsellors, recalled:<br>➢ Extensive delays in construction of the abattoir, which led the FIG to decide to construct a scaled down version of the abattoir using FIG own resources;<br>➢ Delays in processing both EDF9 and STABEX funds (see efficiency below);<br>➢ Risks of using EU procurement procedures. It was cited that had the EU funded the (successful) wind farm, this could have led to an inappropriate selection of supplier, and resulted in a solution which was not technically desirable. |
| **Judgment Criterion 2.2** | **Institutional capacity to manage interventions has been adequate** |
| I 2.2.1: Existence of sufficient stakeholder (OCT, Member State, EC) institutional resources to manage the programmes/projects in | There are issues around capacity. Some of the issues relate to the fact that so much of the work needs constantly re-doing as new comments from different EU officials at different levels come in. Examples also cited refer to situations where, after more or less arriving at an agreement with the Delegation, new comments come from Brussels, which necessitated a new round of changes. Therefore, while there - in actual numbers - may not be a large capacity within the institutions, the capacity that there is could be more efficiently utilised if the EU could be more efficient.<br>**Aruba** recruited a TA through OCTA funds to help with the SPD - the TAO's |

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| comparison to what was needed | office took the decision that it was the only way around the procedures to recruit someone from outside to support the process. Despite the recruitment of TA very familiar with EU procedures, new comments have come from the EU, which are still being incorporated. As things stand the Aruba SPD has still not been approved; and the NEA have not completed the new project-modality SPD for the NEA.<br>TAOs also assume that after the constitutional changes of 10th October 2010, they will be required to prepare 5 separate SPDs. Therefore, there is little urgency to complete the NEA SPD before the constitutional changes - the preparation for these changes and the reorganisation of the planning institutions has taken priority over the preparation of an EDF 10 SPD for the NEA.<br>In fact, no key posts have been vacant in the Dutch Caribbean - the problem is more that the institutions are very over-stretched. Individual capacity is high but there is not much of it - and the island budgets cannot afford to employ more staff. The alternative has been to bring in short-term TA.<br>This issue was commented upon extensively in the surveys of OCTs, as is illustrated as follows:<br>"Whenever there is a change in officials they start practically all over again. Besides the interpretation of regulation is very defuse and not even the officials of the EU do understand them and each one has a different interpretation. When submitting a proposal it has to be reviewed by different officials each one looking at the proposal from its own view and wanting to have its personal say in the proposal. Many times they do not even know or understand the local situation of the OCT or compare OCT's with other regions".<br>In French OCTs, a "Europe Department" was set-up during the course of the 9th EDF to strengthen the EDF funds management capacity and tackle upstream the programming process. In some cases, a dedicated PIU was needed to speed up the implementation process and contribute to develop the capacity of the local government.<br>The volcanic eruptions on Montserrat led to approximately two thirds of the island's population leaving, mainly to the UK and neighbouring Caribbean The sustainable development plan places considerable stress on rebuilding the population and in particular on inducing some of those who left to return. The exodus undoubtedly depleted the GoM's administrative capability in all areas (including planning, financial management and procurement).<br>Capacity has been rebuilt and the current professional staff are able to manage the portfolio effectively providing clear and consistent requirements agreed.<br>However, there remains a problem witth the design of the 9th EDF where the Government of Montserrat, together with the EC (and presumably DFID) has agreed to variable tranche indicators that are linked to physical progress with construction of thed port etc. Yet the GoM cannot secure the funding needed for this internally and is dependent on external resources, e.g. form the Caribbean Development Bank. Borrowing ceilings (aimed at protecting the UKJ taxpayer) mean that this funding must be approved in advance by the UK Government. It is by no means certain that this will be approved. Therefore inappropriately designed variable tranche indicators leave the GoM as a "hostage to fortune" regarding the variable tranche. |
| I 2.2.2: Provision of sufficient support (e.g. training, guidance) to strengthen | Based on feedback from questionnaires to OCTs, a very mixed picture emerges about the usefulness of support (TA etc). One OCT reported:<br>*"We received assistance in acquiring supervision for a housing project). The consultants were not fluent in English and were not familiar with the environment. Project was completed successfully with assistance locally. We were able to provide support to the project from within the government* |

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| institutional capacity | *service to assist the consultants. This resolved some of the issues or challenges the consultants had. The consultants allowed us to meet the requirement of the EC that indicated the need for external supervision but did not introduce new methodologies etc."*<br>Other territories have been more positive:<br>"….development priorities are pretty well established in the Islands so all external financial and technical support is funnelled appropriately".<br>In French Polynesia, the knowledge on budget support is limited, particularly among decision makers, and the EC is not sharing the well-known difficulties and limitations encountered in countries already involved in this aid modality. The government participated to a regional seminar on BS organised in 2009 and appreciated the learning opportunity, even is relatively general. |
| I 2.2.3: Existence of documented examples where the EC has adapted its plans to OCT circumstances | In 2003, the EC commissioned Public Finance Management (PFM) assessment for various OCTs, and partly based the decision about whether to proceed with sector and/or general budget support on their findings. This is a case of adapting plans to reflect OCT circumstances.<br>The Turks and Caicos PFM report has been reviewed as part of this desk phase to establish whether the EC felt able to the adoption of BS was justified, given that it later had to be stopped following allegations of corruption and intimidation that resulted in the UK taking direct control (on a time-bound basis) in 2009. [Fresh elections, following an overhaul of governance and PFM, are envisaged for 2011].<br>The 2003 PFM report on Turks & Caicos praised the TCI accounting systems in place as follows:<br>*"At the level of operational services SmartStream allows to: enter the collected revenues; enter commitments; edit the purchase orders and cheques, transfers and vouchers issued for payment. Officers of spending services can log in for certain tasks only, and their access to the system can be "read-only" or "full-access" depending on their rights. They can print data, summaries and reports only for the unit or Department they are habilitated to.*<br>*At central level, only the Accountant General has a full access to all accounts, for consultation, input and output, and can override some of the limits of the system. The SmartStream software is really an asset for the accountability and efficiency of public finance management in TCI".*<br>There is nothing in the report that would suggest that at that time, budget support would be an inappropriate instrument. Indeed the problems that later emerged reflected poor governance, in the sense that those with accountability were not using those powers appropriately. It was not a technical failing but largely a political one, exacerbated, with hindsight by the 1999 White Paper [explained in the Inception Report] which encouraged territories to proceed in a manner that proved, in a few instances, to be too "laissez-faire".<br>Indeed the EC can take credit for stopping its 2nd tranche of BS under the 9th EDF as soon as problems were identified in 2006, which also reflects adaptability to circumstances. The position the EC had taken was effectively endorsed in 2008 by a negative and incomplete PFM assessment for TCI, which meant that PFM eligibility was not achieved.<br>In Wallis and Futuna, the shift to budget support is postponed to the 11th EDF. The nature of this aid modality is still largely unknown to the administration and the politician, not talking of the traditional power. A part of the 10th EDF allocation is dedicated to establish the conditions for moving to budget support, notably a comprehensive policy framework. There is a widely shared scepticism about the relevance of this shift given the size of the population and the lack of economic potential of both islands. |

| **Judgment Criterion 2.3** | **Budget support has contributed to improved budget management and governance** |
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| I 2.3.1: Evidence that the migration to national systems has been beneficial compared to using EC-specific procedures has been beneficial to the OCTs | Generally OCTs were positive about the migration to BS as the following survey results indicate:<br>*"The Islands have been in receipt of sector budget support. This results in greater autonomy and flexibility within agreed parameters than does a project approach and facilitates timely implementation of agreed activities".*<br>*"The movement from Project Support to Budget Support is very significant and would suggest that EC has greater confidence in the national systems. We have been able to qualify under the three eligibility criteria. An effort is being made to strengthen areas such as Public Finance Management. However, it is becoming increasingly onerous to prepare Single Programming Document and to satisfy the disbursement criteria".*<br>*"EC commissioned studies such as the 'Preliminary Assessment of Public Finance Management, Procurement Procedures and Assessment of the Economic Situation for Overseas Territories under the 10th EDF' have assisted in identifying strengths and weaknesses in relevant local processes and procedures, so informing their improvement and further development".*<br>*"As a result of using sector budget support for large programmes, programme management skills have developed and lessons have been learned regarding financial management requirements. DFID now has the confidence to disburse aid funding to SHG in the form of budget support also".*<br>*"L'approche budgétaire présente des avantages patents, et jusqu'à présent, peu d'inconvénients. La mise en œuvre du 9ème a permis de mettre en lumière la souplesse de ce type d'appui qui permet de soutenir le PTOM dans la politique qu'il a lui-même défini, selon un contrat élaboré conjointement avec la CE."*<br>However the fieldwork – for example in Montserrat and the Falkland Islands – did reveal that the transaction costs were higher than anticipated or intended (due for example to changes in documentation requirements and extensive delays in implementation),<br>New Caledonia government has a high level of ownership of the principle of EC budget approach evidenced by significant efforts made over time on their own to adjust is organisation and procedures. This ownership was undermined by the EDF procedures and EC staff attitudes when managing them. The contractual framework is quickly lost from sight due to the prevalence of cumbersome procedures, unduly demanding reporting, fluctuating requirements, requests, and statements of the various levels of EC staff involved in decision-making.<br>A high-level political signal has been relayed to the team during the field mission that an "immense deception" of the government occurred on the nature of EC support and the frustration of being denied in a way EU citizenship through EDF procedures. |

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| I 2.3.2: Evidence of additionality as a result of EC contributions (e.g. have enabled projects or activities to be undertaken which would not have occurred without the support from the EC) | "Additionality" is straightforward conceptually – in this case does the EC funding add to the existing funding envelope, or does it replace (or displace) some funding that would have been raised from other sources (such as the member state, another donor or development bank, or from greater fiscal effort resulting in higher government tax revenue). However, it is very difficult to prove because it requires certainty about future revenues and expenditures. OCTs, with small, open economies find it particularly difficult to know what their future revenues will be, as they are subject to substantial volatility.<br>There has been a reluctance of three out of five of the French OCTs (generally regarded as the least developed institutional capacity-wise) and Dutch OCTs to go for BS, whereas typically the UK OCTs have been more positive. The reasons for this are not entirely clear, but may reflect different perspectives regarding additionality. The conceptual reference of BS is also strongly biased by an Anglophone view of administrative and economic good governance that too often does not make readily sense in French administrative culture. It can be mentioned that the GBS/SBS guidelines are not translated in French. The same issue arises with French speaking ACP countries.<br>Further reasons may reflect different perspectives regarding additionality. UK OTs not in receipt of BS from the UK Government (TCI, BVI, Cayman, Anguilla, Falkland Islands, and Tristan da Cunha) may take the perspective that they have much to gain from BS if it is made available, as it would certainly be additional to their existing resource envelope. The fieldwork demonstrated that this was indeed the case in the Falkland Islands, although one Counsellor noted that there could be more needy countries or territories than the Falkland Islands.<br>By contrast, aid dependant UK OTs (Montserrat, St Helena, Pitcairn) have more to lose potentially should their UK BS (channelled through DfID) be scaled back. During the fieldwork to Montserrat, it was evident that the UK budgetary aid allocation process was subject to a high degree of scrutiny within DFID. For example funding of the Little Bay redevelopment was only being approved for small-scale infrastructure works, such as access roads. DFID Senior Management wanted to see further progress, e.g. in relation to private sector investment in Little Bay, before it would enter into larger scale commitments. More attention is being paid to Value for Money objectives.<br>What does this tell us about the additionality of EC support to Montserrat? At its best it may leverage additional money from DFID by taking it over the threshold to make the redevelopment credible. However, it could end up displacing DFID funds, with minimal additionality. |
| I 2.3.3: Evidence of budget support enhancement of governance/ oversight by national institutions (e.g. Auditor General, Public Accounts Committee) | The provision of Budget Support must be viewed against the evolution of national capacity in OTs, partly as a consequence of Member State support and partly because of the actions of the EC. It should also be recognised that different OCTs have very different relations to their member states with respect of governance and oversight:<br>In 1997, the UK National Audit Office prepared a report entitled *"Report on Contingent Liabilities in the Dependent Territories"*. This was followed up a further review entitled *"Managing Risk in the Overseas Territories"* published in 2007[61]. This report recommended, *inter alia*:<br>- a more proactive engagement by other UK Government departments;<br>- the development of modern risk management practices;<br>- developing stronger investigative and prosecution capacity, bolstering regulatory standards and increased legislative drafting capacity;<br>- developing further cross-working, and sharing of information and good |

[61] See www.nao.co.uk

practice;

- Strengthening audit and accountability mechanisms, including Public Accounts Committees.

The strong recommendations, together with the widely reported concerns regarding governance in TCI, highlight the fact that the provision of BS is not risk free. Especially not for the UK ones, which have far greater autonomy than French OCTs. Netherlands OCTs may fit somewhere between the two.

The FA and rider for Anguilla's Airport Expansion sector budget support programme included as an (eligibility) condition *"Positive result(s) from each of the [annual] fiscal reviews by the UK external accounting agencies of the territory to confirm its continuing eligibility for sectoral BS from the economic and public finances point of view"*. Indirectly this condition has benefitted national accountability and governance, by strengthening the importance of governance and oversight.

Anguilla chooses to outsource its External Auditing to the UK National Audit Office (and pays for this service); in the case of other territories, different external audit arrangements exist. However, the key point is that this condition adds weight to good governance, with appropriate ownership of the findings.

In some OCTs, close cooperation is reported with the MS. For example, one OCT surveyed reported that: *[Name of OCT] "receives budget support from DFID. Under EDF 9 disbursements are made as a result of successful annual reviews by DFID. Under EDF 10, the EC will participate in the annual reviews. Variable tranche indicators under EDF 10 are being derived through discussions with both DFID and EC. In addition, some of the projects on are jointly funded through DFID and EC"*.

In SPM and NC, BS is simply added to budget resources with no specific conditions related to governance or oversight as those territories apply in full France's governance and regulatory framework.

In Montserrat, the EC has played an invaluable role in bringing PFM weaknesses, in particular the absence of up to date, audited accounts, as a prominent issue.

DFID would presumably have been putting pressure on to improve PFM (for example in reconciliation of the public accounts) but in practice it might have been difficult for DFID to stop providing budget support since this would lead to non-payment of salaries, private sector arreatts etc. It would also attract considerable media attention in the UK.

By contrast the EC scrutiny of PFM on Montserrat issues does appear to have resulted in increasing external pressure. However it is not yet proven that it is delivering substantially improved PFM as the recent PEFA and DFID's Fiduciary Assessment have revealed:

**Public Finance Management Issues**

An updated Public Expenditure and Financial Accountability (PEFA) report was finalised in March 2010. The work was undertaken by CARTAC, the regional IMF Technical Assistance Center, which is an extremely sound institution. The findings indicate a mixed set of data. Whilst category A PFM Out-Turns are generally sound with scores of A, B, A and B+, other indicators achieve very low scores.

**12 out of the 28 indicators score D or D+.** This includes some extremely important indicators such as PI 22 Timeliness and Regularity of Accounts Reconciliation which scores a D; internal audit is also a D. The overall scores for Montserrat are worse than those for most aid-dependent African countries.

The Chief Accountant was unable to immediately provide recent sets of accounts, stating that they needed further work. It is perplexing that Montserrat, which has

received some £250m in UK taxpayer's money, should be in this situation in 2010.

**Montserrat Fiduciary Risk Assessment, 2010,** undertaken by Crown Agents on behalf of DFID in March 2010 found that out of five PFM cycle areas, risks were substantial in 4 and high in 1, with only one area achieving a "moderate risk" rating, as follows:

**Table 5: Summary of Montserrat Fiduciary Risk Assessment, 2010**

| Component of PFM Cycle | Risk Level |
|---|---|
| A Credibility of the budget | Medium |
| B Comprehensiveness and transparency | Substantial |
| C Policy-Based budgeting | High |
| D. Predictability and Control in Budget Execution | Substantial |
| E Accounting, recording and reporting | Substantial |
| F External Scrutiny and Audit | Substantial |

The report observes that: *"Signals from the broader governance context indicate that corruption risk identified in previous reports has been tackled by all sides of the political divide in Montserrat. …. (However) there is an overwhelming anecdotal evidence of instances of conflict of interests because of the small size of the community, but unrestrained petty corruption appeared to be absent. The perception of corruption within the political machinery and the public service in Montserrat could not be discounted easily. There are numerous stories of alleged offences about construction contracts and land deals, most of which could not be substantiated"*.

**Aruba** has seen two PFM assessments - both assessments were positive. Aruba did not think the second was necessary. It is debateable whether BS will contribute to improved management and governance - as systems on Aruba seem well established. This is also the case for the NEA as a whole - although this is less likely to be the case after 10.10.2010 in respect of the 4 new territories, (the capacity in Curacao is in place and will stay there).

The PFM assessment on the eligibility for budget support of the Netherlands Antilles concluded as follows:

Based on assessment of two out of three eligibility criteria, it can be concluded there is sufficient ground to continue discussions with all islands on possible budget support. Curaçao intents (*sic*) to develop a national development strategy linked to the budget. When this development strategy is implemented, Curaçao complies with all three eligibility criteria.[62]

Furthermore: The Netherlands can be considered as the leading donor for the Netherlands Antilles and has a strong focus on PFM reform. It is suggested that the EC support is made complementary to the support provided by the Netherlands to avoid overburdening the reform agenda for the islands. [63]

Despite the positive recommendations from the PFM assessment, there is no evidence to suggest that Budget support has contributed to improved management

[62] Netherlands Antilles. PFM assessment and assessment of the Economic Situation under the 10th EDF. January 2010. P.19
[63] Netherlands Antilles. PFM assessment and assessment of the Economic Situation under the 10th EDF. January 2010. P.19

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| | and governance in the Dutch Caribbean, for the simple reason that the Budget Support process was discontinued. No Budget Support programme will be implemented in the NEA under EDF 10. The preparation process has contributed to a high level of frustration and dissatisfaction with the EU's rules and regulations - and the lack of clarity in respect of what the OCTs are expected to provide - because this seems to be constantly changing (certainly when seen from the perspective of the OCTs). It is noted that the rules coming from the Court of Auditors are becoming increasingly stringent; and there is little room in their rules to allow for more flexibility when it concerns small territories with small administrations and very simple programmes. This is seen as the biggest stumbling block for the OCTs because the Court of Auditors wants more standardisation (and the OCTs just are too small - mostly - to be able to provide this). |
| **Judgment Criterion 2.4** | **The evolution of the mix of development assistance instruments has been appropriate** |
| I 2.4.1: OCTs received sufficient information to facilitate dialogue regarding the choice of instruments | There is some evidence that once it had been determined that BS was the preferred (by the EC) instrument under the 10th EDF, efforts were made to "sell" its benefits to OCTs in a manner that could be seen as being partisan. Interviewees representing Caribbean OCTs who were met at the OCT Forum and/or subsequently in London noted that a workshop had been held by AIDCO in Miami (under the ADM delivery methods contract) which had strongly promoted BS. This is also evidenced by the following survey response *(June 2010):*<br>*"When budgetary support was introduced to the trilateral cooperation in 2007 it was the impression given …from the EC negotiators that it would have flexible reporting mechanisms. However as it turned out, flexibility had not been introduced to the implementers and …authorities were to follow the same guidelines as other budgetary support receivers through Aidco".*<br>*"Establish procedures more streamlined than those that currently exist (for the experience of the Regional TAO with EDF they are heavy). There is a need for:*<br>- *More dialogue and transparency between the European and the OCT (particularly between offices or delegations in the three regions and each OCT)*<br>- *Simplify circuits examining files. There are too many intermediaries and this slowed the process, particularly for projects involving only two OCT*<br>- *Include the authorities of the OCT in the same region in the loop of information that exist between the delegation and deputy regional officer. It is not reasonable and fair or that the OCT in the region is not aware of the dialogue between the delegation and deputy regional officer of the project being envisaged or undertaken".*<br>Another OCT observed:<br>*"The timings and process could be tightened up slightly however to assist small islands minimise the administrative burden on them in producing an SPD and the requisite audits etc."*<br>*"In hindsight we would have gone down the project modality. But the concern had been that projects would have locked Montserrat into something that was too prescriptive".*<br>*"Instead we used milestones linked to physical projects for the variable tranche".*<br><br>There was considerable buy-in for Budget Support in the Dutch Caribbean - formally it is their preferred form of assistance. For this reason, the NEA was not happy when they were informed that they would **not** be getting budget support |

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| | under EDF 10 - and therefore consider the time spent where all their staff attended workshops on the budget support modality as "time wasted" - the more so that the actual number of staff (hence the overall capacity of the TAO's office, etc.) is not large. There is a considerable opportunity cost having staff blocked in workshops which lead to nothing.<br>So "yes" the OCTs were persuaded by the Miami seminar - hence the deception in the NEA; and the questions raised in Aruba about why it takes so long to get things approved.<br>However, the field visit also revealed that the formal position of the Netherlands Antilles on Budget Support was not necessarily shared by all the 5 territories. Particularly the BES territories, and to a certain extent also St. Maarten, were not at all opposed to the continuation of project support. Saba and Statia, for example, stated unequivocally that they preferred project support as a modality - and all stated that a considerable amount of time had been wasted trying to accommodate the Budget Support approach. Thus while there may have been buy-in at the start of the process, this buy-in is no longer there. |
| I 2.4.2: Where national systems have been utilised, adequate safeguards have been put in place | Evidence is provided below of public interest in enhancing accountability through the use of national systems for procurement (source: Corruption-Free Anguilla: A Discussion Site for Good Governance and Corruption in Public Life Issues in the British Overseas Territory of Anguilla in the West Indies, moderated by Don Mitchell CBE QC, Anguilla),<br>*"My concern is that procurement remains one of the soft spots in any West Indian government's vulnerable underbelly of transparency and integrity"*.<br>The response from Moderator was*: "I have checked these questions with the Department of Infrastructure. They assure me that the Department will follow GoA policies and procedures for the procurement of services, labour and material for this project. They promise they will review and approve the procurement methodologies to ensure integrity. They assure me that they take pride in ensuring that the project will be able to stand up to national and international scrutiny from a technical, engineering, financial, and management perspectives"*.<br>NB: As the funding was untargeted sector budget support, it is not possible or appropriate to specifically link the component of the airport expansion referred to below to EC funding – the budget for the total programme cost was €25.54m whereas the EC contribution, as specified in the FA, was €12.24m:<br>In French OCTs, the administrative and regulatory framework in place is fully aligned on France's one. The main limitation is capacity which in turn relates to the limited human resources and in some cases limited education background |
| I 2.4.3: When new instruments have been introduced, the pace of change has been appropriate | **Pitcairn:** Construction of a breakwater was planned using 9th EDF funding. The implementation modality is "Indirect Centralised Management" under which the EU delegates its executive tasks to DFID (Member States' Agency) and DFID will implement the actions. DFID's internal procurement rules (which are consistent with OJEC) will apply. This is permitted under 9th EDF regulations, and is intended to minimise transaction costs.<br>It may also be noted that under this agreement, the EC will contribute €2.35 out of €6.9m and the Agreement explicitly states that any cost over-run will be borne by the UK/DFID. From an EC perspective, risks have therefore been contained (although the Agreement does appear to lock the UK Government into proceeding, which may not be attractive given macro-economic constraints).<br>Under the 10th EDF, Pitcairn's support is in the form of General Budget Support. As noted in the Financing Agreement, it comprises a high proportion of the total budget (an estimated 47%) therefore, any delays in disbursement would be very critical.<br>In SPM and NC, no specific changes were needed due to the already high level of |

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| | institutional capacity. The only issue was to adjust the interface with DEV/AIDCO specific rules and regulations. |
| I 2.4.4: Where appropriate the EC has continued to utilise project specific modalities | The example of TCI noted above, shows that the EC is willing to revert to project modalities where appropriate. Indeed the EC recently launched a tender for a public finance management strengthening team to support TCI's recovery.<br>What is much less clear is how the EC will react in the face of two emerging challenges:<br>i) The European Court of Auditors has been examining BS very carefully, and undertaking a number of country studies. In particular, it is verifying whether eligibility conditions are being met. As a consequence TAOs in OTs (and their equivalent in ACP countries) are being put under increasing pressure to fully document and provide evidence that all eligibility criteria and specific conditions are being met (as well as evidence needed to justify the release of variable tranche payments). This is already being noted by OCTs who have referred to the increasing burden of complying with these requirements.<br>ii) The deteriorating macro-economic situation being faced by a number of OCTs in the face of falling revenues (resulting from the recession) whilst government expenditures are still rising. This is resulting in a situation where non-wage and capital expenditures are being cut, jeopardising the delivery of sectoral programmes, projects etc…<br>OCTs, with the exception of Aruba, are not subject to the IMF Article IV review process, and there can be a shortage of macro-economic data available to demonstrate whether or not the macro-economic situation is "on-track". In the absence of the information, the EC is likely to rely on member states for their assessment of the situation. However, as noted by DFID when interviewed as part of this assignment there may be an element of duplication, and mismatch, given that the approval and monitoring processes of the EU and member states do not quite align.<br>Evidence of this includes publicly available documents concerning eligibility for budget support:<br>- The EU "Sector Policy Support Guidelines, 2007" specify the three eligibility criteria (stability orientated macro-economic framework; appropriate policies at macro and/or sector level and a credible programme to strengthen public finance management); with assessment to be undertaken before the start of the programme and prior to each tranche release;<br>- By contrast DFID require a "Fiduciary Risk Assessment, 2009 Instructions" to be undertaken every three years by an independent resource, with an annual update. These cover broadly, but not precisely the same areas, fundamentally for the same purpose.<br>Given all the work of OECD DAC, and the fact that MS and the EU have signed the Paris Declaration on Aid Harmonisation in 2005, this mis-alignment appears surprising.<br>For three of the French OCTs whose institutional capacity was not appropriate to BS's requirements, the project approach was kept for the 9th EDF and TA was provided.<br>French Polynesia kept the project approach for the 10th EDF, a specific budget being allocated to prepare the shift to sector (water and sanitation) budget support in the 11th EDF. |
| **Judgment Criterion 2.5** | **Cost effectiveness has been high** |
| I 2.5.1: Evidence that EC projects | The evidence base to support this assessment is not present. Part of the problem is the very wide range of unique projects and programmes that have been funded in |

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| and programmes provide good Value-for-Money | different ways and times. |
| I 2.5.2: Transaction costs have been kept down to reasonable levels | Feedback from the questionnaires and from interviews with member states (UK) indicate that generally the experience has been more positive with the South Atlantic Territories (Falklands, St Helena), which have dealt directly with Brussels than those Caribbean territories, which have had to work through Delegations (Barbados, Jamaica). However, there has been positive feedback regarding more recent dealing, particularly in relation to Barbados.<br>The extensive delays, which can be quantified but average 1-3 years, are likely to push up transaction costs.<br>Survey respondents noted:<br>- *"No delay per se but a malfunction in the communication elements. The [OCT] had a hangover from the 6th and 7th EDF which was observed in 2003 (9th EDF) by the Commission. Too late, the balance has unfortunately never been used subsequently"*.<br>- "[There are] cumbersome procedures however under certain circumstances [these provide] also a "handhold", a "key" or a guide".<br>- *"[The EU has shown] lack of consideration of the special relationship of the OCTs with EU MS. (The Commission often forgets that OCTs are not [typical] ACPs"*. |
| I 2.5.3: There have been improvements in Government procurement practices as a result of the EC support | Cost effectiveness is partly a function of the process of procurement. The procurement systems used vary. When project modalities are used, EU-specific procurement procedures apply. With budget support OCT procedures are used. These often have similarities with those of the MS (which in turn will be aligned with those of the EU, for example in the use of OJEC notices for larger contracts.<br>The inclusion of this question in the survey to OCTs elicited a number of responses, as indicated below. The following points emerge, and have been substantiated the 2008 Public Finance Management Assessment commissioned as part of the preparation of the 10th EDF:<br>- Their small size means that there are natural limits to **competition** impacting on procurement processes. Different OCTs have responded in different ways – some have extensive public works departments (e.g. St Helena) whilst others have negotiated umbrella process with an international contractor (Falkland Islands). Others (BVI) separate their public works into small contracts, which local contractors can handle, although this may impact adversely on unit costs.<br>- Some OCTs have aligned their procurement practices with those of the EU, as part of their modernisation process;<br>- There is concern that where EC specific procurement procedures have been used, for example on regional projects, they are unwieldy and slow;<br>- The use of framework contracts for smaller TA assignments may not readily permit local resources/consultants to work on the assignments as they are unlikely to be linked into EC framework contract consortia.<br><br>Specific responses to the questionnaire are included below:<br>*"Difficulty in attracting competitive Tenders for marine works. Problem solved by negotiating with sole Tenderer until an affordable works package could be agreed"*.<br>*"Procurement procedures in the BVI closely mirror the EC procedures"*. |

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| | *"The clause which states that goods and material must be procured from ACP states slows down the implementation process because of the long lead time to procure many of the items and there is a huge maintenance issue in that it is usually very costly and most times electrical items are not compatible".*<br>*"[OCT] already adheres to EC procurement guideline; therefore, the preparation and award of contracts are governed by the General Regulations applicable to works, supply and service contracts".*<br>*"Government has adopted EC procurement practices for project implementation"*<br>*"Guidelines on procurement procedures have been issued and as a result major administrative practices have changed"*<br><br>The issue of sole-sourcing was reviewed on the Falkland Islands. One international contractor, also active in the Antartic, e.g. for British Antartic Survey, is retained in the Falkland Islands. However as noted by the Director of Public Works, the actual value of work undertaken is low and only sufficient to justify the presence of one medium sized contractor. He noted that it was preferable to have "open book" prices than go to competition, have only one bidder and risk being "price gouged". This is compelling logic. |

# Evaluation Question 3: Transport, Connectivity & Energy

| **EQ 3** | **To what extent has the EC support to the development of transport, connectivity and energy infrastructure contributed to reduce OCT isolation?** |
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| **Justification and Comment** | One of the over-riding characteristics of most OCTs is their isolation; transport has been a focal area of EC support for many OCTs. Support has included port and harbour improvements (e.g. St Helena, Tristan da Cunha, and Pitcairn), airport improvement (e.g. Anguilla) and road network improvements (e.g. Turks and Caicos). Support has also been provided to enhance communications and ICT (e.g. Pitcairn, Montserrat). Energy has received less focus, but as observed by OCTA is a key concern of many OCTs and will therefore be addressed through this EQ.<br>The EC has supported the transport sector in many developing and neighbourhood countries. Whilst support for major road projects has continued to be important, in common with other donors the EC has increased its focus on building institutional capacity intended to ensure that infrastructure investments are properly managed and maintained. By contrast, in some OCTs, support for transport has been purely in the form of infrastructure/transport projects.<br>The rationale of this EQ is to examine the convergence between these two challenges – addressing isolation and the narrowness of OCT economies whilst supporting sustainable development through the most appropriate funding instruments, including Budget Support. |
| **Scope** | Effectiveness, Impact, Sustainability |
| **Judgment Criterion 3.1** | **Passenger and freight costs and travel times to, from and within OCTs have been reduced and reliability increased.** |
| I 3.1.1: Passenger numbers and freight volumes increased | Abridged feedback from the survey included the following:<br>"Cargo can be discharged far more speedily and safely. A major outcome of the 9th EDF programme will be the achievement of enhanced (safer, quicker and more efficient) cargo and passenger movement on all three islands".<br>"Transport was one of the two focal sectors under 9th EDF and the EC is supporting the maintenance of port infrastructures Under 10th EDF, the EC will contribute to increase internet [connectivity]".<br>"Furthermore, EC support has enabled port facility security standards meeting Transec requirements to be maintained and security/safety at the air[port] to be enhanced".<br><br>**Airport Construction**<br>The construction of the airport was successfully completed, with EC support, and it opened in 2005. However whilst part of the justification for the airport was that tourism would increase, data form the Tourism Board indicates that it slumped by some substantially after opening is is shown in Table 1 below from over 13,000 to only 9,500 in 2006 with further drops more recently. By contrast, the FA included an indicator based on a 20% increase in throughput after opening. [NB Need to check whether funds were withheld because this indicator was not achieved]. |

**Table 6: Montserrat: Tourism Statistics 2005-2009**

| Arrivals by Mode of Travel | | | | | |
|---|---|---|---|---|---|
| **YEAR** | **2005** | **2006** | **2007** | **2008** | **2009** (Jan-Nov) |
| **Visitors** | **13,085** | **9,500** | **8,714** | **8,319** | **5,864** |
| Sea | 6,568 | 279 | 144 | 735 | 563 |
| Air | 6,517 | 9,221 | 8,570 | 7,584 | 5,301 |
| **Tourists** | **9,690** | **7,991** | **7,746** | **7,360** | 164 |
| Sea | 4,117 | 46 | 79 | 560 | 4733 |
| Air | 5,573 | 7,945 | 7,667 | 6,800 | |
| **Excursionists** | **3,395** | **1,509** | **968** | **959** | **967** |
| Sea | 2,451 | 233 | 65 | 175 | 399 |
| Air | 944 | 1,276 | 903 | 784 | 568 |

The reason for the slump in visitor numbers reflects the fact that as soon as the airport was completed DFID stopped funding the ferry, as well as (understandably) the helicopter link. Since flights to the airport are in the region of US$280 return (for a 20 minute connection from/to Antigua), whereas the ferry had cost in the region of US$100, it is not surprising that the total number of visitors dropped substantially and has yet to fully recover. In 2010, a ferry service was reinstated, but to date it has proved unreliable, and at the time of the evaluation visit was out of service due to a mechanical problem.

There are other drawbacks with flying:

- Baggage weight restrictions are lower than they were for ferry trips deterring shopping trips;
- Flights are not very reliable (many take off early, perhaps so the pilot can get home!);
- It is difficult to reach Montserrat in a single day from the USA due to poor connecting service times, and this acts as a deterrent to visitors from the USA who typically only have short holidays;
- Whilst it is anecdotal, the evaluator's luggage was left behind, and this is reported to be a common occurrence.
- Many users complain about indifferent airport services in Antigua, and it is not permitted to connect without entering and then leaving Anguillan immigration and customs controls, a time-consuming process.

DFID has been guaranteeing a minimum load factor to WinAir and the new airline Fly Montserrat. This may have adversely impacted on service delivery standards. Average load factors are reported to be low, although the data for this has yet to be received. There has been little attempt to offer discounts for advance purchase tickets or to offer an Easyjet/Ryanair style variable pricing strategy. Under-filled aircraft would seem to be undesirable form an environmental stance. DFID is reported to be considering a new incentive structure to the two carriers operating the route.

In acknowledgement of the access difficulties, DFID funded an Access Manager, who is on-island. The tourism data and subsidy levels certainly highlight the need for innovation.

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| I 3.1.2: Number of breaks in service (e.g. due to adverse weather) | Breaks in service have been caused by the failures of commercial service providers (e.g. one airline serving Montserrat) rather than weather related. There is no evidence base. |
| I 3.1.3: Air transport: evidence of reduced connecting time and increased frequency of international flights with neighbouring countries and and/or EU Member States | **Montserrat**<br>As announced by the GoM website air access to Montserrat is improving:<br>*"Residents and visitors to Montserrat can look forward to increased access to the island starting today, December 1 (2009). "Fly Montserrat" begins scheduled flights today offering one return flight to Antigua and twice daily from December 16. Fly Montserrat presently has two Islander aircrafts and has announced that a third is anticipated to be on island by December 7. Fly Montserrat expects to be operating Twin Otter aircraft early next year [2010] The island continues to be serviced by WINAIR with daily flights into the John A. Osborne Airport.*<br>In fact, DFID guarantee a minimum payment based number of seats per aircraft, in order to ensure four flights or more per day. This has resulted in very low average load factors. It also gives little incentive to the airlines to offer "Easyjet" type variable pricing, which could attract price-sensitive passengers to quiet flights. .<br>**Anguilla**<br>(See the results for JC3.2). |
| I 3.1.4: Ports: evidence of increased number of total container/month handled, reduced waiting time and average cost per container to / from nearest economic markets and EU | Although no port developments have taken place in Montserrat, construction of a port facility is an indicator under the 9th EDF "Trade –in-Services" programme. At present, this port facility is being designed, but full funding for construction has not been secured yet.<br>On the Falkland Islands freight services have recently had to be rerouted due to restrictions being enforced by Argentina. The Chamber of Commerce on the Falkland Islands would have liked a more proactive position to be taken by the EC. However, this may have been unrealistic given that Argentina is such an important trading partner with the EU.<br>On **Mayotte** there is potential for increasing transhipment. The potential is linked to the increase in piracy off the Horn of Africa, and the presence of both a port as well as a large lagoon which provides a certain amount of shelter from storms. The changes in sea routes however seem to be more linked to increased acts of piracy but could provide spin-off benefits for Mayotte. One of the interventions foreseen under EDF 10 support is also the improvement of efficiency and capacity of the new container terminal at the Longoni harbour, which could contribute to the creation of a new regional maritime hub.<br>The focus for **St. Eustatius** under EDF 10 will be on upgrading the harbour which includes making additional space available for handling containers and improved erosion controls in hurricane situations. This is a priority also identified by the R3I programmes B-tool baseline study. There was a change from proposed EDF 10 budget support to project support; and the preparation process is still ongoing. The intervention is seen as being extremely relevant given the dependence of St. Eustatius on marine transport. However, the preparation process is still ongoing and no other details were available at the time of the field mission. It is noted that there is strong coordination between the St. Eustatius island authority and the Netherlands Regional Service Centre (RSC) on the island. The RSC includes officials from the Netherlands Ministry of Public Works, who work in close cooperation with Island Authorities. |
| I 3.1.5: Roads: evidence of increased vehicle | Roads: evidence of increased vehicle utilisation, incl. bus journeys<br>Although construction has yet to be completed, the 29km Hienghene-Pouebo road in New Caledonia will greatly improve accessibility in the North and East of the |

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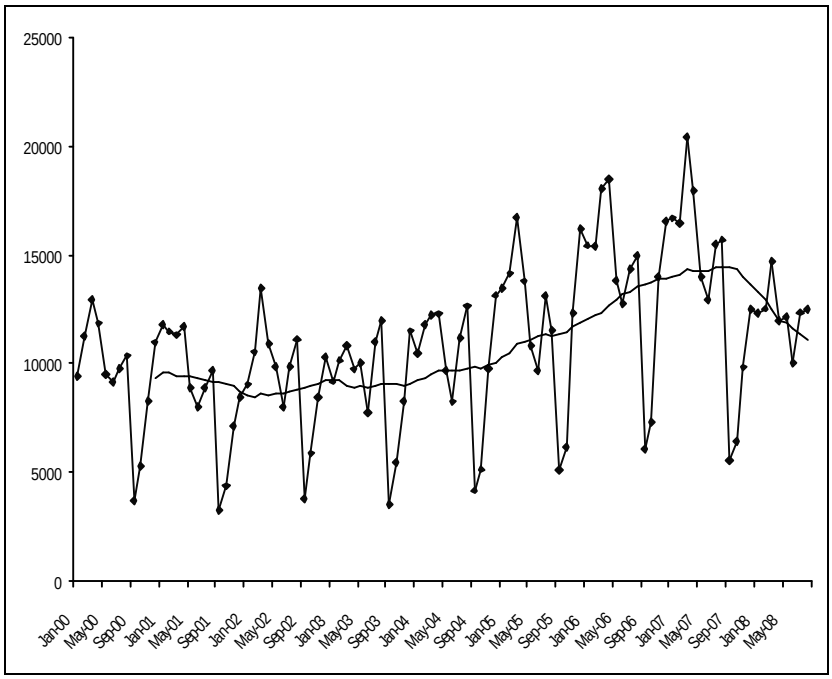
| utilisation, incl. bus journeys | island by providing all weather connectivity to isolated coastal communities and creating a number of river crossings for the first time. Amongst other things, this will provide improved access to academic institutions and social facilities. The same effect is testified for SPM for the road on the spit between Miquelon and Langlade. |
| **Judgment Criterion 3.2** | **Transport improvements have assisted efforts to diversity the economies of OCTs by supporting the development of tourism and trade.** |
| I 3.2.1: Evidence of improved access to tourism and trade as a result of the EC support to the transport sector | **Anguilla**<br>Under 8th EDF the focus of support to Anguilla was the roads sector, and funding was provided for the rehabilitation and upgrading of the road from Blowing Point, the ferry port for boats to/from St Maarten/St Martin (and closest airport able to accept long haul international passenger jets), and the Valley, which is the administrative centre of the island, a distance of 3.4 km.<br>Based on a recent visit by the evaluator, the current condition (2010) of the road network is extremely variable, with parts of the network in a good condition whilst other parts are heavily patched and deteriorating. The roads funded by the EC are in good condition. The direct contribution of roads to tourism is difficult to estimate, although there is certainly a linkage. This is particularly the case because Anguilla is a high-end, high cost destination, and needs to retain its image as such in order to attract high spending visitors.<br>The focus of EC support to the transport sector in Anguilla subsequently migrated to supporting air transport infrastructure improvements for the reasons stated below.<br>The provision of Sector Policy Support for the "Medium Term Air Transport Plan (MTAPSP) in Anguilla is an explicit move to secure tourism visitor numbers and revenues.<br>As noted in the 9th EDF financing agreement signed in 2004 (AG/001/04): *"The single major development opportunity of Anguilla, a country of limited natural resources, is tourism, requiring full integration into a fluctuating world economy"* Indeed tourism was reported to account for about 60% of Anguilla's GDP and 70% of total government revenue. The sector expanded rapidly in 2004-2008 but since then there has been a dramatic downturn in revenues from this source, partly because of an abrupt halt to most major tourism-related real estate developments.<br>The catalyst for the EC financing of air transport was the decision by an airline, American Eagle, to change its aircraft fleet from ATR42s to ATR 72s, which required a longer runway. The cornerstone of the MTAPSP was the upgrading of Wall Blake airport. *"To keep the tourism business growing, Anguilla has, among other things, to adapt its airport infrastructures to the changing needs and regulatory requirements of the air transport industry"*.<br>Anguilla's airport expansion project went ahead, and for several years between 2004 and 2007/08-visitor numbers rose strongly. The majority of visitors to Anguilla are from the United States. However, the credit crisis and subsequent recession in the United States adversely affected the number of visitors to the island. It has previously been thought that as Anguilla is a "high-end" destination many of its tourists would continue to visit even in times of an economic downturn. However, there is strong evidence that this is not the case. |

**Table 7: Anguilla: Visitor Arrivals 2000-2008**




*Source: GoA Statistics Department*

**Montserrat**

Given the destruction of the original airport at Bramble by volcanic activity in 1997, the construction of a new airport facility was considered as a pre-requisite for tourist and economic development of the island and was also perceived by Montserratians as an important sign of faith and confidence for the future of the island.

The new Gerard's Airport, constructed at a cost of US$18.5m and part funded by the EC, opened in July 2005 with a 600m runway and other related air transport facilities. This should have permitted an expansion of tourism but it has not been achieved to date.

The island has benefited from the OECS Tourism Development Programme, which provides support to the OECS region for tourist market development and promotion in Europe. This demonstrates synergy between the hard infrastructure elements provided under direct funding in terms of transport infrastructure investment and softer marketing focused support.

**Turks and Caicos**

The sector budget support facilitated provision of improved access to North and Middle Caicos, including construction of a port on North Caicos and the Causeway linking North and Middle Caicos as major factors to revitalize and develop these two islands. In Middle Caicos this has facilitated construction of a marina, largely funded by the private sector, and condominium developments. However further construction activity and further development has been severely curtailed by the 2007/08 financial crisis in the USA and the withdrawal of funding for speculative real estate developments on TCI and other Caribbean islands.

Up-to-date TCI tourism statistics are not published on the web, but have followed broadly the same pattern as Anguilla, with a significant decline in 2008, and a slow recovery (at discounted prices) subsequently. A further external factor adversely impacting on tourism was Hurricane Ike, which hit TCI on September 7th 2008 and damaged tourism related infrastructure.

**Pitcairn**

Benefit from port development but no significant change is evident at this stage.

As noted in the 9th EDF FA, the Pitcairn Government conducted studies into the islands tourism potential. These concluded that construction of a breakwater at Bounty Bay was important to Pitcairn's economic development and the safety of the population. There have been subsequent concerns about the cost of this project, particularly as it is only part-funded by the EC.

**Netherlands Antilles**

The log-frame for the Restoration of the Queen Emma Pontoon Bridge (nicknamed the "Swinging Old Lady" by the local population), referred to "no decline in tourist and other economic activity in the city centre" as the first OVI. As highlighted in the 2009 ROM report, it is difficult to attribute this to the existence of a (replacement) bridge – clearly other factors, including the world recession, are much more important overall determinants of tourism and economic activity.

**St Helena**

Visitor numbers are highly constrained in St Helena by the lack of air access, and the time required to travel on the dedicated RMS St Helena (approximately six days each way from Cape Town, and with a passenger complement of only around 120, of whom the majority are St Helenians (known as Saints) travelling to/from the island. In a parliamentary response by Gillian Merron, Parliamentary under-secretary at the FCC, in 2009, the following data was provided:

**Table 8: Percentage of GDP generated from Tourism in St. Helena 2004-2008**

| **Year** | ***Percentage*** |
|---|---|
| 2004-05 | 3% |
| 2005-06 | 3% |
| 2006-07 | 4% |
| 2007-08 | 2% |

This data pre-dates the Jamestown wharf improvements, currently underway with EDF financing. This will create much more secure landing facilities for cruise ship visitors, who are ferried to shore by lighter. There have been several instances in recent years of large cruise ships being unable to land their passengers due to adverse sea conditions. This has been considered, by St Helena's tourism authorities, to act as a deterrent to cruise companies when they plan their schedules. Evidence of how successful this diversification strategy has been will only be available in future years.

The only case of transport infrastructure project targeting an improved access to tourism among French OCTs is SPM with the rehabilitation of the port and improvement of security of the airport. During the last years cruise tourism has more than doubled.

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| I 3.2.2 Identification of any services or investments that have taken place as a result of the EC support | There has been real estate development on Middle and North Caicos, TCI directly as a result of the improved access from Providencia les (Provo). This may be seen from property and real estate searches (e.g. www.caicosproperties.tc), currently marketing the Eagles Crest development.<br>Air connectivity to Montserrat has been facilitated by the new airport and flight schedules can be identified on any flight search engine, e.g. www.expedia.com note that Gerards airport changed its name to John Osborne airport in 2008.<br>As noted in the ROM report, investment in Netherlands Antilles cannot be directly attributed to the replacement of an elderly floating bridge, which provides a vital connection between two parts of the same key conurbation. Arguably had it not |

been replaced, this would have deterred investment. However, given the comparative wealth of Netherlands Antilles, it is extremely likely that this investment would not have gone ahead even in the absence of EC /EC funding.

**Judgment Criterion 3.3**

**The sustainability of transport infrastructure has been enhanced through improved maintenance capability and/or improved funding of maintenance**

I 3.3.1: Evidence of the improved condition of transport infrastructure

The restoration of the Queen Emma bridge in the Netherlands Antilles has clearly improved the condition of this infrastructure. Reconstruction has been in hardwood, which should have a longer life than the timber used in the original construction (although it is much heavier, creating some technical challenges from an operational perspective). One caveat is that some of the pontoons were not replaced, and in the ROM report observed that "it is regrettable that replacement of the pontoons was not included", on the grounds that this will be necessary in the long term and €3m, which was disengaged from the project, would have been more than enough to finance the pontoon replacement. Langlade road paving in SPM provides improved access to the island. At this stage, no data could be found on infrastructure condition.

In Wallis & Futuna, the 9th and 10th EDF will merely rehabilitate and extent existing facilities respectively for Wallis Island and Futuna island. Policy and maintenance issues are not tackled in any way

I 3.3.2: Funding allocations for transport infrastructure maintenance

The funding of transport infrastructure maintenance rose strongly in Caribbean OCTs during the expansionary years of 2003 to 2007/08, and this facilitated improved transport infrastructure maintenance on locations such as TCI and Anguilla. However, the 2008 /2010 downturn/recession has led to cutbacks in public sector funding, for example for road maintenance. Overall trends are shown in the table below, for Anguilla.

**Table 9: Anguilla: Trends in Expenditure on Goods and Services (EC$) 2005-2009**

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|
| Supplies & Materials | 3,169,666 | 3,227,695 | 4,315,553 | 4,175,822 | 3,365,401 |
| Operating & Maintenance | 9,741,105 | 12,743,108 | 13,010,841 | 14,728,446 | 5,483,529 |
| Total goods & Services | 30,566,364 | 41,989,763 | 52,458,100 | 60,824,577 | 45,009,880 |

*Source: Anguilla Ministry of Finance*

In the case of airport maintenance, safety standards, runway and lighting condition etc are monitored by international air traffic authorities (e.g. Anguilla is monitored by the UK Civil Aviation Authority), and these are responsible for ensuring adequate maintenance. As a consequence, this is effectively "protected" in the budget. This is not the case with roads, which are entirely an internal (e.g. OCT) responsibility. Therefore cutbacks in road maintenance have occurred, e.g. on Turks & Caicos.

**St Helena**

On St Helena, concern was expressed that infrastructure investments (e.g. power distribution, road maintenance etc) were not achieving their full economic life due to the lack of planned maintenance programmes, and this is now being prioritised by the GoStH, with significant additional budgetary allocation (funded under the multi-year financial budget aid settlement with the UK Government, 2010-12 inclusive). Institutional capacity has also been strengthened by a dedicated facilities manager, recruited to support the Public Works Department. With these resources in place, maintenance of the ports infrastructure funded by the EC

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| | appears secure in the short to medium term.<br><br>**SPM**<br>*The SPM reports ensure that the infrastructures funded by the EC are subsequently maintained on the local authority budget.*<br>**New Caledonia**<br>Road maintenance is financed by provincial governments, which are not particularly affected by budget shortages. It therefore likely that EC supported road maintenance is funded.<br>**Mayotte**<br>Under the 10th EDF there is likely to be a focus on transport as one of the budget support indicators However, the discussion is still on-going on the exact formulation. |
| I 3.3.3: Existence of diversified sources of financing such as user charges | Airport and port infrastructure both levy user charges. In many countries this makes them profitable, and they trade as successful private companies or parastatals. This is not generally the case in the OCTs because traffic volumes are too small, and the resources required exceed the revenue potential. It is therefore particularly important that long-term recurrent costs of maintaining the facility are properly established and affordable.<br>**Anguilla**<br>Evidence: Anguilla's airport has over 70 dedicated firemen, operating a shift rota, together with dedicated customs and security personnel (source: Department of Public Administration, Government of Anguilla) As a consequence publicly funded airport personnel total more than 130 staff which is some 10% of all public sector employees. Given the relatively small number of commercial flights (American Eagle is currently flying three times a week, down from a daily flight in previous years, although a 4th weekly flight is to be added after the end of the current "off" season). However given these very low traffic volumes, and the competitive nature of the Caribbean tourism sector (especially at present) it is inevitable that the Government will be relied upon to finance the bulk of expenditures.<br>In the case of TCI and Anguilla, it is not secure, because both territories have depleted financial reserves, and are operating "hand-to-month". In the case of Anguilla, it would be an extreme step to fail to operate/maintain the airport because it would jeopardise the tourism sector.<br>In French OCTs road maintenance in not financed directly through user charges and resources are not ring-fenced. Even the tax on fuel used in France (TIPP) is not set. In Mayotte, for example, France mid-term financing agreement (CPER) is founding the national road (trunk road) network, while the Conseil General is in charge of the secondary roads (and the commune the local network). The amount allocated to national roads is for years not sufficient for keeping a proper level of service. |
| **Judgment Criterion 3.4** | **The environmental impact of transport and infrastructure is taken into account in the design of the interventions** |
| **Judgment** | All the cases examined indicate that careful attention has been paid to the environment. This may be for a variety of reasons:<br>- (in most cases) OCTs have highly developed media, and the population is engaged in environmental matters;<br>- OCTs are typically constrained in terms of their land and natural resources, and wish to prioritise environmental protection (although Haiti is also constrained but has severe environmental problems 9even before the recent |

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| | earthquake);<br>- The focus on tourism development may have heightened awareness of environmental matters;<br>- MS and the EU may have pushed to ensure that key environmental matters are considered and have strong safeguard systems;<br>- In French OCTs, the France environmental legal framework is fully applied.<br>Despite this, there is a disconnect between environmental awareness and poor provision of public transport, even in those locations with a population density which is sufficient to justify it.<br>**Hypothesis:** Testing out whether environmental safeguards are as rigorous and effective as they appear to be, and whether it is possible to take further steps to strengthen the measures taken and to link them in the transport sector to sustainable energy priorities.<br>On both Montserrat and the Falkland Islands, attention has been paid to environmental protection, in the context of transport sector investments.<br>The Queen Emma Bridge on NEA was highly regarded for its careful and environmentally friendly restoration. |
| I 3.4.1: Evidence of Environmental Impact Assessment studies having been carried out and the results integrated into project design | **New Caledonia:** The Hienghene-Pouebo Road project was subject to a detailed environmental assessment in 1999 prior to the decision to proceed. The design included measures to minimise its impact on the fragile eco-system, including protecting aquatic wildlife and mangrove swamps.<br>**Netherlands Antilles:** Restoration of the Queen Emma Bridge. This "pure" infrastructure project involved replacing swinging wooden pontoon bridge that has originally been constructed in 1888 and last restored in the 1930s. It links the historical areas of Willemstad named Punda and Otrobanda. The project had a long gestation, and it is clear that appropriate environmental and conservation measures were taken. The replacement timber was in African hardwood (and it is not evident from reviewed documentation whether this had been sourced from sustainable sources).<br>In **French OCTs**, French laws on environment protection apply and require that EIA are undertaken, with public enquiries. Moreover, the Civil Society is well organised and concerned by the environmental issues, particularly coastal pollution.<br>**St Helena**: Changes in St Helena's Land Planning and Development Control requirements occurred midway through programme implementation. To address these, further environmental impact assessment of the proposed works had to be undertaken before Development Permission was granted. |
| I 3.4.2: Existence of mitigation plans for environmental risks in EC interventions | **Montserrat** has a "Sustainable Development Plan" which takes full account of its unique circumstances, including environmental issues.<br>The location of the new Montserrat airport was located taking full account of environmental issues, and particularly reflecting the risks associated with further activity by the Soufriere Hills volcano:<br>As noted in the FA: "*The Government of Montserrat therefore engaged in relocating economic and social activities in the northern part of the island as this side of the Island is protected from the volcano activities according to volcanologists. A permanent volcano observatory was put in place to ensure a constant monitoring of the situation*". This observatory is run by a statutory body of the Government of Montserrat and is managed on their behalf, under contract, jointly by the Seismic Research Unit of the University of the West Indies (SRU) and by the Institut de Physique du Globe de Paris of France (IPGP) To a large extent it is funded through UK budgetary support.<br>In **Pitcairn**, the main intervention under the 9th EDF is a breakwater project, |

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| | which is intended to protect the proposed jetty by creating a small harbour. It has been subject to specialist environmental studies including a "Wave Action" study. In practice most activities on Pitcairn are funded by the UK Government, and many are organised through the Pitcairn Islands Office (PIO) in Auckland, New Zealand. As such, environmental and conservation standards and safeguards are in place.<br>**St Helena Environmental Budgetary Allocations:** In order to ensure interventions are sustainable, appropriate changes have been made to address operational costs and those relating to repair and maintenance. For example, PWSD has included budget provision in relation to the cliff stabilisation measures above Jamestown Wharf that were completed in 2008.<br>As noted early, this is imposed by law in **all French OCTs**. |
| I 3.4.3: Evidence of environmental monitoring plans carried out for EC interventions according to plans. | There is a paucity of ROM reports covering monitoring for EC transport projects. Where they have been reviewed, this appears to have been borne out by the evidence. For example, as noted in the questionnaire responses (see below) additional environmental impact studies were conducted in the case of St Helena.<br>One survey respondent noted the benefits of incorporating OCT in the Global Climate Change Alliance would provide the financial and technical assistance needed in order to adapt to climate change. |
| **Judgment Criterion 3.5** | **ICT and energy challenges faced by OCTs have been addressed with support provided by the EC.** |
| I 3.5.1: Evidence that ICT and energy issues have been addressed through EC support. | Sustainable Development Plans (e.g. Montserrat) and St Helena's planning documents emphasise the need to energy efficiencies, as well as physical projects to increase energy security. Energy costs on St Helena are amongst the highest in the world, at some £0.38 per unit, and even this entails a Government subsidy. Wind farms are under consideration or construction on many OCTs e.g. Falkland Islands, which has just expanded its first wind farm.<br>St Helena proposes to increase the size of its fuel storage facility, which will enable fuel to be imported in larger volumes and at a more competitive price (as a tanker has to be diverted to remote St Helena to deliver supplies, at considerable cost). However, this does not form part of EC funding. |
| I 3.5.2: Where provided, EC support has been appropriate and sustainable. | **Netherlands Antilles: Restoration of the Queen Emma Bridge:** The ex-post ROM report, conducted in 2009, three years after completion of the project, gave a score of C for sustainability. The reason for this comparatively low score was institutional. The bridge is maintained by the Curacao Port Authority (CPA) which is a for–profit organisation, whose primary responsibility is port operation rather than tourism. However since it is 95% owned by the NA Government, this concern appears to be overstated.<br>The only other transport input in the Dutch Caribbean during the evaluation period was the restoration of the **Queen Emma Bridge (QEB).** This is the subject of a separate evaluation report. [64] The QEB is located in Willemstad, Curacao, and is probably the world's most famous pontoon bridge. Now only used as a pedestrian bridge and for emergency vehicles, the bridge lies at the heart of Willemstad, an area which received UNESCO World Heritage Status during the 1990's, and connects the historic city centre areas of Punda and Otrobanda.<br>Although the report had comments on the "efficiency" of the implementation process, the overall conclusion was extremely positive, also as regards EU visibility:<br>A positive impact has been a sense of completion, and widespread public |

[64] Restoration of the Queen Emma Bridge. Final evaluation. Delegation of the European Commission to Guyana, Suriname, Trinidad & Tobago, Aruba and the Netherlands Antilles. January 2007

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| | acceptance with what is seen to have been a high quality technical project that has in some instances not just led to a perception of a not only restored bridge but in some respects an enhanced bridge, and increased public awareness of the crucial roles the bridge plays (due partly to having had to do without it while it was under repair). Another positive impact has been the positive visibility that has accrued to those involved in leading the restoration work, for EC, for DOS, for CPA and for the Island Government in general. Organising a high profile re-inauguration of the bridge has in our view also been the right decision, in particular in terms of the civic pride that was generated. All involved deserve credit, including the EC for approving this and especially the TAO office for organising the ceremony and the high-quality publication that was produced to mark the occasion.<br>**Montserrat:** Under the OECS Tertiary Education Project, Montserrat is to benefit from construction of a Learning Resource Centre and classroom for its Community College at a cost of EC$ 1.5m (€0.5m). This is intended to enhance internet connectivity.<br>**Pitcairn:** Support was prioritised for the provision of ICT communications in order to reduce the isolation of the inhabitants. |
| 3.5.3: Transport, ICT and energy issues have been addressed in a coherent manner, recognising the linkages between each one. | Very little evidence of this has been found of joined-up energy related thinking. For example:<br>- There is no public transport available on Anguilla, and it is minimal on TCI, forcing households to travel by car. This is particularly difficult for "non-belongers" (migrants into the territories) because they will typically not have access to transport.<br>- The Chief Minister of Anguilla highlighted at the 2010 OCT Forum that island proposals to established a submarine power transmission link to /from St Maarten had been rejected by the UK Government in the 1990s, despite the opportunity for importing more efficiently produced power (rather than relying on diesel generators). EC programming and other documents are silent on this matter.<br>- Although the OCTA highlights the need for joined-up thinking on energy issues, there is little reference to this in EC documentation. (see hypothesis above) |

## Evaluation Question 4: Education & Vocational Training

| EQ 4 | To what extent has the EC support to education and vocational training contributed to upgrade the skills of the labour force in OCTs and the employment options of their citizens? |
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| **Justification and Comment** | EC cooperation with OCT covers a diverse field of very different OCTs, where support to education and vocational training (VET) has been an important area but still of a generally lower-order focus. This might be expected to change over time, as the development strategies of some OCTs begin to show a decline in infrastructure needs and an increase in importance in more social areas such as developing the skills of their labour force and thereby its employability and, more generally, the human capital potential of their populations. The evaluation work has looked at the effectiveness, impact and sustainability of Education and VET interventions in OCTs where they have been financed (New Caledonia, Greenland), in particular in terms of looking at the results and impact with regard to the skills development in the labour force and impact on the employment situation in these territories. It is hoped that the work can also include drawing some tentative lessons for other OCTs that will in the future place increasing focus on human capital development interventions.<br><br>At present, Vocational Education and Training (VET) is only a priority sector for assistance in New Caledonia (as well as Greenland, which is currently not directly addressed by this evaluation in order to avoid double work in the light of a recently finalised MTR of the programme). Beyond these two examples, support to VET has nevertheless taken place, though not as a priority assistance sector (see, for example, the evaluation of VET support in Netherlands Antilles in JC 4.3. below). Thus, EC VET support had included support to New Caledonia's VET (sub-) sector (*Formation professionelle*) as a priority sector, and a limited number of projects with a VET dimension (e.g. the NL Antilles *Support to the NA Youth Development Programme* (SNAYDP)). Support to New Caledonia's VET (sub-) sector (comprising €21.5mn, of which €13.75m from the 9th EDF and €7.25m from previous EDFs). Within the framework of the Netherlands Antilles SPD, €4.5m was allocated to the Support to the Netherlands Antilles Youth Development Project (SNAYDP).<br><br>In New Caledonia, EC support in VET is considered to have been consistent with the real needs of the territory. Support to New Caledonia prior to 2004 focussed in part on infrastructure development, but from 2004 onwards EC support has been focussed on VET (Formation Professionelle). |
| **Scope** | Effectiveness, Impact, Sustainability |
| **Judgment Criterion 4.1** | **EC Support in Vocational Education and Training has been aligned with OCT Socio-Economic Development Goals** |
| I 4.1.1: Consistency between EC Support in Vocational Education and Training and the real needs within the OCTs, as set out in OCT development plans and in | The consistency between EC Support in VET measures and OCT development needs can for example be clearly seen in the Single Programming Document (SPD) for the 9th EDF. Key development challenges for New Caledonia, as outlined in the SPD and in its territorial development policy, including significant dependence on mining and metallurgy (and in particular on low-value added output) and vulnerability to global market fluctuations, the small domestic market and the territory's insularity, its strong dependence on external supplies (e.g. energy supplies), and the traditional concentration of economic activity in the Southern province (and especially in the Greater Nouméa region). The 9th EDF SPD sets out the key development needs of New Caledonia as including a) diversification of the economy, b) integration of all cultural communities in the economic development, and c) Strengthening links with New Caledonia's regional |

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| SPDs | environment. |
| I 4.1.2: Consistency between EC Support in VET measures and OCT development plans | In the 9th EDF SPD, The principal objectives of the New Caledonia Government are to a) secure a rebalancing of the trade situation by re-launching economic development, creating local added value (in the area of nickel transformation), exploiting the territory's raw materials, developing tourism and overall agricultural production, as well as and simplifying the local taxation system, and b) securing social and cultural progress, based on a sound financial equilibrium of the accounts of the combined grouping for healthcare insurance, protecting and emphasising the territory's cultural heritage, improving schooling levels and strengthening access to education for the least favoured groups, as well as supporting the development of effective ongoing professional training and the creation of new jobs (including clan-based, family-based and tribe-based work opportunities) accordingly to their cultural structure.<br>In short, the New Caledonian Government sees professional training and development as a key means to achieving in a horizontal manner these objectives of balanced economic development and inclusion of each local community in the development of New Caledonia. Moreover, the very low level in professional qualifications of a large proportion of the potential labour force and the high levels of social exclusion from the labour market that characterised New Caledonia at the outset of the 9th EDF, has meant that increasing human capital formation is fundamental to ensure a more balanced and inclusive socio-economic development process. Hence, EC support to VET to support this effort during the 9th EDF has been highly relevant, and it is probably fair to conclude that the shift to a sectoral focus on formation professionelle under the 9th EDF has significantly increased the relevance of support to New Caledonia, compared with previous EDFs, as it has focussed EC support over the past years on a crucial development challenge.<br>Regarding the Netherlands Antilles, the Youth Development programme in the Netherlands Antilles has also been highly relevant to NL Antilles' development goals, and has been complementary to Member State assistance. Regading territorial challenges and development goals, the territorial context of high levels of youth unemployment, high school drop out rates, and high rates of yhouth crime and violence mean the focus of the programme on also addressing the root causes of youth attitudinal and behavioural problems make the programme very relevant. Examples of this relevance include the fact that the SNAYDP's interventions take into account some of the source reasons for the problems with the youth population, such as poor quality of parenting, poorly-adapted education that apparently does not fit to the needs and opportunities of many young people (boys and girls).<br>Moreover, EC support to VET in New Caledonia can also be considered as being coherent with EU policy in a number of ways, not least in terms of the December 1996 European Council's emphasis on training and human development as a priority area for the EC, and the definition of a strategy for a continuous education where the objectives are to re-enforce competitiveness, fight the unemployment, full and active participation of everybody in the Society and the development of innovation in all economic and social sectors. This has been confirmed at the European Council in Lisbon – 23 & 24 March 2000, where conclusions have stressed the evidence the responsibility to adapt the Educational European systems and professional training to the needs of the information society and the necessity to raise the employment level and its quality. Furthermore, the European Council of Barcelona on March 2002 has fixed as objective to make of the European education and training a world reference for 2010.<br>At the territorial level, the development of New Caledonia's development framework Schema 2025 represents an important milestone, and one where the |

development of the territories human capital comprised an important feature thereof. However, there are issues regarding the speed of development of this document, and the speed at which this can be translated to the provincial level, and ensuring a coherent implementation framework. The current relevance of EC support for VET in New Caledonia remains very high, as significant work needs to be done to continue to equip the territories citizens with skills in core sectors, as well as in terms of increasing the responsiveness of the VET sector to economic development needs across prioritised sectors. This will become more important as the territory goes about the challenge of implementing the future development vision of the Schema 2025 vision and the provincial level development plans, and the general needs.

**I 4.1.3: Evidence of greater gender equality as a result of the EC sector support**

With regard to evidence of greater gender equality as a result of the EC sector support, it is useful to distinguish between the process for designing and delivering VET under EC financial support, and the extent to which gender equality has featured with regard to the participation and performance levels of recipients of VET.

Regarding the process, the evaluation findings display a clear intention to involve women in all aspects of the process, which has included missions of women being consulted during the extensive consultation process carried out by the New Caledonia Government. Regarding gender balance in training programmes, the data from implementation reports suggests that gender balance is being respected quite satisfactorily. For example, the 2009 male-female distribution was 59.61%-40.00%, the comparable 2008 figure was 54% - 46%, with a target of 60%-40%. Gender distribution targets for female participants also exceeded targets in 2004, however for the 2005-2007 target women participation rates were not attained. Over the period 2004-2008, there has been a clear progress in involvement of women in professional training, for example from 32% in 2004 to 46% in 2008.

**Table 10: NC Training Programmes - Gender Breakdown 2004-2009**

| Year | Target (Male - Female) | Real Breakdown (Male - Female) |
|---|---|---|
| 2009 | Not found | 59,61% - 40.00% |
| 2008 | 60% - 40% | 54% - 46% |
| 2007 | 60% - 40% | 66,17% - 33,83% |
| 2006 | 63% - 37% | 69,1% - 32% |
| 2005 | 67,0% - 33,0% | 71,5% - 28,5% |
| 2004 | 70,0% - 30,0% | 67,7% - 32,3% |

It is important to also note that the significant focus on the indigenous Kanak population is also contributing not just to increased social inclusion (see further below) but also increased opportunities for the Kanak population.

**Judgment Criterion 4.2**

**EC Support for VET is being implemented effectively, leading to satisfactory outcomes in terms of skills development and human capital formation in the OCT workforce**

**I 4.2.1: Course and programme Drop-Out (Erosion) Rates at sector-wide**

Desk research and stakeholder consultation to-date shows that course and programme Drop-Out (Erosion) Rates have generally exceeded targets. For example, the drop out target in 2008 was 13%, while the actual drop-out rate was 10.52%, and during the period 2004-2008 the drop-out rates have also been lower than the target set (see table below). Moreover, these results must also be

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| levels | interpreted against the challenge of the scale of the social inclusion/insertion sociale challenge with significant proportions of the target group, with very low professional skills and professional work experience.<br><br>**Table 11: NC Course/Programme Drop Out Rates2004-2009**<br><br>***Year*** \| ***Course/Programme Drop Out Target*** \| ***Course/Programme Drop Out Rate***<br>*2009* \| Not found \| *6.02%*<br>*2008* \| *13%* \| *10.52%*<br>*2007* \| *15%* \| *6.9%*<br>*2006* \| *20%* \| *8.3%*<br>*2005* \| *25%* \| *13%*<br>*2004* \| *28%* \| *17.9%*<br><br>The 2006, MTR of the 9th EDF assistance showed that the results achieved up to that point in time in New Caledonia included significant surpassing of targets on the number of training places to be created - 4508 training places were created during 2004 and 2005 through agreements signed with training organisations, compared with the SPD target of 2,650. The increase of almost 20% in the number of training places created in 2005 (compared with 2004) was also above the target increase foreseen in the SPD. |
| I 1.2.2: Course Completion Rates at sector-wide levels | In 2008, global completion rates of trainees stood at 77.69%, an increase of just over 2% from 2007. Desk research and stakeholder consultation to-date shows that course and programme completion rates have generally come close to meeting the targets set under the SPD, but have not quite met the target (for most years the underperformance has been less than 5%). It should be noted that the change in 2008 to evaluating completion for global course programmes and not individual course modules would mean that this indicators becomes harder to attain.<br><br>**Table 12: NC Course/Programme Completion Rates 2004-2009**<br><br>***Year*** \| ***Course/Programme Completion Target*** \| ***Course/Programme Completion Rate***<br>*2009* \| Not found \| *63.00%*<br>*2008* \| *80%* \| *77.69%*<br>*2007* \| *80%* \| *75.57%*<br>*2006* \| *70%* \| *65.3%*<br>*2005* \| *65%* \| *63.3%*<br>*2004* \| *62.5%%* \| *65.3%*<br><br>As above, these results take on an increasingly positive hue when interpreted against the challenge of the scale of the social inclusion/insertion sociale challenge with significant proportions of the target group, with very low professional skills and professional work experience. |
| I 4.2.3: Comparisons on | A number of extraneous and context-dependent factors need to be taken into account when interpreting the data concerning the programme costs per |

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| Programme Costs per participant against other comparable VET programmes, where possible | participant. Firstly, the raw price per participant does not take into account the course complexity or amount of technical equipment, human resources and additional costs needed to provide the training in question. This is particularly relevant when comparing between training sectors, given that the nature of vocational training in some sectors, such as mining, will inevitably require different expense items than others, such as commerce. Moreover, when comparing costs between different VET programmes, it is important to bear in mind that different training programmes may have inherently different costs on the basis of different course lengths and/or pedagogical structures.<br>With these points in mind, the case of EC support to VET programmes in New Caledonia reveals the following data: the EDF 9 expenditure on the VET programme over the period 2004-2007 totalled €21.5 million; during this timeframe, the Annual Observatory Reports show that a total of 3,288 participants took up places on the programme, making a total cost per participant of €21.5 million / 3,288 = €6,539 per participant. |
| I 4.2.4: Extent to which implementation mechanisms for VET interventions are contributing to sustainable capacity development in OCTs' education and training sector | At a macro-level, one relevant indicator on sustainable capacity development is VET expenditure as a proportion of total expenditure. Regarding total budget spend, available data shows that the percentage of budget expenditure on VET as a proportion of total budget spend has generally surpassed the targets agreed under the SPD. During 2004 and 2005, target VET expenditure was 6.6.% of total budget, while actual VET expenditure was above 6.9% during both years. In 2006, the VET expenditure was just under the target but during 2007 and 2008 the target was comfortably exceeded (e.g. 8.71% performance against a target of 6%).<br><br>**Table 13: Per cent of VET of Total Budget NC 2004-2009**<br><br>*Year* \| *% Of VET as % of Total Budget (Target)* \| *% of VET as % of Total Budget (Achieved)*<br>*2008* \| *6.0%** \| *8.71%*<br>*2007* \| *6.0%** \| *7.87%*<br>*2006* \| *6.6%* \| *6.44%*<br>*2005* \| *6.6%* \| *6.98%*<br>*2004* \| *6.6%* \| *6.92%*<br><br>**Changed indicator (now measuring % of VET under EDF as % of total budget expenses of NC Govt* |
| I 4.2.5: Extent to which VET focus contributes to ICT skills development | The desk study work to-date suggests that the VET programme is contributing to skills development in ICT. Part of this work has required measures to increase awareness of what ICT skills are and the importance of ICT, and some project activities have been targeted on this (e.g. travelling bus to more remote regions).<br>Outside of the core VET work, other parallel developments have been welcome, such as fact that all of greater Noumea, as well as key transport axes, are now covered with fibre optic, providing increased potential for further leveraging of ICT. |
| I 4.2.6: Extent to which VET delivery leverages potential of ICT | The use of ICT in VET delivery in New Caledonia's programme is not an indicator per se in the monitoring approach for the programme, and is being used in this evaluation as an indicator for exploring efficiency gains and/or increasing impact. In some case, constraints will in any case be present (e.g. areas with limited internet access).<br>Implementation of the 9th EDF VET support has involved use of ICT in a variety of ways, including the GFPC information system used for remuneration and tracking of stagiaires. Current plans will involve increased use of harmonised ICT |

tools, including the development of a new integrated database for tracking VET participants, which is foreseen for September 2011. Another ICT tool that has been created is a database (AGORA database) for organising and structuring information on the training providers in New Caledonia (e.g. including training offers, prices etc.).

In related areas, related more to where sector growth opportunities are that will influence training demand/skills needs, the Ministry of Economy is putting in place an ICT tool to provide a forward view on all public contracts for 3 years in the building and construction sector, with a view to allowing local SMEs have a medium term view of the opportunities from public tendering, and how they can develop their enterprise and market development strategies to respond accordingly.

If there is a relative weakness in this area, it may be that more could have been done to leverage ICT to increase flexibility of learning offers by training providers. However, this should be borne against the fact that a significant number of VET offers (e.g. VET in the buildings sector) would have limited potential for moving to increased use of e-learning, while in many courses the potential would also be constrained by low ICT skills among VET target groups, in particular of course the most marginalised.

**I 4.2.7: Data and views on quality of VET offers (e.g. VET intervention providers self-assessment, course participant views)**

The global data for participant/trainee satisfaction is generally very positive for the years 2004-200, where global satisfaction exceeds targets (e.g. 75.5% satisfaction rate in 2004, compared with 70% target satisfaction objective). Since 2006, global satisfaction targets have been raised to 85%, with the result the target has not been met since. In 2006 and 2007, the gap was approximately 10%, with global satisfaction remaining around the 2005 level of 75%, but in 2008 the gap between target and obtained satisfaction scorings increased to more than 20% (85% target against 64.09% participant satisfaction).

**Table 14: Global Participant Satisfaction Rankings on NC VET Courses 2004-2009**

| Year | Global Satisfaction Ranking (Target) | Global Satisfaction Ranking (Obtained) |
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| 2009 | 85% | 58.4% |
| 2008 | 85% | 64.09% |
| 2007 | 85% | 76.55% |
| 2006 | 85% | 74.85% |
| 2005 | 75% | 74.35% |
| 2004 | 70% | 75.5% |

However it should be emphasised that across the majority of satisfaction criteria participants rank VET courses and programmes very highly on 'core' criteria (e.g. training content, quality of delivery, trainers, duration, balance between theory and practice etc.) with almost more than 10 of these 15 criteria receiving satisfaction rankings above 80%, but low rankings (45-55%). On three criteria (quality of canteens, boarding quarters and training centres) bring down rankings significantly.

In terms of the quality from the perspective of what is required for enterprises and organisations to which VET is being delivered (either for employees for future

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| | hires), some stakeholder feedback suggests that the effectiveness of VET provided has been influenced in part by the relative complexity of the roles/skill set for which VET participants were being trained. For example, in the buildings and construction sector, VET offers were considered to have worked very well for lower level qualifications (e.g. pouring concrete). Further effort is considered by some to be required in areas such as marketing, for example in the buildings sector challenges have included attracting citizens into the sector, with many people being un-attracted by the hard work of buildings workers, as well as outdated perceptions of construction workers that do not take into account how technology and mechanisation have reduced the manual labour aspect of the work.<br>On the demand-side, a challenge has been quality of many local construction companies, which are often small companies that do not offer very good working conditions and not training/professional development (e.g., approx. 85% of construction companies are micro-enterprises with less than 10 employees). Stakeholder feedback suggests that in at least a number of cases VET delivery has proved more difficult for higher qualification areas, such as site manager (chef de chantier). Some similar challenges can be detected with VET delivery in the hotel and tourism sector, with companies regularly complaining about the difficulty of finding good staff. One challenge, which in part illustrates the insertion social challenge in VET in NC, is that some jobs (e.g. head of reception, head of householding etc) can require 5-10 years of experience, which is difficult to find in New Caledonia. Moreover, while some VET courses work well (e.g. training for chambermaiding), there have been more challenges in providing the quality required for top of the range hotels (e.g. 4-5 star hotels). Another constraint on quality has been the challenge of adapting the previous training sector, with some training providers changing faster than others. |
| **Judgment Criterion 4.3** | **EC support has had a positive impact on the employment prospects of OCT citizens** |
| I 4.3.1: Evidence of increased work and career prospects for school leavers that have undergone VET | Employer satisfaction with interns can be taken as one 'acid-test' of assessment of viability of interns. In 2007, the VET Programme Monitoring Committee developed a 'stability indicator' comprising a post-training check 3-6 months after the end of the training. From a sample of 116 former stagiaires, 78 had remained with the same employer more than 3 months into the placement, corresponding to a stability rate of 67.4%. |
| I 4.3.2: Evidence of an increase in employment levels of school leavers that have undergone VET courses (relative to employment levels of school leavers that do not take VET courses) | The scale of VET activity being carried out in New Caledonia would suggest a priori that the programme is generating an increase in the productive contribution citizens (all citizens, not just school leavers) that have taken these courses. For example, in 2004 the number of job seekers that benefitted from VET was 2019, against an annual target of 1200.<br>**Table 15: NC Overview No. Job-Seekers Benefitting from VET 2004-2009**<br>Year \| No. Job-Seekers Receiving VET (Target) \| No. Job-Seekers Receiving VET (Achieved)<br>2007 \| 1750 \| 2991<br>2006 \| 1600 \| 1873<br>2005 \| 1450 \| 1861<br>2004 \| 1200 \| 2019<br>The fieldwork raises an additional complication here – the strong economic growth during the past years has meant that it has generally been an employee's |

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| | market. A more important constraint has not been the employment search of job-seekers that have satisfactorily completed VET, rather the challenge of integrating them in the labour market and their willingness to be integrated, which has been a particular challenge for those that have lived until then in la tradition coutomier with no previous exposure to 'conventional' formal employment. |
| I 4.3.3: Evidence of EC support-generated increase in the productive contribution of OCT citizens already in employment who have undertaken VET courses. | EC support for VET has contributed to increases in productivity in a number of sectors, such as the buildings sector and in the mining sector, however this as only been one a number of factors and isolating its impact is very difficult. For example, VET has played an important role in training up workers for the new nickel mine operations, but the management culture and modus operandi of these companies have also been highly important in increasing productivity, both directly (work management and production management and employee supervision) and indirectly (standards demanded of local suppliers and subcontractors).<br>In the Netherlands Antilles, the Youth Apprenticeship Programme (YAP) component of the wider SNAYDP programme has promoted social inclusion by improving work skills and in changing attitudes and behaviours for youths already in employment. This is leading to improved work performance and productivity within the companies where targeted youths are employed (i.e. among youths already in employment in companies), where the programme is improving skills levels and attitudes and behaviour and addressing some key shortcomings among youth employees so decried by local employers. The SNAYDP results and the final evaluation of the programme also show that the YAP have been effective, with the majority of young people trained being able to stay in a job. |
| I 4.3.4: Evidence of EC support-generated reduction of youth employment, or restriction of the rise in it. | EC support for VET has contributed to increasing employment opportunities for youth, but isolating the effect is difficult for a number of reasons. Firstly, the strong economic growth has meant that employment has been there for those that really seek to work. Secondly, the challenges of insertion social/integration of youth, in particular those that have left their traditional societies to come to greater Noumea, are significant, such that it can be misleading to draw direct parallels between VET performance and youth employment changes. Other issues and constraints also come into play, for example some unemployment is likely to be structural also, in terms of the reduced attractiveness of sectors such as mining, industry, construction and other primary and extractive activities compared to preferred services sector jobs. |
| I 4.3.5: Extent to which EC support is contributing to increasing employment options in the OCT Labour Markets, as well as improving the match between demand and supply (for both public and private sector) | EC support for VET in NC has been increasing employment options in the OCT Labour Markets, as well as improving the match between demand and supply. The insertion sociale rationale of the formation professionelle has meant that many persons with little to no previous professional employment skills or work experience have been able to acquire basic training. For some, even such basic VET has been a step too fast too far, with the result that other transitional measures such as preparatory pre-VET training has been required. All in all, this has meant significant increases in employment options in the OCT Labour Markets, as well as brining citizens in the Labour Supply market in NC that were previous outside. As in earlier evaluation questions, it is hard howerever to isolate the impact of the positive economic climate of the last 5-6 years. However, even with strong economic growth, EC support for VET has made a contribution to the development of a number of sectors, and in cases such as the building sector contribute to the significant modernisation of the sector that has taken place over the past decade. The nickel industry has also been an important beneficiary, including the new foreign nickel factories that have set up in New Caledonia during recent years.<br>The experience from the Netherlands Antilles Youth Development Programme also shows that VET intervention under the Youth Apprenticeship Programmes |

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| | have positively influenced employment prospects. Given the particularly challenging nature of the youth target group and the particularly pronounced attitudinal and behavioural problems of the NL Antilles programme target group, this suggests that well designed and implemented VET programmes can make important contributions across all OCTs.<br>On the other hand, there is a long way to go in New Caledonia. As pointed out by government stakeholders, there are significant technological developments in some sectors that will require further upskilling of existing workers, and in other cases recruiting more highly qualified professionals. Development plans will include assessing needs in key industrial sectors, such as installation, and research and adaptation, needs around the nickel sector, and cluster development in selected areas (e.g. renewable energy sector).<br>The Ministry of Economy estimates that qualified jobs in the mining sector will triple from 2000 to 6,000 jobs. VET has also contributed to the modernisation of the buildings sector, (which a decade ago was still using traditional construction methods), and the Ministry estimates that some 12,000 jobs in the sector currently require up-skilling to use new technologies and new materials. In other industries de transformation (7,000-7,500), a sector that has traditionally absorbed significant numbers of non-qualified persons, new skills are also required which will require further up-skilling of the labour force, as well as recruitment of new professionals with higher qualifications. |
| I 4.3.6: Extent to which EC Support is contributing to reducing OCT brain drain (or constraining the increase in same) | No evidence has been identified, or stakeholder feedback forthcoming, that suggests that EC support is contributing to a brain drain in New Caledonia. The nature of the support, which often covers basic VET skill sets and job roles, probably means that at least some of the beneficiaries are less likely to want to emigrate to other economies. This is likely to be particularly the case for citizens that are only entering and becoming established in the labour market following EC-supported VET Training. Beyond this, living standards and lifestyle in New Caledonia probably make emigration a less attractive prospect also.<br>In the case of the Netherlands Antilles, moreover, direct figures for the number of students who stay in the OCT are not given, but anecdotal evidence found during the evaluation suggest that many students are not returning to the OCT after completing their studies. No evidence has been found, regarding the contribution to this problem made by the EC's intervention under the Support to the Netherlands Antilles Youth Development Programme. |
| **Judgment Criterion 4.4** | **EC support in VET is contributing to increased socio-economic development in priority sectors in the OCTs, as well as contributing to efforts to promote economic diversification.** |
| I 4.4.1: Extent to which EC VET support is contributing to increased economic development of OCT priority sectors | The SPD and NC government policy underlines the importance of the mining and metallurgy sectors in the NC economy (in addition to the relatively large public sector). Not only is the degree of dependence on the mining and metallurgy sectors considered a development challenge, but a further constraint is the relatively low-value added of certain exports, in particular from the metallurgy sector which represents less than 9.5% of total value-added, and behind the services, trade, buildings and public works sectors. Developing the human capital of territory's labour force is seen as an important part of the policy effort to increase the value added of these key sectors.<br>In terms of macro-economic indicators, GDP has grown significantly during the period 2000-2008, from 3,703 in 2000 to 6,468 in 2007, with an estimate for 6,105 in 2008. This represented a real average growth during 2000-2007 averaging over 3.6% of GDP during 2000-2007, or just over 3.25% for the period 2000-2008. Regarding the mining and metallurgy sector's performance during the same period, gross extraction remained relatively stable during 2000-2007 (7,437 |

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| | thousand tonnes in 2000, compared to 7,575 thousand tonnes in 2007), but decreased by almost 20% during 2008. During the same period, metallurgy production expanded more or less steadily from 57,463 tonnes of nickel in 2000 to 62,378 in 2006, before decreasing to just under 60,000 in 2007 and dropping sharply back to 51,031 in 2008 as the effects of the global recession began to become more pronounced. The price of nickel, which increased from 3.92 USD/Lb in 2000 to 16.89 USD/Lb in 2007, plunged by half to 9.55 in 2008.<br>While the global drop in demand during 2008 has been the primary driver in the decrease in the drop in the volume of nickel, some internal factors have also contributed. Overall, the 42% drop in the value of nickel export between 2007 and 2008 has underlined the importance of efforts to continue to diversify the economy.<br>EC support for VET is considered by government stakeholders to have made an important contribution to the growth of priority sectors. For example, as mentioned above e, it has contributed to the modernisation of the buildings sector, (which a decade ago was still using traditional construction methods). Stakeholder feedback underlines also the importance of the arrival of large-scale foreign Nickel corporations in New Caledonia, where they have produced also important cultural and behaviousal/attitude changes that help reinforece and complement VET support work for indigenous workers.<br>In Goro, in the South, the Govenrment had to bring in foreign labour from the Philippines, and productivity within the Kanak workforce in Goro increased significantly once they saw the work attitude and ethics of Philippino workers. This change in attitudes has not been limited to local indigenous workers. Previously, when an international nickel company told the Ministry of Labour that work time would have to be increased from then regulatory 39 hours to 60 hours, the Ministry of Labour objected strenuously, claiming that this would lead to workers being killed, and fact-finding trips to foreign operations in Canada and Dubai were required for them to see that this was possible.<br>Stakeholder feedback also shows that new nickel operations in New Caledonia have also led to increased business and productivity among local supplier companies, with these companies becoming more efficient In the case of the the Goro Southern Province Project, initial projections were to psend USD 10-20 million per year while the current value of local supplier and subcontracting activity has already approaching USD 100 million per year.<br>Looking to the future, government stakeholders estimate that qualified jobs in the mining sector will triple from 2000 to 6,000 jobs, while some 12,000 jobs in the sector currently require up-skilling to use new technologies and new materials. In other industries de transformation (7,000-7,500), a sector that has traditionally absorbed significant numbers of non-qualified persons, new skills are also required which will require further upskilling of the labour force, as well as recruitment of new professionals with higher qualifications. |
| I 4.4.2: Extent to which EC VET support is contributing to increased economic diversification of the economic base of the OCTs | Economic activity has traditionally been concentrated in the Southern province, and especially in the Greater Nouméa region. A number of fundamental challenges face New Caledonia's economic development, including the island topography, the climate (and climate-related threats such as Cyclone Erica in 2003, which caused extensive damage), the small domestic market, and the territory's insularity. Another challenge is the territory's strong dependence on external supplies, for example in the area of energy supplies.<br>It is first useful to look at economic performance and indicators across a number of sectors and indicators outside of the mining and metallurgy sectors. In the fishing and aquaculture sector, total production grew from 2,380 tonnes in 2000 to 3,112 in 2005, but by 2008 had decreased to 2,326 tonnes. Regarding private sector development, the number of tourists to the territory has declined slightly |

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| | over the period 2000-2008, however there has been a very significant increase in cruise tourism, with the number of cruise visitors more than tripling from 48,579 in 2000 to 173,208 in 2008. Significantly, the rate of start-up of new businesses has continued to grow, rising from 15.7% in 2000 to 19.4% in 2008, with the number of new businesses set up during this period increasing from 2,568 in 2000 to 4.237 in 2008. (New business creations also continued to increase during the advent or the recession, increasing from 3,898 in 2007).<br>Moreover, one of the development plans with Schema 2025 is to try to use the additional competencies of the Nickel companies to create other opportunities.<br>Looking to the future, under the 10th EDF VET remains a clear priority for NC, with the objective of using *formation professionelle* as a tool for securing sustainable economic development, in particular to promote local employment, social progress and rebalancing. Target groups will be persons whose skills do not correspond to the needs of local enterprises, or persons insufficiently equipped to meet the new technological or commercial needs of enterprises, as well as young citizen that have left the school system without a qualification. NC commitment to *formation professionelle* can also be seen in budget expenditure on VET, where the territory's financial support for VET increased significantly during the period 2004-2007, increasing from €16m (F.CFP1 902 million) in 2004 to €24m (2.847m F.CFP) in 2007. The EDF's contribution decreased from 38.7% in 2004 to 17.4% in 2007, while the participation of the French state decreased from 9.5% in 2004 to 8.4% in 2007. |
| I 4.4.3: Extent to which EC VET support has contributed to (or shows potential to contribute to) the development of OCTs as 'centres of experience and expertise' in their respective regions | Over the past decade, the orientation of the NC government has evolved to include a significant increase in prioritisation of developing contacts within its region, a trend similar to a number of other territories. In the case of past support for VET, this question only concerns New Caledonia, and in this sense only in policy reflection sense, as the development of OCTs as 'centres of experience and expertise was of course never a policy or programme goal of the Commission's support for VET in the territory. NC experience in VET is likely to prove interesting to other OCTs and small island economies in the region in a number of respects. Firstly, it has been dealing with how to bring in significant parts of the work-age population into the labour market and to ensure their insertion sociale. Secondly, it has implemented a human capital development programme on a significant scale, and has also been using EC support to bring about a significant restructuring of the sector, not just in terms of raising quality of service providers but also in terms of try to re-orient VET towards the needs of socio-economic development. EC Support for VET can also contribute to helping the territory to establish itself as a centre of training expertise in a number of skills areas for the nickel industry, and if this is achieved with further downstream possibilities in other industrial sectors over the medium to long-term. However, if this positioning is to be achieved alone in the nickel industry, it seems more needs to be done more quickly within the case of a clear development plan.<br>Outside of VET, there may be scope to develop NC in the Pacific as a centre of excellence in a number of applied research and knowledge-intensive areas, including possible biodiversity protection and management and climate change adaptation. EC support outside of the EDF can be an important contributor in this respect, and current projects such as the EC's regional IncoNet for the Pacific (PACENET) is a project that holds significant promise in this regard. However, in this case, NC is only at the start of this development process, and other key areas such as creating a regional research infrastructure in the Pacific are also key (although it is understood that the EC now has plans to support the development of a fibre optic research network in the South Pacific). |

## Evaluation Question 5: Environment

| EQ 5 | To what extent has the EC support to the OCTs contributed to increase the OCT capacity to address environmental and natural risks and disasters, including climate change? |
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| **Justification and Comment** | The OCTs are all islands with small economies (often single sector or tourist dependent) with limited capacity to manage their environmental problems (waste management, deforestation, pollution of the groundwater and the marine environment).[65] The OCTs are also on the receiving end of the effects of climate change and natural disasters such as tropical storms, earthquakes and volcanic eruptions.<br>Besides the huge costs involved in reconstruction, the fact that many OCTs are also tourist dependent economies means considerable loss of revenues when tourists stay away after such disasters. This underlines the importance of disaster risk reduction strategies. The fact that the OCTs are all islands makes them particularly vulnerable to changes in ocean circulation and water masses, changes in ocean temperature and salinity, and also rising sea levels. Any rise in sea levels will have a direct and visible impact on the OCTs; but changes in temperatures, salinity, etc., can have equally important impacts on OCT biodiversity.[66]<br>Many of the OCTs are also recognised as being in zones of high biodiversity under threat from over-exploitation of resources while they have poorly developed waste management programmes and other policies and practices that are not biodiversity-supportive.<br>EC interventions during 8th and 9th EDF include a focus on environment - either as a crosscutting issue in sector interventions (transport, water supply, urban development) or as a specific focus. EC support to the environment has, for the most part, been through project support modalities, rather than through budget support. The above issues are all taken up under 8th and 9th EDF; while the Green Paper (in the absence of a 10th EDF) adds to this focus the issue of climate change underlining that the OCTs are, in many ways, areas under the greatest risk from climate-change induced events.<br>EC intervention strategies have typically covered:<br>- Improved management of water resources (both fresh water as well as marine, as the first has a direct impact on the second);<br>- Increasing the OCTs disaster preparedness (only within their own regional context); as well as focussing on improving OCTs environmental policy formulation and management capacities, and<br>- There has also been a focus on improving areas of scientific research on biodiversity issues taking into consideration the unique setting of the OCTs and their location in areas of ecological fragility and high biodiversity.<br>The present EQ focuses on the above-mentioned issues. Environment is also taken into consideration indirectly in EQ 3 (Transport and Infrastructure) as a crosscutting issue. Nonetheless, given the fact that the Single Programming Documents limit the number of sectors to which support may be given, the number of interventions within the broad "environment" sector are quite limited under the EDF. |

[65] Green Paper, Introduction; and the Commission Staff Working Document (Green Paper, Annex 1, p.3)
[66] See for example the work carried out by the Intergovernmental Panel on Climate Change, for example: Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007 (Solomon, S., D. Qin, M. Manning, Z. Chen, M. Marquis, K.B. Averyt, M. Tignor and H.L. Miller -eds.).

| Scope | Impact and Sustainability |
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| **Judgment Criterion 5.1** | **EC support has contributed to the improvement of the management of fresh and marine water resources.** |
| I 5.1.1: Existence of environmental protection policies | Relevant EU policies are in place, which also have direct reference to all OCTs - or to specific OCTs. Examples of this are: *The EU and the Arctic region*[67], which includes a specific section on Greenland in the section devoted to "Enhanced Multilateral Governance".<br>The EC also supports the **Northern Periphery Programme** (NPP) noting that "*Between 2007-2013, the Programme will allocate €45 million to projects: €35.115 million in European Funding (ERDF) will be available to partners in Member States (in the northern periphery) and €10.155 for partners on Non-member States (Faroe Islands, Greenland, Iceland, Norway); and is aimed at transnational cooperation.*" (www.northernperiphery.eu) The NPP will focus on environment, urban-rural development and enhancing regional heritage.<br>At the OCT level, there are a number of urban interventions which are either directly environment focussed (Mayotte - urban waste disposal) or indirectly (Bonaire Urban development, with important Sewerage interventions and French Polynesia - urban sewerage). As also clearly outlined in the Reunion Statement, waste disposal is one of the main challenges facing the OCTs. Matching expectations with available funds remains a major problem - faced in all sectors. Generally speaking - and this was confirmed by the Delegation in Mauritius, but also by the field visits and discussions with the TAOs - project financial envelopes rarely cover the interventions proposed in the project design, so that design compromises are the order of the day in order to accommodate approved and agreed financial allocations with a revised project design. For example, the original specifications for the Bonaire Urban Sewerage Programme had to be re-designed to accommodate the available funds, following negotiations with potential contractors. Similar strategies have been adopted elsewhere - e.g. Mayotte. The Bonaire Urban Sewerage Project does, however, stand a chance of being completed subsequent to the EC's decision to revert to Project support for the (former-) NEA territories for EDF 10. This has made additional resources available to Bonaire to complete its EDF 9 programme.<br>In addition, OCTs are participating in Regional Programmes being formulated under the 10th EDF. Thus, under the provision of Technical assistance to Mayotte, support is being provided to enable Mayotte's participation in regional environmental activities - notably together with the TAAF ("Terres australes et antarctiques françaises" covering the Kerguelen archipelago and Crozet, St. Paul and Amsterdam Islands in the Antarctic, and the Éparses islands in the Mozambique channel and Indian Ocean). [68]<br>EC support has been received within the context of the preparation for 10th EDF (AT 06 Mission TAAF - see below) involving Mayotte and the TAAF. Apart from the environmental research work being carried out, an important element consists of monitoring the fisheries resource in the Mayotte exclusive economic zone. |

[67] COM 2008 763 final of 20.11.2008.
[68] Ref: www.taaf.fr It is also noted that there are territorial claims by Madagascar on the islands: Bassas da India, Europa,the Glorious islands and Juan de Nova; and by the Comores also on the Glorious Islands; and by Mauritius on Tromelin Island. The islands are not inhabited.

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| | • Appui à la mission du Conseil général pour la mise en place des bases du 10ème FED régional (laboratoire de recherche à caractère universitaire), en partenariat avec les Terres antarctiques et australes françaises (TAAF).<br>• Modalités d'utilisation du produit des licences de pêche des thoniers senneurs sur la ZEE de Mayotte.<br>• Prise de contact avec l'équipe des TAAF.<br><br>As mentioned above, the fact that this EC-funded regional programme will be implemented in isolation from other EC supported regional activities (such as the coastal zone management programme, RECOMAP, http://www.recomap-io.org/ funded by the EC for a total of €18 million) and in isolation from the work being carried out through the Indian Ocean Commission, is seen by Mayotte as a missed opportunity.<br>SPDs tend to focus on sectors such as transport or social infrastructure. In these instances it becomes important to monitor the environmental impacts of these interventions - e.g. in NEA urban development interventions such as Bonaire Sewerage, etc. However, the ROM reports often lack a strong analysis on environmental impacts. |
| I 5.1.2: Level of civil society involvement in the preparation and implement-ation of environmental programmes | The Message from Reunion Island (2008) was one of the first conferences specifically taking up the issue of climate change and biodiversity loss in Europe's overseas entities - the OCTs and the Outermost Regions. This conference also witnessed strong Member State participation (France) and, strong involvement of civil society and non-state actors (notably IUCN, WWF and Electricité de France).<br>The follow-up publication by IUCN - **Climate Change and Biodiversity in the European Union Overseas Entities** [69]- is an analysis of the challenges faced by each OCT and Outermost Region. Recommendations are made but, as noted by IUCN, implementation will remain difficult unless funding channels open up.<br>IUCN has remained particularly active within this field publishing, in September 2010, their Discussion Paper "**Review of the Status of Implementation of the Convention on Biological Diversity and of Biodiversity Action Plans in the European Union Overseas Entities.**" Both in their earlier involvement, as well as in the Discussion Paper, IUCN makes a point of linking the OCTs with the ORs, considering them as sharing the same (environmental and climate change) challenges. IUCN argues for ecosystem-based approaches - which by their nature cut across boundaries - and a harmonisation between OCT and OR policies and programmes related to biodiversity. Particularly, IUCN also urges the Member States and the EU to facilitate the participation of the OCTs (and ORs) in regional programmes and in the integration of regional approaches, and urges the MS to allow OCT representation and participation in regional fora, and to facilitate their representation on regional decision-making fora.<br>Although the importance of regional cooperation is underlined, nevertheless links between OCT civil society and NGOs tend to be with "their" Member State, and OCT-based civil society organisations and NGOs tend to draw funding and technical support from environmental and other funding sources - e.g. the NL national lottery for the DCNA - in their Member State.<br>At local level, the size of the OCT population poses challenges as regards the staffing of conservation agencies, in both government and non-government institutions where there are only limited numbers of qualified staff to draw on. The Dutch Caribbean Nature Alliance is an example of how the capacities of several OCTs can be combined - even though this is limited to the Netherlands OCTs and there is no transfer of knowledge of competence between them and the British OCTs. |

[69] Jérôme Petit & Guillaume Prudent. IUCN 2008.

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| | The IUCN discussion paper (September 2010) notes the following:<br>"A number of regional capacity building projects have been implemented that have benefited the overseas entities, such as the exchange programme for rangers in the Dutch Caribbean Islands sponsored by the Dutch Caribbean Nature Alliance (DCNA) and a training programme for rangers through an extensive 'apprenticeship' arrangement implemented by a local organisation, Stinapa Bonaire. In the UK OTs, a project to build capacity of civil society organisations in mobilisation, organizational development and facilitation, is being implemented by the Caribbean Natural Resources Institute (CANARI), based in Trinidad & Tobago." (Section 2.3.4)<br>In 2008, CANARI partnered with the UK's Joint Nature Conservation Committee (JNCC) to produce a range of communication and outreach products relating to the impacts of climate change in the UK Overseas Territories (UKOTs), six of which lie within or close to the Caribbean region (Anguila, Bermuda, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands). (ref: http://www.canari.org/ta_ccdr_pg1.asp)<br>Nonetheless, as also noted elsewhere both language and Member State affiliation are important denominators. Anglophone OCTs in the Caribbean are more likely to build relationships with other Anglophone (former UK-colonies) than that they are likely to cooperate with the Dutch OCTs. |
| I 5.1.3: Functioning waste water protection for urban wastewater and rural run-off water | Wastewater protection interventions were implemented in the Netherlands Antilles, St. Pierre & Miquelon, Mayotte, French Polynesia, and Wallis and Futuna. ROM reports are available for the Netherlands Antilles - but documentation related to the other interventions is lacking.<br>The water and sanitation projects in St. Pierre & Miquelon, and in French Polynesia indirectly cover "waste water" but adequate documentation was not available during the desk phase - for example no ROM reports - to explore this. The field visit noted that EU in visibility in French Polynesia had been enhanced through the visible and functioning sanitation projects (as well as having a positive role in protecting the marine environment and enhancing tourism). Support to the sanitation sector will continue under EDF 10, within the framework of larger projects financed by the territory itself and by France.<br>Mayotte had environment as a sector of concentration under EDFs 8 and 9. This covers: management of rain water run-off (rural and urban); reforestation of catchment area; sustainable management of waste; protection of the lagoon. The Mayotte interventions are based on project support rather than budget support, and administrative/technical support provided through a Technical Assistance Facility (Unité Technique de Gestion). The projects are under implementation but are considered by Mayotte to be pilot projects, piloting the integrated environmental management approach, which includes local government capacity building for sustainable management in 5 districts. There are insufficient funds in the EDF financial envelope to assure all necessary funding; hence Mayotte considers the EDF interventions as a pilot exercise which will provide the basis for increased coverage using ERDF funds once Mayotte becomes and OR.<br>Interventions in the sector (including wastewater and sewerage) have all been substantially delayed which makes it difficult to conclude on effectiveness, let alone impact and sustainability. Efficiency has not been good, and this has been attributed to the delays implicit in the ways that EC rules and procedures are handled (particularly by EU officials themselves), an issue which is also highlighted in the responses to other EQs. The following examples are used as illustration.<br>**Caribbean:**<br>In Aruba, the Arikok national park and the National Museum - both originally |

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| | funded under EDF 8 - have achieved their original objectives. There is already considerable impact as numbers of visitors (both Arubans and cruise ship passengers) have increased. Amendment of their legal status allows the institutions to charge entrance fees; this together with the ongoing subsidisation of salaries of key staff by the OCT will ensure the sustainability of the intervention. EC interventions have created a momentum that would not have been achieved without their intervention. Nonetheless, considerable delays were encountered during the implementation process, which resulted in the necessity to make design changes in order to stay within the original financial envelope. Considerable problems were encountered with contractors as a result. Both the National Museum and the National Park were in their handing over stage during the field mission, so only an initial conclusion could be drawn on effectiveness (which is expected to be good), as well as impact and sustainability (both are expected to be good given the efforts made by the OCT administration to pass appropriate accompanying legislation to allow entrance fees to be channelled into running costs, and to ensure the budgets for staff and running costs). There is strong local ownership of the projects.<br><br>The Bonaire wastewater management and sewerage project is funded jointly between the Member State and the EU, and implemented through a single implementing agency. Implementation delays related both to EU procedures and, subsequently, to a design which no longer matched the available funds, meant a re-design during EDF 9 which ended up with more limited coverage than originally foreseen. The implementation gaps identified during the 9th EDF will be supplemented under EDF 10 through additional funds which will now allow the connection of all the principal target group of users - particularly the hotel industry which produces considerable amounts of waste water. Once complete the project will have achieved its original objectives of preserving Bonaire's coastal waters through the elimination of the dumping of untreated wastewater into the ocean. The long-term impact of the intervention will be considerable as the project will be completed according to the original objective to link all waste water producers to a treatment system which avoids pollution of the sea and other water resources. Support from Member State institutions will contribute to the long-term sustainability. Efficiency has been compromised because the project is now being implemented in two phases, through two separate EDFs, and the acquisition of the additional funds was only possible as a result of the late decision by the EC to move from a Budget Support back to a Project Support modality. The concern around project effectiveness was related to the fact that if not all wastewater producers are connected to the sewerage system project impact will not be achieved - and that it would be difficult to pass the necessary legislation to enforce the use of the system and to pay for its running, if only some of the potential users would be connected.<br><br>**Pacific:**<br><br>In French Polynesia, sanitation projects have been financed by the EC since the 7th EDF in several islands: Bora Bora, Tahiti (Punaauia municipality). Papeete, the capital, will be financed under the 10th EDF. All these projects were co-financed with France and targeted on a specific area initially proportionate to the available budget, but contained within a larger long-term programme.<br><br>The specific objective of the Bora Bora project was the preservation of the quality of lagoon waters for marine resources (coral reefs) and tourism activity. The EC contribution was targeted on the West side of the main island and was completed successfully. Among other sub-projects financed by France and other external financial assistance gathered by the concessionaire attracted by the fame of Bora Bora, The island's beaches are now provided with the "Pavillon Bleu" and several innovative technologies are being implemented. The Punaauia project in Tahiti Island is also completed. The project was to build one water-treatment plant and to |

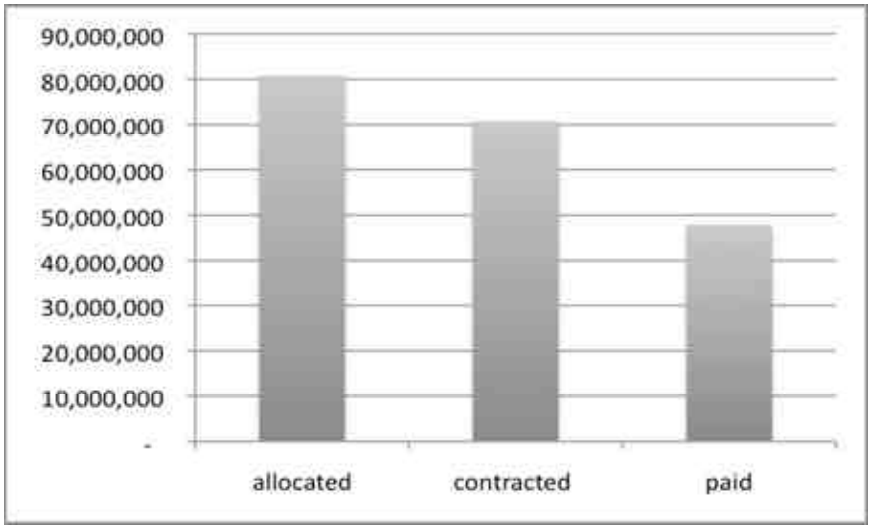
connect 1.090 clients (hotels, firms and households). At the end of the project, due to cost overruns linked to poor design studies, only one third of the individual connections were completed covering the most polluting activities of the area. The fact that not all users will be connected compromises the overall achievement of objectives - as well as the impact and sustainability of the interventions.

**Indian Ocean:**

Mayotte has the potential to function as a pilot project for how environment should be tackled in small island territories and states. It is based on a complete vision of the environmental risks and opportunities for small islands. While earlier interventions have focussed on a single sector (e.g. waste water) the Mayotte interventions are based on a holistic view of the island's environmental challenges - from deforestation and increased rain-water run-off, through urban solid waste and waste-water management, to the management of the marine resource. The project is way behind schedule, as a result of a series of implementation delays (due to difficulties faced implementing EC procedures by Mahorais institutions and delays from within the EC - Delegation and Brussels - in the interpretation of rules and regulations) and as a result of the need to re-design interventions because the original budget no longer matched the original project design. Because of the size of the budget and the subsequent re-design, the project is now seen - also on Mayotte - as a pilot project developing approached; rather than being seen as a complete project able to achieve the original objectives. It is difficult to judge effectiveness, impact and sustainability as only the reforestation studies and baselines have been carried out. During the field visit the tender evaluations were being carried out for further (downstream) interventions that had not yet started.

The bar charts - based on the figures from Annex XI: Inventory of EC Projects/Programmes as drawn from CRIS - illustrate, in Euros, the discrepancy between allocated, contracted and paid amounts for water and sanitation (watsan) infrastructure and urban planning, and for environment. While the tables illustrate the delays, they cannot illustrate the fact that many of the projects - even though first payments have been made - have not yet been finalised.

**Figure 6: Budget allocation WatSan infrastructure & urban planning 1999-2009**



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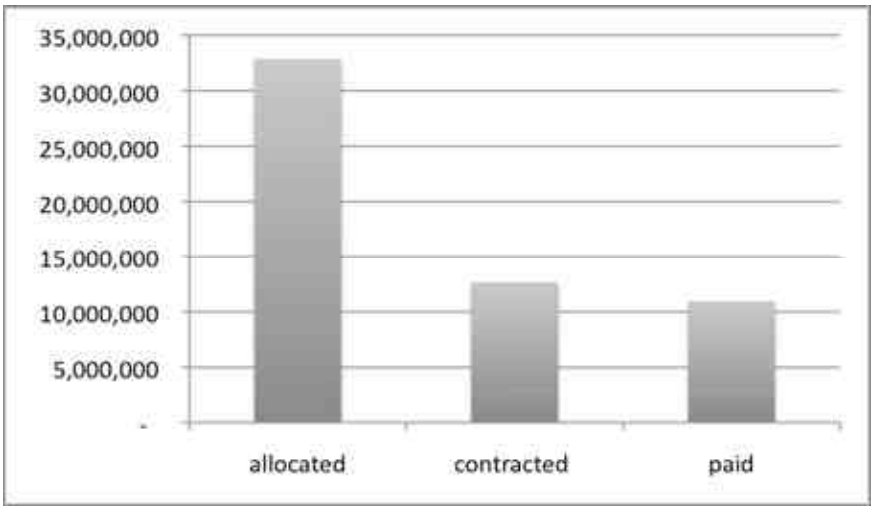
| | **Figure 7: Budget allocation environment 1999-2009**<br>  <br> |
| I 5.1.4: Existence of coastal and marine protection and pollution programmes (this includes on-shore and urban waste management programmes as most waste is dumped in the sea) | Overarching policies exist - these include: Towards a European framework for action: Climate Change and Water, Coasts and Marine Issues, [70] which establishes a framework for trans-boundary activities but does not specifically name the OCTs. The Marine Strategy Framework Directive [71] is more specific in noting, for example:<br>*"The serious environmental concerns, in particular those due to climate change, relating to the Arctic waters, a neighbouring marine environment of particular importance for the Community, need to be assessed by the Community institutions and may require action to ensure the environmental protection of the Arctic*"(article 42).<br>Scope: This Directive shall apply to all marine waters as defined in Article 3(1), and shall take account of the trans-boundary effects on the quality of the marine environment of third States in the same marine region or sub region.<br><br>There are good examples where management of marine water resources will be integrated into EC supported interventions. The Arikok National Park (9 PTN ARU 2) in Aruba is a case in point - working with civil society and the private sector, and linking up with complementary projects, namely the national museum and the Coastal Zone Management project. (Overarching national policy decisions have been taken to develop the coastal zone management programme; however implementation has been delayed because of a shortage of legal draughtsman in the OCT to prepare the legal implementation instruments necessary to move from policy to implementation. A number of legal texts, not just those related to CZM, have been delayed as a result of these gaps in institutional capacity.)<br>Under the CZM project, the coastal area of the Park will be managed and probably be considered for marine park status. In addition, efforts have been undertaken to ensure that environmentally friendly techniques and systems are used. (e.g. use of wind generated power systems and solar panels; natural cooling systems; during construction phase, close supervision of contractor to ensure that dislocation of vegetation and other natural ecosystems kept to a minimum; finally close monitoring and safe disposal of waste and sewage generated as part of the contractors activities).<br>In the Indian Ocean, the EC has funded ReCoMap (Regional Coastal Management |

[70] European Commission Staff Working Document, April 2009.
[71] Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy.

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| | Programme of the Indian Ocean Countries), which includes support to the regionalisation of ICZM. ReCoMap is an initiative of the IOC which includes Mauritius, the Seychelles, Madagascar and the Comoros in the programme; and the coastal countries of Tanzania, Kenya and even Somalia. However, significantly, the participation of Mayotte in this programme has been blocked by the Comoros.<br>Around Greenland, coastal and marine protection is likely to become an issue in the future as exploration of off-shore oil prospects in a vulnerable environment at the forefront of climate change, melting of the inland ice, etc. Already this has triggered Greenpeace-actions warning against possible detrimental environmental consequences. The Northern Periphery Programme, which also has EU participation, has as its mandate to help the European northern peripheral countries and territories develop their economic, social and environmental potential. (http://www.northernperiphery.eu/en/home/). There is a danger that the focus may over-emphasize the economic and social aspects, to the detriment of the environmental aspects - and the Greenpeace actions should probably be seen in that context. |
| I 5.1.5: Existence of freshwater protection programmes | The focus of the interventions in Mayotte is on protection of catchment areas, rainwater run-off and other related interventions.<br>Wallis and Futuna, under the 8th EDF, also benefitted from an intervention related to water resources conservation. The only information available on this is from the EDF 9 SPD - which mentions the funding of an intervention related to the management of rainwater (run-off) for the main urban centre of Mata'Utu. This was not continued under EDF 9 where the focus changed to infrastructure.<br>Wallis and Futuna have also adopted strategies for water quality management: *Une politique d'amelioration de la qualité de l'eau qui intègre les mesure de gestion et de protection de la ressource et les mesures de la lutte contre les pollutions a été mise en place."* [72]. The CRIS database has not revealed other freshwater protection interventions. Wallis & Futuna were not visited during the field phase, and no additional information on this indicator is available. |
| I 5.1.6: Enhancement of integrated management of environment (integrated policies and implementation) | Mayotte has opted for an integrated approach to the environment sector as part of their EDF interventions - other OCTs have a less direct focus on integrated management of the environment, as environment comes in more as a cross-cutting issue, or as a side-issue related to management of waste water and sewerage.<br>Despite the lack of concrete EC interventions, most OCTs have taken full cognisance of the importance of having integrated policies for the environment and state this clearly in the introductory chapters of the SPDs. Most SPDs document the environmental risks to which their OCT is subject, as well as the policies being put in place to address these. These concerns are also reflected in the (draft) SPDs being prepared for EDF 10; even though, this is unlikely to be translated into concrete interventions for those OCTs that will receive Budget Support. For the NEA, the constitutional changes after 10.10.10 have resulted in the creation of 5 new territories, each with its own TAO and its own EDF 10 interventions. The decision was taken by the EC that NEA (and therefore also the new territories after 10.10.10) would be eligible for project support under EDF 10 - which was a reversal of an earlier decision to implement budget support. The planned projects for the new territories all have an environmental focus or are integrated into interventions with a broader environmental focus.<br>- Bonaire - Tourism and tourism-related infrastructure (finalisation of the Bonaire waste water management and sewerage project)<br>- Curacao - Tourism |

[72] Territoire des Iles Wallis et Futuna. Document Unique de Programmation. FED 9

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| | - Saba - Environment (waste management)<br>- St. Eustatius - Harbour (securing the container loading area and anti-erosion measures around the harbour as a preparation for climatic events, such as hurricanes)<br>- St. Maarten - Infrastructure and Environment.<br>In fact, many of the environmental interventions are also linked, in a broad sense, to tourism. Many OCTs depend, for a large part of their economy, on tourism, therefore, securing their terrestrial and marine biodiversity, and protecting their natural resources, is an important element is a sustainable tourism industry. |
| **Judgment Criterion 5.2** | **EC support has contributed to operational disaster preparedness and the creation of risk reduction strategies.** |
| I 5.2.1: Functioning civil protection programmes | All developing countries and Overseas Countries and Territories (OCTs) are covered by the EC strategy for Supporting Disaster Risk Reduction (DRR) in Developing Countries, which pays particular attention to disaster-prone regions, least developed and highly vulnerable countries and localities, and the most vulnerable groups. [73] Collaboration on DRR with the outermost regions will also be furthered especially through DIPECHO, which has developed a preparedness programme covering seven disaster prone areas.[74].<br>In addition, the EC will support the development and implementation of Regional Action Plans for DRR in disaster-prone regions. These could be implemented partly by up-scaling existing EC DRR projects and programmes, building on developing countries' strategies and priorities. These programmes can complement and support adaptation initiatives such as the GCCA, linking up with an Action Plan for the Caribbean to support inter alia the implementation of the Comprehensive Disaster Management Strategy. Others should follow, e.g. for Latin America, South-East Asia, Africa and the Pacific.<br>The Eastern Caribbean countries are among the 10 most disaster-prone regions in the world. An Action Plan for the Caribbean therefore needs to link with the implementation of the CARIFORUM–EU Declaration on Climate Change and Energy.<br>Capacity development for response, rescue and recovery is built into the R3I project. However project implementation has been severely delayed so that UNDP has already requested a "no cost" extension of the programme. The first series of Baseline studies for each island (a **Disaster Management Capacity Assessment Report** - the so-called B-tool risk assessment for each OCT) were being finalised during the Evaluation field mission. |
| I 5.2.2: Level of contribution of OCTs to the preparation of regional disaster strategies and programmes. | In the Caribbean, a Regional Risk Reduction Strategy (also known as R3I = Regional Risk Reduction Initiative) is being developed with EC assistance through the EU Regional Delegation in Barbados - and it is being implemented via a contribution agreement through UNDP Barbados and the OECS (Organisation of Eastern Caribbean States). There is one representative each from the Dutch and the British TAO Offices on the Board on rotational basis. The BVI-TAO is the Deputy RAO for the Caribbean area. The internet website notes the following:<br>"*The OCTs R3I covers the English and Dutch overseas countries and territories in the region, a total of 7 territories (Anguilla, Aruba, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos, and the Netherlands Antilles (Bonaire, Curaçao, St Maarten, Saba, and St. Eustatius)). They are highly* |

[73] Ref: Communication From The Commission To The Council And The European Parliament. EU Strategy For Supporting Disaster Risk Reduction In Developing Countries. 23.02.2009.
[74] The DIPECHO programmes cover: the Caribbean; Central America; South America; Central Asia; South East Asia; and South East Africa and South West Indian Ocean.

*vulnerable to various natural hazards and climate change impacts, also having fragile ecosystems and concentrations of settlements and major functions in low lying coastal areas and other hazard prone locations. This project seeks to address the risk and exposure of these small islands by providing a network of regional infrastructure, programmes, policies and protocols to strengthen their capacity to predict and prepare for natural hazards, thus improve resilience and reduce risk and subsequent loss.*

*R3I is funded by the European Commission to the tune of €4.932m covering a period of 3 years (2009-2011). By the end of the project it is expected that there will be:*

- *Increased capacity in hazard mapping and associated vulnerability assessments, to further be incorporated into spatial information systems to inform planning and development processes*
- *A regional early warning systems (EWS) pilot for the OCTs, based on the ITU automated alert protocol for warnings*
- *Capacity built in response, rescue and recovery, in order to shorten recovery periods through the use risk assessment and mitigation practices for development planning*
- *Strengthened local disaster management structures and capacities in terms of tools and best practices to support comprehensive disaster risk management*
- *Greater cooperation and coordination between the OCTs, with documentation and dissemination of best practices*

*The R3I emphasises intra-regional learning and sharing of tools, knowledge and best practices to enhance the territories' individual and collective capacities. It will, among other activities, support OCT disaster management and GIS departments with modelling, simulation and planning; and build on the related experience and knowledge in the Cayman Islands. Further plans are to integrate results of modelling into quantitative multi-hazard vulnerability maps to support investment in hazard mitigation strategies; and complete and/or initiate building vulnerability studies and improve quantitative risk assessment of critical infrastructure to support the investment in hazard mitigation strategies".* [75]

With R3I there is now a very good cooperation between the EU Delegation and DFID, with the DFID Disaster Risk Reduction Coordinator (also based in Barbados) playing a key role within the R3I steering committee. A principal concern of DFID's - as regards R3I, is that the strategic coherence is still missing from R3I; it is still the sum of a number of individual territory projects - rather than a regional response.

As part of UNDP's work with R3I it is also drawing on its expertise that it has from its experience of working with other institutions within the disaster risk reduction sector within the Caribbean Region, for example with CDEMA (the Caribbean Disaster Emergency Management Agency).[76] Through CDEMA links are being built with neighbouring SIDS states; nonetheless, the impression from the field visit was that this cooperation was in its infancy, as the R3I interventions are only just beginning – with the implementation of the (so-called) B-tool and the first series of Requests for Proposals and tenders being prepared during the second half of 2010. With the delays incurred thus far, a six-month "no cost extension" has already been applied for.

R3I achieved a significant result in terms of coordination of the British and Dutch OCT disaster management offices as UNDP organized several common meetings to formulate precise common activities to be implemented by R3I. The first concrete result achieved by this initiative is a Benchmarking vulnerability

[75] See: http://www.bb.undp.org/index.php?page=regional-risk-reduction-initiative
[76] See www.cdema.org

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| | assessment exercise implemented in all Caribbean British and Dutch OCTs under a common Format (using the B-Tool = Benchmarking Tool). This study, implemented during May and June 2010, allowed for the identification of specific disaster management gaps to be addressed by the project. The reports are available through the UNDP R3I team.<br>The full implementation pace of R3I should be reached in 2011 at which stage several substantial contracts will have been signed. Activities will include among others: Vulnerability assessments; search and rescue training; hazardous material management training; GIS support for Hazard Mapping; purchase of telecommunication equipment.<br>UNDP also works to reinforce cooperation of OCTs among themselves and the integration of OCTs within the wider Caribbean. Thus far, this has been more successful with the British OCTs which are already leaning towards membership of regional disaster preparedness organisations. According to many of the observers interviewed within the sector, the Dutch Caribbean states have more a tendency to look for support from "het Koninkrijk" (the Kingdom).<br>It can also be noted that as regards then R3I Programme, there is evidence of strong civil society involvement and stakeholder consultation during the preparation phase.<br>By contrast, no information was available during the desk phase of similar activities involving the Pacific or the Indian Ocean OCTs. The field phase was able to note the involvement of New Caledonia and French Polynesia in SOPAC; however, Mayotte remains isolated from participation in regional programmes.<br>CCRIF (the Caribbean Catastrophe Risk Insurance facility) [77] was developed through funding from the Japanese Government, and was capitalised through contributions to a multi-donor Trust Fund by the Government of Canada, the European Union, the World Bank, the governments of the UK and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments. ? The support from the European Union is through a contribution agreement to a multi-donor trust fund run out of Jamaica and Barbados. Interviews during the field phase (UNDP and EU regional delegation, Barbados, considered that this facility was well run and was capable of providing an immediate financial response in post-catastrophe situations.<br>CCRIF is the first multi-country risk pool in the world, and is also the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It is a regional catastrophe fund for Caribbean governments, designed to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered. CCRIF operates as a public-private partnership, and is set up as a non-profit 'mutual' insurance entity in the Cayman Islands. [78]<br>CCRIF has a total of 16 member countries and territories. In addition to 12 independent Caribbean countries, four British OCTs are members of CCRIF (Anguilla, Bermuda, the Cayman Islands and the Turks 6 Caicos). However, EU visibility within CCRIF is not very high, as EC involvement seems to be limited to the financial contributions made to the Trust Fund. |
| **Judgment Criterion 5.3** | **EC support has contributed to local biodiversity monitoring.** |
| I 5.3.1: Protected areas (nature | A series of polices and frameworks are in place at the more general level. In addition - and subsequent to the 2006 OCT-EU Forum in Nuuk, which had |

[77] See http://www.ccrif.org/
[78] See http://www.ccrif.org/faq

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| reserves, marine reserves, areas with fragile and valuable biodiversity) in place. | underlined both the global importance of the biodiversity as well as the specific importance for the OCTs, a number of EC-supported initiatives took place focussed on Europe's overseas entities (the OCTs and the Outermost Regions). [79]<br>Thus the participants at the Paris Workshop [80] encouraged the European Commission and Member States to:<br>- Develop a coherent framework for environment in OCTs, aiming, among others, towards a sustainable management of important biodiversity areas, and allowing joint efforts with Outermost Regions as they are the entities with the most similar stakes within the European Union;<br>- Ensure that adequate funding is given to environmental and biodiversity issues in the OCTs, including an outsourced small grants facility and improved access to European programmes for local bodies and NGOs in coordination with the local authorities;<br>- Develop joint research programmes focusing on the biodiversity of OCTs and ORs, and also strengthening joint efforts with regional partner countries;<br>- Strengthen both the OCTs and the EC positions in the international debate on climate change, by making use of the worldwide and diverse network of OCTs and ORs to evaluate the interactions between ecosystems, climate change and local communities.<br>The discussion was also taken up by the OCT presentation to the COP15, which raised the particular situation of the OCTs. [81]<br>A series of initiatives, linked to the designation of Marine Protected Areas and Coastal Zone Management initiatives are underway, mostly initiated by the respective member States. Problems remain - for example capacity problems related to drafting legal texts (Aruba) and limited institutional capacity in the environmental organisations of most OCTs. (Note also the IUCN Discussion Paper - September 2010 - which underlines the same point and which also notes that institutions in ORs tend to be better staffed). In discussions during the field phase, and as a follow up to the experiences from the Reunion Island meeting and the experience of Mayotte following its attendance of the OR forum, the issue was raised regarding the formalisation of joint meetings, for example an annual joint meeting of OCTs and ORs - rather than *ad hoc* meetings, as has been the case to date. This is seen as an opportunity to promote the debate among EU overseas entities that share the same environmental problems.<br>Regional programmes are seen by the OCTs as the best way of developing environmental, climate change and disaster preparedness initiatives which are often more difficult to fund through the territorial EDF allocation through the SPD. A number of regional programmes are underway, through a series of contribution agreements, but none have, as yet, produced any concrete results. In addition the field phase found that it appears to pose a real challenge for OCTs from different Member States to work together bringing, as they do, not only different languages into the mix but also different institutional cultures inherited from the MS. Interviews during the field visits to the Caribbean confirmed this perception, although the series of meetings facilitated by UNDP is helping to break through these difficulties.<br>There is a significant movement at present in the Indian Ocean towards the establishment of Marine Protected Areas linked to the definition of the EEZ. |

[79] Ref: Message from Reunion Island (2008); Integrating biodiversity into European development Cooperation. Outcomes from the Workshop. Paris 2006.
[80] "The Paris Statement". Outcomes from the Workshops - Integrating biodiversity into European Development Cooperation. Paris September 2006.
[81] Reference is made to: OCT presentation to COP 15: From the Poles to the Tropics, the OCTs, Hotspots and Climate Change.

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| | However, this seems to be being done as a series of unlinked and sometimes apparently unilateral processes - France, UK, the neighbouring ACP states, and the IOC are not always necessarily in agreement with how to handle the "space" within the Indian Ocean region. Certainly the fact that the two Member States, France and the UK, have not worked together on the Marine Protected Areas of the Indian Ocean can be seen as a missed opportunity; by the same token, the EC has been criticised by Mayotte for not wanting to take position in the regional dispute in the Indian Ocean preferring to remain neutral - to the detriment of the joint management of the Indian Ocean marine environment space. (Note that a similar criticism was voiced by the Falklands in respect of the lack of a robust EC stance in relation to Argentina and Falkland's sovereignty, particularly in regard to Argentina's decision to control the passage of ships through the Straits of Magellan, in defiance of International Maritime law).<br>The proposed Mayotte/TAAF EDF 10 regional programme covers vast areas of ocean in the Indian Ocean and Mozambique Channel - yet it is happening in isolation. The declaration of a PMA in the BIOT has also happened in isolation. The argument in Mayotte is that this would be an appropriate opportunity for the EC to take a strong position to further the regional environmental agenda.<br>Thematic budget lines (ENTRP, FP7) are also opening up for OCTs. However, no immediate results of any of these activities could be seen during the field phase, as the FP7 programmes have just started and the ENTRP requests for proposals phase had not yet been finalised, so no indications of OCT involvement were available.<br>Little has been done on the recommendation from the Paris workshop to develop joint OCT/OR activities towards a sustainable management of important biodiversity areas. Opportunities exist in the Caribbean and in the Indian Ocean for joint EDF and ERDF funding, but this has not been developed in depth although ERDF/EDF cooperation does exists in the Indian Ocean through Réunion's membership of the IOC - but this excludes Mayotte.<br>One network which does actively seek to promote joint OCT/OR partnerships in biodiversity is NetBiome (Networking tropical and subtropical Biodiversity research in Outer Most regions and territories of Europe in support of sustainable development - http://www.netbiome.net/). NET-BIOME is a regional ERA-NET project presented by a consortium of 11 partners, representing regional or territorial bodies from the 5 Member States concerned by European tropical overseas territories that finance and/or manage research activities. One of its functions is also to make members aware of external funding opportunities - notably FP7 and ENTRP (see also below). |
| I 5.3.2: Plant protection programmes in place. (This includes harmonisation of phytosanitary legislations, regional plant protection programmes, etc.) | It has been noted in the IUCN publication following the Reunion Island Conference that Invasive Alien Species (IAS) are one of the major problems facing the OCTs. [82] As stated:<br>*"Alien invasive species are currently the single largest cause of species loss in island ecosystems (GISP 2008). Island animal and plant populations have been severely affected by the introduction of new predators or competitors against which they have not developed sufficient power of resistance. There are about 2,200 exotic plant species on the Island of Reunion, 1,400 in New Caledonia, 1,700 in French Polynesia and 1,200 in the Antilles, etc.…".*[83]<br>The IAS problem is both a national as well as a regional problem because - by definition - the invasive species are brought in from outside. However, tackling this regionally is not always possible for political reasons when the status of the |

[82] Petit & Prudent, 2008.
[83] Ibid.

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| | OCT is in dispute - as is the case with Mayotte, which is still claimed by the Comoros. This is the case with the PRPV programme (Programme Régional de Protection des Végétaux dans l'océan Indien). The implementation of the programme is taken care of by the IOC and counts as its members: Comoros, Madagascar, Mauritius, Réunion and Seychelles.<br>The PRPV was launched in 2003 and was scheduled to end in 2008. It was financed by the European Development Fund (EDF) for a total of €4,85 millions and by Réunion (France, territorial communities and Regional European Development Fund) for a total amount of €1,24 millions. However, because of the dispute around status of the OCT, Mayotte was not a formal participant in this programme.<br>More recently, the EC has been able to open up new funding channels, which do accommodate the OCTs. OCTs are eligible to participate in the funding made available through the Environment and Natural Resources Thematic Programme (ENRTP) budget line and are specifically encouraged to participate in ENRTP Priority 2/Lot 6: Land Biodiversity in non-ENPI countries - Invasive species.<br>Under the ENRTP, actions to support field pilot activities and models to limit the spread and reduce the impact of invasive species (Lot 6) are eligible for funding. Results and indicators have been formulated as follows:<br>**Expected results:** Improved information and understanding of the dynamics of invasive species; development of replicable models to limit their spread and social, environmental and economic impact.<br>**Possible Indicators:**<br>- Change in prevalence and impact of invasive species in participating project areas.<br>- Number and quality of schemes to limit the spread of invasive species.<br>- Models available and used to understand the dynamics and impact of invasive species.<br>**Geographic location:** Small Island Development States (SIDS) and Overseas Countries and Territories (OCT's) (see section 2.1.3 of the present guidelines).<br>The results of the first Call for Proposals under this ENTRP were not available during the evaluation period. |
| I 5.3.3: Research programmes established, focussing on marine and small island environment | OCTs are eligible for participation in, and funding from EC programmes such as the Research Framework Programme (FP7) although this funding is not necessarily earmarked for problems relating to small island environmental issues. Under the FP7 programme, two regional research programmes have been funded which cover the Caribbean (EUCARINET) and the Pacific (PACE-NET).<br>- **PACE-NET.** The Pacific-EU network for Science and Technology will establish a bi-regional dialogue platform on S&T between EU and the 15 countries member of the Africa Caribbean Pacific (ACP) Group of the Pacific region, namely Cook Islands, Federate States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea (PNG), Solomon Islands, East Timor, Tonga, Tuvalu and Samoa.<br>- **EUCARINET**. The EUCARINET project is a 4 years Coordination Action whose main goal is to strengthen bi-regional sustainable policy dialogue on Science & Technology between EU Member States (MS), Associated States (AS) and in the Caribbean Region, the Caribbean ACP States, the overseas Departments and Collectivities, and the Overseas Countries and Territories (OCTs). Environment and climate change are among the categories for which funding has been sought.<br>- Both programmes foster inter-regional and intra-regional cooperation leading to the identification and prioritisation of common research areas of mutual |

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| | interest and benefit. However, neither is directly targeting environmental topics. The Netherlands Antilles. Aruba, Bermuda, Greenland and New Caledonia have had projects retained under the FP7 programme. Interviews with the University of the Netherlands Antilles - member of the EUCARINET consortium - underlined the strong links being established between universities in the Caribbean region; and with universities in Europe. The regional universities have capacity constraints to both undertake research programmes as well as manage their "day-jobs"; moreover the programme is seen as mainly focussing on research and not providing funds for implementation. The universities are supposed to generate "own funds" for activities and this, to some extent, seems possible. For example, the University of the Netherlands Antilles has managed to acquire funds through an international foundation to develop further their work with sustainable energy.<br>In addition, in the Indian Ocean, Mayotte and the French Southern and Antarctic Territories will use € 3 million for an EDF 10 regional programme on protected marine areas in the Mozambique Channel. The activities will be to:<br>- Make a diagnostic of the natural resources in the maritime zone of Mayotte and the Scattered islands<br>- Elaborate a management plan for these areas<br>- Share scientific knowledge at regional and international level. |
| I 5.3.4: Existence of links with European research institutions. | Links have been established with European Research institutions, notably through EUCARINET and PACE-NET (see also above).<br>Moreover, although not directly linked to the OCTs but more indirectly through the Outermost Regions, important research work is being carried out on: marine habitat and fisheries; agriculture; and energy & environment. This research is documented in<br>- EU Research Focus, No 5 April 2010 - European Research Area: Boosting the potential of the outermost regions) - although this, for the moment, only covers the ORs.<br>As state in the editorial: "… the outermost regions have a special role. With locations in three different oceans, they host a remarkable biodiversity and have unique climate and geo-morphological characteristics."[84] It is further noted that research efforts are "linked to a wider initiative in the EU to improve coordination between regional funding available through structural funds, and research and innovation programmes - especially through FP7", which is where the OCTs can come in again. |
| **Judgment Criterion 5.4** | **EC support has contributed to the development of strategies to address climate change.** |
| I 5.4.1: Level of monitoring for climate change variables (sea temperatures; sea levels; monitoring of at-risk flora and fauna e.g. sea birds) | The Reunion Conference, and the Paris conference on integrating biodiversity into European development cooperation focussed specifically on the EU's overseas entities. This includes a series of recommendations.<br>**Reunion; recommendation 9**: Specific climate scenarios for each Outermost Region (OR) and OCT need to be developed, which should be supported by regional modelling; subsequently climate change vulnerability assessments need to be conducted and adaptation plans developed in all the ORs and OCTs, considering and involving the variety of relevant sectors, and adapting existing tools and methodologies. Finally, the proposed adaptation measures need to be implemented and monitored.<br>Funding poses a problem – however, the EU Biodiversity Action Plan (BAP) includes specific targets for the OCTs and a focus on the OCTs will be retained in |

[84] EU Research Focus, No 5 April 2010.

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| | the next BAP which is currently under preparation which aims to increase the level of funds earmarked for biodiversity (either through SDP or the thematic programme - ENRTP).<br>To this end, the EC has included a specific reference to the OCTs in the latest ENRTP call for proposals. In these call for proposals OCTs can participate in the following nine lots: Promoting environmental sustainability, Climate Change in non-ENPI countries, Forests, Forest Law Enforcement, Governance and Trade (FLEGT), Land Biodiversity in non-ENPI countries - Invasive species, Desertification, Fisheries, Sustainable production/consumption and waste.<br>While OCTs are eligible for all abovementioned Lots, Lot 6 has been specifically earmarked for Small Island Development States (SIDS) and Overseas Countries and Territories (OCTs).<br>In addition, following the commitment made in La Réunion, DG Environment is working with the relevant Member State on a proposal to develop a "Natura2000-like" scheme for the OCTs; the idea is that the OCTs, on a voluntary basis, develop a network of protected areas inspired by the Natura2000 experience in the EU. The EC has drafted a final proposal on this after consultation with the MS. However, during the next phase of the process, the Member State requested the EC not to deal with direct coordination of the OCTs, but leave this to the Member State. No information was available to say how far the process had moved. [85] |
| I 5.4.2: Level of contribution of civil society organisations in the policy dialogue on climate change | The OCTA has entered into the debate with its lobbying activities at the COP15 - and international NGOs are also actively involved specifically involving the OCTs - this includes both IUCN and WWF, which both have a lobbying presence in Brussels. The OCTs have all retained strong links with their Member State, and this includes the links with environmental and conservation NGOs in the Member State. These NGOs also serve as both channels for funding and as implementing agencies (for example, the RSPB in the British South Atlantic OCTs). The Dutch NGOs have also contributed to supporting the development of the Dutch Caribbean Nature Alliance (DCNA), and Aruba has a particularly vocal civil society, which engages in the policy debate on climate change. In Mayotte, the local press is very active in the environment and climate change debate; as is the tourism industry, which depends on the proper management of Mayotte's maritime resources (whales, dolphins, turtles, coral reefs, etc.). |
| I 5.4.3: Existence of climate change considerations in the design of future inter-ventions | Climate change is a priority for many OCTs and these considerations are also reflected in their programming documents. However, OCTs are facing several financial hurdles, which need to be overcome in order to translate these considerations into programmes and projects. It is difficult to free-up additional money from the 10th EDF financial envelope and finding additional funds elsewhere is also difficult. However, while the programming cycle for the 10th EDF 1had been largely completed for the ACP countries, this is still outstanding for the OCTs. In addition, funds are potentially available through ENRTP budget lines and through the FP7 Research programme - but in both cases funds are made available through a competitive call-for-proposals (and success is by no means guaranteed).While issues of climate change (often also linked to the importance of the environment in economies which depend to a lesser or greater extent on tourism) are important considerations for the OCTs, the insistence by the EU on Budget Support as preferred funding option makes it difficult for the OCTs to access EDF resources for climate-change related interventions. Even where the project modality has been retained, the interventions tend to be fairly small. While these may have a positive environmental impact, they cannot tackle in any meaningful way the issue of climate change. The programme in Mayotte is an example of an attempt to take into consideration climate change into the design of |

[85] Personal communication - DG DEV.

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| | the interventions - but even here the funding envelope is too small to allow for this intervention to be seen as more than a pilot project - for which additional funding resources will need to be accessed if the results of the interventions are to be put into practice in a meaningful way. In the case of the OCTs, the regional programmes appear to provide important channels for climate change interventions - although here again, funding limitations play a role, as does the size of the potential funding envelope for ENTRP and FP7. The recommendation from the Réunion conference, on the preparation of a "Natura2000-like" scheme, or alternatively greater cooperation between DG Dev and DG Regio to make available ERDF funds would make it more easy to take dedicated climate-change interventions into consideration. |
| I 5.4.4: OCTs represented on relevant international and regional fora | Representation of OCTs at international fora has been recommended in the Reunion Statement of 2008 and is also taken up again in the IUCN September 2010 Discussion paper. Potentially OCTs should be able to link up with international fora, such as the network of Small Island Developing States (SIDS) under the Barbados Programme of Action; or regional fora, such as CARICOM in the Caribbean, the Pacific Climate Change Round Table and the Indian Ocean Commission. In the Caribbean and in the Pacific OCTs are becoming more active in regional fora (also through their involvement in the EC regional programmes), but OCT (Mayotte) participation in the Indian Ocean is still blocked by the Comoros.<br>Nonetheless, involvement in international fora does remain a prerogative of the MS. Thus, while the OCTs had asked for the EC support for their representation in UN Rio Convention meetings, the Commission cannot take up this issue, as it is only the Member State that can determine how OCTs should be involved in the delegations to Conference of Parties meetings. |
| I 5.4.5: Adaptation of tools at the OCT level | This indicator covers the role of the EC contribution in the adaptation of climate change and biodiversity monitoring tools - and disaster preparedness tools - to the institutional situation of the OCTs; and the steps that have been taken in the OCTs develop response capacities. Particularly relevant here is the Disaster Management Capacity Assessment Benchmarking tool used in the R3I programme, which has been adapted for use in the Caribbean OCTs. The assessments were carried out at the time of the field visit and the results were still being assessed. The research activities that will be developed as part of the Mayotte/TAAF 10th EDF Regional programme, specifically focussed on climate change will also be relevant - but this programme is still in its design stage with the Action Fiche scheduled for December 2010. It will be some years before there are results.<br>As to the EC, its main funding sources include the European Development Fund (EDF) and instruments of the EC general budget. Individual DRR allocations are set out in Country and Regional Strategy Papers for all developing regions, intra-ACP programmes, Drought Preparedness and DIPECHO programmes in the humanitarian aid context, and in thematic programmes on food security and environment/natural resources. For example, €180 million has been proposed to be allocated to DRR under 10th EDF intra-ACP resources. The Commission will explore a better-integrated articulation between the above.<br>The 7th Research Framework Programme (FP7) and the Commission's Joint Research Centre also support a substantial amount of hazard- and disaster-related research and tools - and have specifically encouraged OCT participation in the FP7 programmes. The EC will also explore ways of mobilising innovative funding, additional to existing ODA, for the benefit of both DRR and climate change adaptation. The Global Climate Financing Mechanism, currently developed by the EC, could be one such instrument.[86] |

[86] Ref: EU Strategy For Supporting Disaster Risk Reduction In Developing Countries. P.12.

# Evaluation Question 6: Regional Integration

| EQ 6 | To what extent have the EC interventions contributed to strengthening OCT regional integration? |
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| **Justification and Comment** | Regional integration potentially contributes to sustainable economic diversification by transforming economic activities from an exclusive focus on constitutional or legal basis (EC opportunities and particularly on the MS to which they are attached to a proximity basis) towards other economies in a given geographical area.<br>The scope of association of OCTs to EU regional integration initiatives covers transport, trade and horizontal programmes; through those entries, administrative, cultural and economic ties might be strengthened that eventually can create a sense of belonging and heighten economic growth. The OCTs expressed their interest in the issue of regional economic integration and trade by undertaking a joint EU-OCTA study in 2009[87].<br>The interest of OCTs in their regional environment is often underlined in SPDs although none of them requested an EDF support towards regional integration and trade. In some cases, however, OCTs benefited from RIP funding either directly or as parties to regional programmes; in other cases, a specific programmes was designed for OCTs in a given region (for example, the TEP Vertes programme for Pacific French OCTs) |
| **Scope** | Coherence, Effectiveness and Impact |
| **Judgment Criterion 6.1** | **EC transport, ICT connectivity and other infrastructure projects increased passenger and freight flows from neighbouring countries.** |
| I 6.1.1: Evolution of import/export in volume | Countries' access to world markets depends largely on their transport connectivity, especially as regards regular shipping services for the import and export of manufactured goods, and all the more so for small islands economies such as OCTs'. UNCTAD's Liner Shipping Connectivity Index (LSCI) aims at capturing a country's level of integration into global liner shipping networks. |

**Table 16: Evolution of shipping lines connectivity index 2004-2009**

| | 2004 | 2005 | 2006 | 2007 | 2008 | Average annual growth 2004 – 2008 | 2009 | Growth 2009/2008 | Rank 2009 (over 161 countries) |
|---|---|---|---|---|---|---|---|---|---|
| Aruba | 7.37 | 7.52 | 7.53 | 5.09 | 5.09 | - 0.57 | 3.52 | - 1.57 | 144 |
| Cayman Islands | 1.90 | 2.23 | 1.79 | 1.78 | 1.78 | - 0.03 | 1.76 | - 0.02 | 158 |
| Greenland | 2.32 | 2.32 | 2.27 | 2.27 | 2.36 | 0.01 | 2.27 | - 0.09 | 156 |
| French Polynesia | 10.46 | 11.14 | 8.91 | 8.60 | 9.01 | - 0.36 | 8.39 | - 0.62 | 95 |
| Netherlands Antilles | 8.16 | 8.23 | 7.82 | 9.22 | 8.56 | 0.10 | 8.57 | 0.01 | 92 |
| New Caledonia | 9.83 | 10.34 | 9.00 | 8.81 | 9.23 | - 0.15 | 8.74 | - 0.49 | 90 |
| France | 67.34 | 70.00 | 67.78 | 64.84 | 66.24 | - 0.28 | 67.01 | 0.77 | 13 |
| Netherlands | 78.81 | 79.95 | 80.97 | 84.78 | 87.57 | 2.19 | 88.66 | 1.09 | 4 |
| United Kingdom | 81.69 | 79.58 | 81.53 | 76.77 | 77.99 | - 0.92 | 84.82 | 6.83 | 6 |

Source: UNCTAD Liner Shipping Connectivity Index 2010

For all OCTs surveyed, their connectivity is low (ranking in the second half and at the very end in the case of those Caribbean's OCTs with limited exposure to trade). The results for St Helena, Tristan da Cunha, the Falklands and Pitcairn would be even lower, should they be measured by LSCI. The overall OCTs trend in connectivity is on the decrease (unless for Netherland Antilles), sharpened in

[87] DFC, Final Report: The Analysis of the Regional Economic Integration Processes (Caribbean, Pacific and Indian Ocean) and recommendations aiming at enhancing trade and economic activity of OCTs within their region and with the EC, Jan. 2010.

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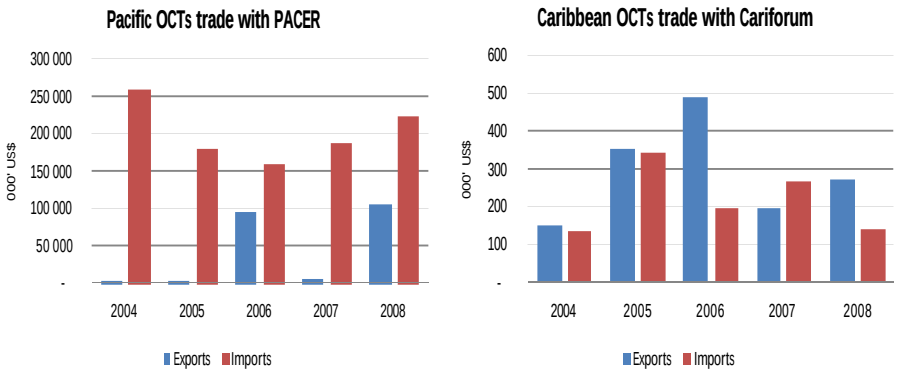
| | 2009 by the effects of the global crisis.<br>The Pacific OCTs are the most exposed to the effects of isolation and distance from of international ocean transportation routes. They are not only far from their major markets but shipping, the main export way for trade, is limited and expensive. In the extreme case of Wallis & Futuna, only one container ship comes once every three weeks, along a route that goes along several such isolated islands. The situation for Pitcairn is even worst. In more favourable situations with an high purchasing power such as French Polynesia, the size of the demand (250,000 inhab.) does not allow for the biggest and thus the most cost-effective containers ships to come directly from major markets (China, USA or EU). They go directly to major regional markets (Australia and New Zealand) where goods are dispatched on lower capacity ships inducing heavy costs. Tiny export flows fail to fill containers which are returning empty, which is the worst situation in terms of attracting operators and benefiting from economies of scale. Port operations are expensive if compared with ACP or even developed neighbouring countries and EU regulatory initiatives to support transhipment did not create significant activities. Being underdeveloped and not exposed to competitive pressures, port operations in OCTs are staying expensive. They are often sharing with the MS corporatist movements, with stronger link with political parties than in EU, thus difficult to resist in relatively unstable regime where competencies are regularly disputed with the MS.<br>Air transport situation is generally as penalizing for passengers flows: high costs due to distance, monopole, multiple connections, and lack of economy of scale; uneasy connecting flights, limited number of destinations. |
| I 6.1.2: Share of regional import/export on total flows | Pacific OCTs: Trade of Pacific OCTs with PACER (Pacific Agreement on Closer Economic Relations) increased for NC (import +50%; export +30%) and W&F (import +40%) but decreased for FP (import -20%; export -3%) demonstrating on overall increase in trade regional integration.<br>Caribbean OCTs: Trade of Caribbean OCTs with Cariforum shared the same overall increase of the share of neighbouring countries and a same pattern of wide disparities among OCTs. Evolutions are often opposite between imports and exports unless for BVI where both increased by some 88% between 2004 and 2008.<br>Despite the EU27 being one of the least dynamic markets for its exports, the EU remains by far the largest destination for Mayotte's exports, accounting for 58% of its exports, while ESA countries accounted for 37% of its export market in 2008. Imports far outstrip exports and reached US$390 million in 2008, compared to just under US$8 million in exports. By far the largest source of imports is the EU27, which accounted for 86% of its total imports. This traditional market for Mayotte shows no signs of declining, since imports from the EU27 rose in the last five years from 61% in 2004 to 86% in 2008, while they fell from the rest of the world. |
| **Judgment Criterion 6.2** | **EU trade regulations applied to OCTs supported increased regional imports/exports.** |
| I 6.2.1: Evolution of the value of imports/exports with neighbouring countries and regions | Pacific OCTs: The value of exports of NC towards PACER countries increased since 2004 by 11% while FP's exports increased sharply up to 2006 and then decreased as sharply to come back to 2004 level in 2008. For imports in FP, the trend is the exact reverse, ending by a limited decrease (-3%) over the whole period.<br>The overall trend is a decrease in regional imports and an increase in regional |

exports, with a strong unbalance between imports and exports.

**Figure 8: Pacific and Caribbean OCTs trade with their neighbours 2004-2008**




*Source: DFC 2010*

Caribbean OCTs: The overall trend for Caribbean OCTs is relatively even and characterized by a similar evolution of imports and exports with their regional partners. Imports are as an average covered by exports. This trend is strongly influenced by Netherland Antilles which represents 98% of Caribbean OCTs exports with Cariforum, and 45% of imports.

**Table 17: OCT Intra-regional Trade 2004 - 2008**

| | | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Pacific OCTs** trade with PACER | Exports | 3 404 | 4 585 | 94 877 | 4 897 | 105 881 |
| | Imports | 260 198 | 181 039 | 159 817 | 188 714 | 223 467 |
| **Caribbean OCTs** trade with Cariforum | Exports | 152 | 352 | 491 | 196 | 273 |
| | Imports | 134 | 345 | 196 | 267 | 144 |
| **Mayotte** trade with ESA | Exports | 1 251 | 2 582 | 2 085 | 1 699 | 2 787 |
| | Imports | 26 476 | 42 685 | 59 601 | 41 180 | 15 010 |
| Source: DFC 2010 | | | | | | |

**Table 18: OCT Regional Trade on Total Trade 2004-2008**

| Regional trade on total trade (000' US$) | | | | | | |
|---|---|---|---|---|---|---|
| | | 2004 | 2005 | 2006 | 2007 | 2008 |
| **Anguilla** | EXPORTS | 1 | 1 | 1 | 1 | 0 |
| | IMPORTS | 12 | 27 | 7 | 10 | 13 |
| **Aruba** | EXPORTS | 1 | 0 | - | - | - |
| | IMPORTS | 14 | 9 | - | - | - |
| **British Virgin Islands** | EXPORTS | 0 | 1 | 3 | 1 | 2 |
| | IMPORTS | 10 | 44 | 65 | 77 | 77 |
| **Cayman Islands** | EXPORTS | 1 | 1 | 4 | 2 | 2 |
| | IMPORTS | 62 | 75 | 10 | 26 | 19 |
| **French Polynesia** | EXPORTS | 3 399 | 4 584 | 5 819 | 4 897 | 3 313 |
| | IMPORTS | 251 761 | 173 094 | 152 525 | 179 846 | 209 652 |
| **Mayotte** | EXPORTS | 1 251 | 2 582 | 2 085 | 1 699 | 2 787 |
| | IMPORTS | 26 476 | 42 685 | 59 601 | 41 180 | 15 010 |
| **Montserrat** | EXPORTS | 3 | 1 | 1 | 1 | 0 |
| | IMPORTS | 3 | 6 | 12 | 11 | 4 |
| **Netherlands Antilles** | EXPORTS | 147 | 348 | 482 | 191 | 268 |
| | IMPORTS | 34 | 184 | 102 | 142 | 30 |
| **New Caledonia** | EXPORTS | 71 346 | 67 506 | 89 058 | 88 676 | 102 568 |
| | IMPORTS | 231 835 | 264 519 | 288 195 | 362 018 | 463 163 |
| **Turks and Caicos Islands** | EXPORTS | - | - | - | - | - |
| | IMPORTS | - | - | - | - | - |
| **Wallis and Futuna Islands** | EXPORTS | 5 | 1 | N/A | - | N/A |
| | IMPORTS | 8 437 | 7 945 | 7 292 | 8 868 | 13 815 |

Source: DFC 2010, The Analysis of the OCT Regional Economic Integration Processes

"*All OCTs are small islands with small domestic markets, located in remote regions, far from large importing countries with which they could trade, and they have very few natural resources to trade except in fishery products and nickel for New Caledonia. The OCTs have inherited their colonial power's legal system, as well as its institutional framework and have done little to renovate the institutions and policies governing trade*. (…) *the unilateral trade preferences provided by the EU in the past have not benefited the OCTs in so far that there is no evidence that they have promoted a diversification of their economies nor appear to have created linkages between producers and suppliers in the EU and OCT countries.*" DFC 2010, The Analysis of the OCT Regional Economic Integration Processes, p.8

"*even though the decision contains provisions allowing for and insisting on regional cooperation between the OCTs and their neighbours (whether the Community's outermost regions, ACP states or other third countries), it does not provide actual incentives or responsibilities to do so, and, so far, the results remain rather limited in spite of the resources made available to the various partners concerned.*" EC 2008, Green Paper - Future relations between the EU and the Overseas Countries and Territories, p.11

"*The Association of Caribbean States (ACS, established in 1994) and the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM, established in 1993 with its Headquarters in Guyana) are the major hemispheric links of the Community. CARIFORUM comprises the members of CARICOM and the Dominican Republic. Cuba joined in 2001. Its purpose is to manage and co-ordinate policy dialogue with the EU, to manage EDF regional support in the context of its Regional Integration and Development Strategy (RIDS), and promote the widening of regional integration and cooperation, including the Caribbean OCTs and the French DOMs. CARIFORUM countries are engaged in the preparatory process of the FTAA (Free Trade Agreement of the Americas).*" EC 2005, Evaluation of EC regional strategy in the Caribbean, p.8.

| | |
|---|---|
| I 6.2.2: Share of regional import/export on total trade | Pacific OCTs: In 2008, the share of regional imports for Pacific OCT's varies from 9.4% for FP to 33.4% for W&F, with NC at 14.7% (mainly with Australia and New Zealand). For exports, the share is far more limited, ranging from nothing (W&F) to 6.3% (New Caledonia,). The average value is 6%, to be compared to 13% for imports.<br>There is no marked evolution of the share of the regional trade over the 2004-2008 period unless for W&F where a slight increase in regional imports can be noticed.<br>The level of trade intensity[88] is very high with PACER countries for New Caledonia, and slightly more than what would be expected for French Polynesia. No data is available for Wallis and Futuna.<br><br>**Table 19: OCT Intra-regional trade 2008**<br>**OCT regional trade in 2008 (in 000' US$)**<br>**Pacific OCTs** trade with PACER – export: 105 881 – 6%<br>PACER – import: 686 630 – 13%<br>**Caribbean OCTs** trade with Cariforum – export: 273 – 6%<br>Cariforum – import: 144 – 2%<br>**Mayotte** trade with ESA – export: 2 787 – 36%<br>ESA – import: 15 010 – 4%<br>Source: DFC 2010<br><br>Caribbean OCTs: In 2008, the regional share (Cariforum) in total trade is 2% for imports, thus far more limited than for Pacific OCTs, and 6% for exports – the same than for Pacific OCTs.<br>Aruba, Cayman Islands and Turks and Caicos Islands do not trade with Cariforum countries albeit they have several trade partners. Cayman Islands are trading predominantly with the EU. The most open to regional trade is Montserrat with roughly 30% of its imports and 50% of its exports. Anguilla, BVI and the Netherland Antilles are less regionally integrated (less than 10% of their imports or exports) and characterized by a strong unbalance between regional imports and exports. However limited in absolute number, trade with regional partners is over-represented compared to their share in global trade, particularly for Netherland Antilles (trade intensity of 26) and Anguilla (9).<br>Mayotte is by far the OCT most integrated in its regional area, at least for imports with a trade intensity index at 26 pts. Most of these imports are coming from the Comoros Islands and Madagascar, relatively close to Mayotte. |

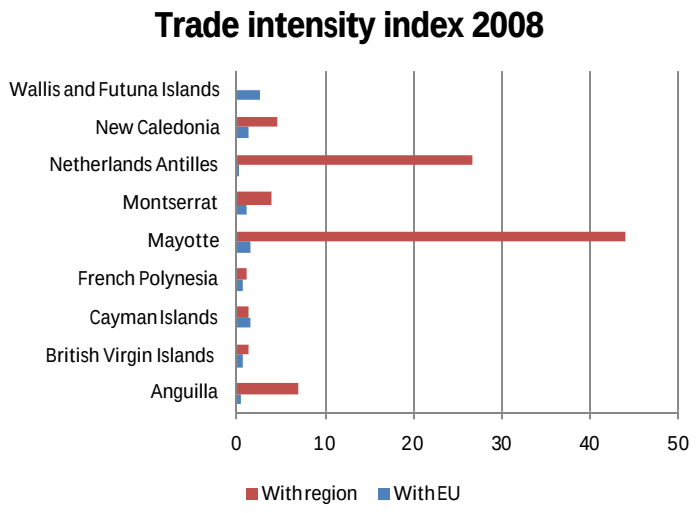
[88] It is defined as the share of one country's exports going to a partner divided by the share of world exports going to the partner. It is calculated using 2008 data as: Tij = (xij/Xit)/(xwj/Xwt), where xij and xwj are the values of country i's exports and of world exports to country j and where Xit and Xwt are country i's total exports and total world exports respectively. An index of more (less) than one indicates a bilateral trade flow that is larger (smaller) than expected, given the partner country's importance in world trade.

**Table 20: Overview of OCT Trade 2004-2008**

| | | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|
| **Anguilla** | EXPORTS | 15.79% | 6.38% | 6.42% | 5.22% | 2.42% |
| | IMPORTS | 12.01% | 30.08% | 8.74% | 7.30% | 9.93% |
| **Aruba** | EXPORTS | 0.69% | 0.19% | 0.00% | 0.00% | 0.00% |
| | IMPORTS | 1.55% | 0.90% | 0.00% | 0.00% | 0.00% |
| **British Virgin Islands** | EXPORTS | 0.07% | 0.23% | 0.75% | 0.26% | 0.41% |
| | IMPORTS | 0.23% | 0.94% | 1.48% | 2.01% | 2.44% |
| **Cayman Islands** | EXPORTS | 0.15% | 0.16% | 0.19% | 0.53% | 0.42% |
| | IMPORTS | 3.41% | 3.44% | 0.29% | 1.05% | 0.49% |
| **French Polynesia** | EXPORTS | 1.85% | 2.18% | 3.12% | 2.93% | 1.60% |
| | IMPORTS | 17.01% | 10.17% | 9.86% | 11.25% | 9.37% |
| **Mayotte** | EXPORTS | 25.54% | 40.16% | 28.17% | 21.75% | 36.48% |
| | IMPORTS | 9.40% | 13.79% | 16.32% | 8.25% | 3.85% |
| **Montserrat** | EXPORTS | 60.47% | 46.67% | 50.00% | 40.74% | 2.13% |
| | IMPORTS | 10.48% | 20.81% | 38.74% | 38.05% | 21.03% |
| **Netherlands Antilles** | EXPORTS | 10.23% | 10.77% | 12.33% | 4.98% | 8.60% |
| | IMPORTS | 1.76% | 3.46% | 1.38% | 2.86% | 0.13% |
| **New Caledonia** | EXPORTS | 7.04% | 6.06% | 7.84% | 5.38% | 6.28% |
| | IMPORTS | 14.66% | 15.47% | 14.95% | 15.41% | 14.74% |
| **Turks and Caicos Islands** | EXPORTS | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | IMPORTS | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| **Wallis and Futuna Islands** | EXPORTS | 0.34% | 0.09% | 0.00% | 0.00% | 0.00% |
| | IMPORTS | 25.69% | 24.97% | 22.86% | 26.73% | 33.46% |

Source: DFC 2010, The Analysis of the OCT Regional Economic Integration Processes

**Figure 9: OCT Trade Intensity Index 2008**




*Source: DFC 2010*

*"Needless to say, the system [rules of origin] is complicated and bureaucratic and it may discourage any producer from investing in vertically integrated operations in the ACP States and in the OCTs. This, however, has always been the case and it may explain why in practice, cumulation [of rule of origin] has seldom been used. In theory the new system does not benefit OCTs but given the extremely limited number of vertical OCT – ACP manufacturing operations that are located in the ACP, the negative impact is small. The problem seems to lie mainly in the formalities involved in order to benefit from cumulation, where authorised." DFC 2010, The Analysis of the OCT Regional Economic Integration Processes, p.11*

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| I 6.2.3: Participation of OCTs in regional trade forums and bilateral trade agreements with neighbouring countries | None of the OCTs are members of the WTO in their own right and of regional single market initiatives (such as the Caribbean). The situation is particularly clear for Pacific and Indian Ocean OCTs and less so in the Caribbean. Montserrat is theonly case where such an initiative was initially considered before being deferred by **UK. Pacific OCTs**: The South Pacific Islands, Australia and New Zealand are the relevant market for the Pacific OCTs. It is characterized by a strong movement towards regional integration with the Pacific Islands Countries Trade Agreement (PICTA, 2006) and the Pacific Agreement on Closer Economic Relations (PACER, 2001) with is including Australia and New Zealand. Pacific OCTs are members of neither PICTA nor PACER and thus do not have preferential market access conditions with their neighbours. The only preferential treatment noticed is New Zealand GSP for Pitcairn Islands and Wallis and Futuna (in all a population of some 10,000). The regional free trade area is to be established in 2012.New Caledonia and French Polynesia are Associate Members to the South Pacific Forum and Wallis and Futuna is an observer. The French Pacific OCTs were invited to be part of PICTA and PACER. A trade bilateral agreement was signed between NC and FP but on a limited number of products (shrimp and pearls mainly). EPA negotiations between the Pacific Islands States and the EU are among those which have least progressed in the recent past. Only Papua New Guinea and Fiji, the two main exporters to the EU in the region, initialled an Interim Agreement in 2007. The number of unsolved contentious issues, such as rules of origin, the request by the EU to eliminate export taxes, the infant industry provisions and the Most Favoured Nation (MFN) Clause contained in the draft Agreement, did not allow to extend the agreement to other countries. **Caribbean OCTs:** Unlike other OCTs, what should be considered by Caribbean OCTs as their regional area is unclear due to the proximity of the USA and its economic weight. The CARICOM is the customs union initiative which surrounds them but not necessarily the economically relevant one. The Caribbean OCTs associate members of CARICOM are Anguilla, British Virgin Islands, Cayman Islands, and Turks and Caicos Islands. A major issue for integrating into US market preferential access agreements and initiatives are the imposed custom-related criteria, which is contrary to some OCTs offshore banking activities. The level of income of Aruba and the Netherlands Antilles mean that they cannot benefit from the US GSP status open to Caribbean countries and territories.Mayotte: The Eastern and Southern African countries are its relevant market. They are participation to four major regional initiatives: the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Southern African Development Community (SADC) and the Southern African Customs Union (SACU). All of them have established a common external tariff and pledge to be or become customs unions. Most countries are member of several of those initiatives. Mayotte does not benefit from a preferential market access treatment with any of these customs unions. Regional integration initiatives valued by the Conseil Général are focused on its immediate neighbours (Comoros Islands, Madagascar, La Réunion) and more specifically on regional cooperation. The objective of these initiatives is to reduce Mayotte's economic and political isolation which is a political priority. The main political issue is the normalisation of relationship with Comoros. Agro-pastoralist activities are supported on the West cost of Madagascar (Bouéni, Dana). This initiative started in 2007 amounts for €1 million and is co-funded by France.In a similar way than for Mayotte, SPM view of regional integration is based on the regional cooperation with Canada funded (€1.5 million) by the Development contract passed with France. Several initiatives are supported to strengthen commercial ties (with Newfoundland Island particularly), scholar exchanges, tourism, etc.<br>*"The OCTs regret the Commission's reluctance to allow OCTs to participate as observers in EPA negotiations, even though the EU Treaty does not apply to* |

[89] OCTA Forum 2007, OCTA political resolutions, p.7

| **Judgment Criterion 6.3** | **EC-supported Regional Integration Organisations supported OCTs involvement in their programmes** |
|---|---|
| I 6.3.1: Number of regional programmes which benefited OCTs | The main regional programme implemented with Pacific OCTs under the 9th EDF (2002-2007) RSP is TEP vertes (for "Tonne équivalent pétrole, Valorisation des Energies Renouvelables et Transmission des Expériences et des Savoir faire ») of a total amount of €10 million (co-financed at 50% by the EC). It was delayed to the extent that procurements were launched in 2009 only. The programme is now completed in French Polynesia, near to be so in New Caledonia while facing further delays in Wallis & Futuna.<br>OCTs participation was planned under allocations for the South Pacific Applied Geo-science Commission (SOPAC), the Secretariat of the Pacific Community (SPC), the Regional Environment Programme (SPREP), and the South Pacific Tourism Organisation (SPTO). Their participation was long extremely limited by lack of involvement of OCTs but is increasing under the leadership of the New Caledonia government, strongly oriented towards more regional integration.<br>No specific programme is planned in the RSP 2008-2013 (unless EIB financed ITC projects).<br>Pacific OCTs were associated to fish related regional programmes (Proc-Fish for coastal fishery (€8.1 million committees under 8th EDF) et Sci-Fish for oceanic fishery (€2.6 million)) managed by the Secretariat of the Pacific Community.<br>If OCTs as such are constrained by EDF rules, their population being EU citizens, can candidate to other EC programmes (since 2007 with the modification of the article 58 of the ODA) such as Erasmus. Even with the willingness of their respective governments for supporting financially these participations, EC programmes' rules are ill suited to the OCT singularities (physical isolation, lack of EU-wide networking, social inclusiveness).<br>The Caribbean OCTs' cooperation with CARIFORUM is clearly spelled out by the RSP 2002-2007, focusing on one hand on intensifying regional integration in the fields of SMEs, education/training, and ITCs, and on the other hand on disaster prevention and management. In the recent past has included participation in a project on Strategic Planning in Public Services, and a CARIFORUM Regional Laboratories Project. They are also associated to Cariforum's programmes financed by the 9th EDF (Caribbean Renewable Energy Development Programme (CREDP), CARICOM Agribusiness Development Programme, Mainstreaming Adaptation to Climate Change (MACC), Pan Caribbean Partnership against HIV/AIDS (PANCAP), University of the West Indies-CARICOM, Information and Communication Technology for Development, CARICOM Legislative Drafting Facility (CLDF), and Promoting CARICOM/CARIFORUM Food Security. OCTs' participation is either effective, at least to their steering committees (such as the Information and Communication Technology for Development, ICT4D) or pending (for CREDP for example). OCTs participation to Cariforum programmes appears to have been uneven and |

[90] DFC 2010, The Analysis of the OCT Regional Economic Integration Processes, p.10
[91] DFC 2010, The Analysis of the OCT Regional Economic Integration Processes, p.18
[92] ICTSD (International Centre for Trade and Sustainable Development), June 2009, http://ictsd.org/i/news/eclairage/47771/
[93] BRIDGES Weekly Trade News Digest 15 September 2004 Vol. 8, No. 30.
[94] DFC 2010, The Analysis of the OCT Regional Economic Integration Processes, p.71.
[95] EC 2008, Green Paper - Future relations between the EU and the Overseas Countries and Territories, p.13
[96] EC, Caribbean RSP 2002-2007, p.21
[97] EC, Caribbean RSP 2008-2013, p.26
[98] EC, Pacific RSP 2002-2007, p.11

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| | restricted to least developed OCTs. Tracks was found for PANCAP (Aruba, Montserrat, T&Cs) and ICT4D (Montserrat) only.<br>In the 2008-2013 Caribbean RIP, they are explicitly associated only in Economic Cooperation and Trade programme (4% of the €143 million allocated to the focal area), with all possible stakeholders (CARIFORUM, DOM, OCT, EU, LAC); the accompanying measure for OCTs is "Taking action to deepen relations" with Cariforum.<br>Mayotte nor OCTs are mentioned in the RSP 2002-2007. Mayotte is associated with Outermost Regions (La Réunion) in the RSP 2008-2013 for regional programmes but its participation was not to be funded under the RIP[99]. Alternative source of funding is not identified.<br>Neither Greenland nor SPM were involved in any EC funded regional programmes. Their nationals, as EU citizens, can access EU-wide education exchange programmes such as Erasmus, Socrates, etc. Following the 2007 amendment of the ODA, they are eligible for other EU programmes.<br>"*Initiatives aimed at developing closer cooperation are being promoted through the setting up of CARIFORUM/DOM/OCT/EU Task Forces in the following areas: HIV/AIDS, Disaster Management, Trade and Investment and Interconnectivity. DOMs and OCTs are beginning to participate in CARIFORUM Regional Projects where possible and to work on deeper levels of functional cooperation and mutual cooperation/assistance in agreed areas. Task Force meetings were held in 2007 in all areas of activity except Disaster Management, for which there was no budgeted support. The OCTs' cooperation with CARIFORUM in the recent past has included participation in a project on Strategic Planning in Public Services, and a CARIFORUM Regional Laboratories Project.*"[100]<br>"*Synergies will be sought with Overseas Countries and Territories (OCTs) and relevant regional interventions will be developed under their 10th EDF Single Programming Documents (SPD), when feasible and relevant to both regional groupings. Climate change and the sustainable management of oceanic resources as well as regional telecommunications, are examples of topics that could benefit from a stronger link between the ACP regional programme and the OCT's 10th EDF programming, building on the OCTs participation in some regional PACP programmes under the 9th EDF, focusing on plant protection, sustainable agriculture and oceanic and coastal fisheries.*"[101]<br>"*Dans la continuité de PROC-FISH ("Pacific Regional Oceanic and Coastal Fisheries project" ou projet régional sur les pêcheries côtières et hauturières du Pacifique) arrivé à terme le 31 décembre 2006, et prolongé jusqu'au 28 février 2009, le projet SCI-FISH a été élaboré et a débuté en 2008. D'une portée régionale et pour une durée prévue de 4 ans, il est destiné à aider les pays du Forum et les territoires français du Pacifique à mieux gérer le développement de leurs pêcheries thonières. L'objectif global de SCI-FISH est de fournir la base scientifique nécessaire à des prises de décisions par les pays et territoires insulaires bénéficiaires en matière de gestion nationale des pêcheries océaniques. Au niveau régional, ces informations serviront à la définition des mesures de gestion adoptées par la Commission des pêches du Pacifique central et occidental (WCPFC).*"[102]<br>"*Les trois PTOM français du Pacifique (Nouvelle-Calédonie, Polynésie française et Wallis-et-Futuna) mettent en œuvre, depuis la fin de l'année 2006, le projet de coopération régionale dans le domaine des énergies renouvelables baptisé « TEP* |

[99] Under Annex IV, Article 6.2, Revised ACP/EC Partnership Agreement, 25 June 2005.
[100] EC, Caribbean RSP 2008-2013, p.22.
[101] EC, Pacific RSP 2008-2013, p.57.
[102] NC, RAE 2008, p.25.

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| | *VERTES » (Tonne Equivalent Pétrole, Valorisation des Energies Renouvelables et Transfert d'Expérience et de Savoir-faire). Ce projet dont la convention de financement a été signée par la présidente du gouvernement de la Nouvelle-Calédonie, ordonnateur régional, le 18 octobre 2006 sera mis en œuvre sur la période allant jusqu'au 31 juillet 2011. L'objectif global du projet est d'améliorer les conditions de vie et le développement des activités lucrative des populations rurales ou isolées de la Nouvelle-Calédonie, de la Polynésie française et de Wallis et Futuna en accélérant le recours aux énergies renouvelables respectueuses de l'environnement (éolien, photovoltaïque).* (…) *Le programme d'actions a été validé par le Comité de Suivi en fin d'année 2007 et envoyé à ses membres en début d'année 2008. Un expert de la Commission européenne est venu en Nouvelle-Calédonie durant le mois d'août 2008 et a formulé un certain nombre d'observations. La Nouvelle-Calédonie, en tant qu'ordonnateur régional, a pris en compte ces observations et l'équipe-projet a été entièrement changée : un nouveau coordonnateur et un nouveau chef de projet ont été nommé. "*[103]<br>"*The established mechanisms, such as the IRCC and the Tripartite Mechanism, ensure that the coherence and complementarity of trade and integration policy formulation and implementation are strengthened. The IRCC will be strengthened to support ROs under the 10th EDF to address issues of coordination with pan-African programmes, within the ACP, with other regions (including OCTs and ORs) and with other cooperating partners*."[104]<br>*"The ROs may collaborate with other countries or regions as well as Overseas Countries and Territories (OCTs) and Outermost Regions (ORs) of the EU to implement projects under this Regional Indicative Programme. Specific attention will be given to the development of concerted EDF and European Regional Development Fund (ERDF) programming with parallel co-financing arrangements, with a view to strengthening ACP/OR functional cooperation at ESA regional level. The concerned ROs will set up appropriate coordination mechanisms for appraising joint EDF/ERDF initiatives with the Outermost Regions (see Annex 12). Participation requests, including an indication of the funding source, are to be submitted to the duly mandated ROs holding the presidency of the IRCC. Funding to enable the participation of OCTs and OR will be additional to the funds allocated to the ACP States under the RIP*."[105]<br>*" (…) the fact that it includes the French and UK Pacific OCTs means that the latter can apply to participate in ACP PRIP programmes with funds from their (OCT) Regional allocation*."[106] |
| I 6.3.2: Extent of contribution of OCTs in regional programmes formulation and management | In the Pacific, New Caledonia government is the RAO and is thus directly involved in regional programmes' formulation and management but only for programmes limited to OCTs only (TEP Vertes). A recent interest in regional cooperation is emerging in New Caledonia and to a lesser extent in French Polynesia, leading to an increase participation to regional events and seminars, particularly those funded by the EC through the South Pacific Community (with SOPAC) and the Pacific Islands Forum Secretariat. At this stage, OCTs are far from contributing in regional programmes formulation and management, unless restricted to themselves.<br>In the Caribbean, the only occurrence of a participation of OCTs in Cariforum programmes management is the presence of Montserrat in ITC4D steering committee. The field missions did not found out much commitment to the contributing to RIOs initiatives. |

[103] NC, RAE 2008, p.26.
[104] EC, ESA-IO RSP 2008-2013, p.26.
[105] EC, ESA-IO RSP 2008-2013, p.52.
[106] EC, Pacific RSP 2002-2007, p.20.

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| | Mayotte is marginalized in IO regional programmes due to the diplomatic issue of the Comoros Islands claim over the territory. Other OCTs are not participating significantly in regional programmes implementation. |
| I 6.3.3: Existence of local policies or programmes consistent with regional programmes | Pacific OCTs developed sector policies based on their own view of priorities, not as a part of a wider regional framework. The language barriers and the difference in administrative culture were not conductive to further integration in policy dialogue platforms while the difference in level of development limited shared issues and solutions. French OCTs are carrying on with large subsidized schemes while the neighbouring ACP countries were more keeping on fiscal and budgetary discipline.<br>In the Caribbean, the existence of policies linked to effective participation in an EC funded Cariforum programme has not been evidence by the field mission.<br>Mayotte is keeping narrow ties with La Réunion but is not included to wider regional programmes. Its policy framework is thus developed in relative isolation. |
| I 6.3.4: Invitation & participation of OCTs to regional meetings organized by EC | Pacific OCTs are for the last one or two years invited to regional meetings and willing to participate and contribute. The language barrier is lowering, particularly in New Caledonia while the willingness to associate is on the increase. The same trend is witnessed in the Caribbean. |
| **Judgment Criterion 6.4** | **EC trade related interventions increased OCTs international trade flows in volume and value** |
| **I 6.4.1: Evolution of import/export in value and volume for major trade partners** | Pacific OCTs: In terms of the direction of trade, New Caledonia is very much oriented towards the EU market, with half its exports destined to EU27, compared to one quarter in the case of French Polynesia. Wallis and Futuna have traditionally exported around half its very limited exports to the EU market. New Caledonia appears to trade more with the PACER region than other countries, although the level remains low considering the close proximity of these markets. The United States are important markets to New Caledonia and French Polynesia.<br>Caribbean OCTs: Anguilla's largest export market is the United States, which absorbs 36% of its exports. The EU27 is an important market, accounting for 19% of its exports. A mere 2% of its exports are destined to the CARIFORUM market, a share that has declined from 15% five years ago. Anguilla sources 7% of its imports from the CARIFORUM market, and a further 18% from the EU27 market. However, the vast majority of its imports originate from the US, which account for two thirds of its imports.<br>The statistics obtained for Aruba are relatively poor in terms of geographical breakdown, especially for more recent data (from 2006 to 2008).<br>The British Virgin Islands exports in 2008, with over a quarter of its exports destined to the EU27 market. The Cariforum and US markets absorb just under half and two percent of its exports respectively. The British Virgin Island's imports are substantial, and reached US$ 3.2 billion, creating a trade deficit of US$ 2.7 billion in 2008. The EU27 supplied just under one quarter of its imports, while Cariforum countries and the US only supplied 2% and 10% respectively of its imports.<br>Cayman Islands largest market is the United States, which absorbed 20% of its exports in 2007, and three quarters of its imports. |

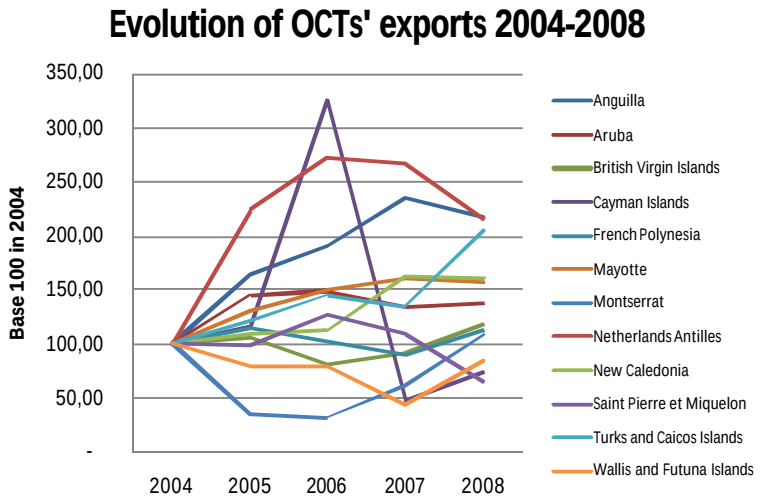
The main destination of Montserrat exports is the EU27 market, which absorbed 45% of its exports. The Cariforum and US markets have a relatively small demand for its exports, accounting for just a 1% and 5% share of its exports. However, imports from Cariforum countries are significant, accounting for 21% of its total imports. The US is also an import supplier to Montserrat, accounting for a further 44% of its imports. Finally, the EU27 is also a significant supplier, with a share of 23% of its imports in 2008.

Exports from the Netherland Antilles have grown by 20% p.a. over the last five years, reaching US$ 3.1 million in 2008. The US is the largest market for the Netherland Antilles, accounting for 27% of its exports, followed by the EU (12%). The Netherland Antilles also exports a significant amount to the Cariforum market (9% of total exports).

The statistics obtained for Turks and Caicos are too poor in terms of geographical breakdown to come to a reliable picture.

Mayotte's exports to the world have grown at a robust 11% per annum over the last five years, with the EU27 being one of the least dynamic markets for its exports.

**Figure 10: Evolution of OCTs' export 2004-2008**

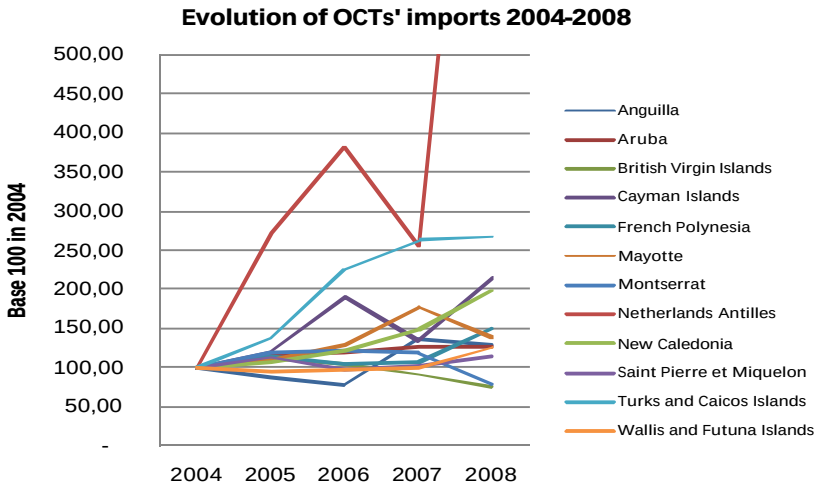



*Source: DFC 2010*

*"In terms of tariffs the OCTs enjoy substantial preferential tariff treatment in the main developed markets. (…) Thus duty-free access is available for the great majority of OCT exports. Trade preferences, however are subject to erosion over time. Nevertheless, given the scope and state of the WTO's Doha Development Agenda, it is expected that preferences will continue in the medium term. Outside of tariffs, there are some substantial limitations to market access. One of the principal conditions for preferential market access relates to rules of origin in the EU and in other markets. Flexibilities on rules of origin in the sector of fish in the EU market is a key, cross-cutting issue across all OCTs. (...) A major area of difficulty for OCT exports relates to food safety and SPS requirements. These are the most formidable barriers to reaching a diversified export base. (...)in the absence of substantive technical assistance, these new requirements in SPS legislation could rapidly become the most powerful trade barrier facing OCTs, especially for small and medium sized enterprises (SMEs) based in the OCTs."*[107]

[107] DFC2010, The A

**Figure 11: Evoluation of OCTs' imports 2004-2008**




**I 6.4.2: Evolution of total trade value**

Pacific OCTs: Amongst the Pacific OCTs, NC is by far the largest exporter, recording US$1.6 billion in 2008, followed by FP (US$207 million) and W&F (US$19 million). New Caledonia has also witnessed rapid export growth in the last five years, with exports growing at 14% p.a. compared to the stagnation experienced by French Polynesia. W&F did not export at a significant scale (around US$ 1 million unless in 2008 with a sudden rise to $ 18 million), in a very similar way than most Caribbean OCTs.

Caribbean OCTs: The UK Caribbean OCTs have relatively little exports in comparison to their Dutch counterparts, owing primarily to the large exports of oil from the Netherland Antilles. All OCTs in the Caribbean, as in other regions, have large structural trade deficits.

Anguilla's exports reached US$13 million in 2008 and recorded an average annual growth of 21% over the last five years.

Aruba's exports reached US$101 million in 2008, up from US$37 million five years earlier. Aruba's imports have also grown by 6% p.a. over the last five years and reached US$ 1.1 billion in 2008, which is ten times the level of imports.

The British Virgin Islands recorded US$ 0.5 billion of exports in 2008, with over a quarter of its exports destined to the EU27 market. Imports are substantial, and reached US$ 3.2 billion.

Cayman Islands exports reached US$ 0.5 billion, while imports reached US$3.9 billion.

Montserrat recorded a modest US$ 4.7 million of exports in 2008, while its imports reached US$ 19.4 million. Imports appear to be declining, while exports have picked up slightly.

A major surge in imports in 2008 for the Netherland Antilles, as a result of Petroleum exports, which account for three quarter of its imports, has led to a highly distorted trade balance in 2008 in comparison to previous years. Exports from the Netherland Antilles have grown by 20% p.a. over the last five years, reaching US$ 3.1 million in 2008. The Netherland Antilles is by far the largest exporter of Caribbean OCTs.

Turks and Caicos exports reached US$ 25 million in 2008, up from US$ 12 million five years earlier. Imports reached US$ 591 million in 2008, generating a trade deficit of US$ 566 million.

nalysis of the OCT
Regional Economic Integration Processes, p.11.

SPM 2008 exports have been halved in value since 2004 while imports increase by 13%.

**Table 21: Overview of OCT Trade 2004- 2008 with growth rate**

| Total trade (000' US$) | | 2004 | 2005 | 2006 | 2007 | 2008 | Growth |
|---|---|---|---|---|---|---|---|
| Anguilla | EXPORTS | 6 | 9 | 11 | 13 | 12 | 54% |
| | IMPORTS | 102 | 89 | 81 | 141 | 133 | 23% |
| Aruba | EXPORTS | 73 | 106 | 109 | 98 | 101 | 28% |
| | IMPORTS | 875 | 1 030 | 1 041 | 1 114 | 1 113 | 21% |
| British Virgin Islands | EXPORTS | 457 | 483 | 372 | 424 | 541 | 16% |
| | IMPORTS | 4 181 | 4 690 | 4 366 | 3 858 | 3 168 | -32% |
| Cayman Islands | EXPORTS | 677 | 797 | 2 210 | 323 | 501 | -35% |
| | IMPORTS | 1 810 | 2 171 | 3 441 | 2 439 | 3 880 | 53% |
| French Polynesia | EXPORTS | 183 852 | 210 284 | 186 315 | 167 047 | 206 681 | 11% |
| | IMPORTS | 1 479 657 | 1 701 488 | 1 546 772 | 1 598 155 | 2 237 108 | 34% |
| Mayotte | EXPORTS | 4 898 | 6 429 | 7 402 | 7 813 | 7 640 | 36% |
| | IMPORTS | 281 602 | 309 499 | 365 150 | 499 362 | 390 138 | 28% |
| Montserrat | EXPORTS | 4 | 2 | 1 | 3 | 5 | 9% |
| | IMPORTS | 25 | 30 | 30 | 30 | 20 | -27% |
| Netherlands Antilles | EXPORTS | 1 439 | 3 228 | 3 913 | 3 842 | 3 117 | 54% |
| | IMPORTS | 1 941 | 5 314 | 7 407 | 4 965 | 22 685 | 91% |
| New Caledonia | EXPORTS | 1 012 981 | 1 113 888 | 1 135 375 | 1 647 803 | 1 632 085 | 38% |
| | IMPORTS | 1 581 563 | 1 710 316 | 1 927 136 | 2 348 787 | 3 141 954 | 50% |
| Saint Pierre et Miquelon | EXPORTS | 4 212 | 4 202 | 5 383 | 4 647 | 2 767 | -52% |
| | IMPORTS | 46 035 | 52 465 | 44 979 | 47 427 | 52 901 | 13% |
| Turks and Caicos Islands | EXPORTS | 12 | 15 | 18 | 16 | 25 | 51% |
| | IMPORTS | 220 | 304 | 498 | 581 | 591 | 63% |
| Wallis and Futuna Islands | EXPORTS | 1 459 | 1 146 | 1 171 | 643 | 18 668 | 92% |
| | IMPORTS | 32 838 | 31 818 | 31 892 | 33 179 | 41 286 | 20% |
| | | | | | | | |
| Pacific OCTs | EXPORTS | 1 198 292 | 1 325 318 | 1 322 861 | 1 815 493 | 1 857 434 | 35% |
| | IMPORTS | 3 094 058 | 3 443 622 | 3 505 800 | 3 980 121 | 5 420 348 | 43% |
| Caribbean OCTs | EXPORTS | 2 667 | 4 640 | 6 634 | 4 719 | 4 301 | 38% |
| | IMPORTS | 9 155 | 13 627 | 16 864 | 13 127 | 31 590 | 71% |
| Other OCTs (Mayotte and SPM) | EXPORTS | 9 110 | 10 631 | 12 785 | 12 460 | 10 407 | 12% |
| | IMPORTS | 327 637 | 361 964 | 410 129 | 546 789 | 443 039 | 26% |
| | | | | | | | |
| All OCTs | EXPORTS | 1 210 070 | 1 340 588 | 1 342 280 | 1 832 672 | 1 872 142 | 35% |
| | IMPORTS | 3 430 850 | 3 819 213 | 3 932 794 | 4 540 037 | 5 894 976 | 42% |

Source: DFC 2010, The Analysis of the OCT Regional Economic Integration Processes

"*Today, the Community is available to help reinforce, within the association strategies of each OCT, the capacity of the OCTs to handle all areas related to trade, including where necessary improving and supporting the institutional framework. However, not least because of the limited funds available for Community financial assistance, this possibility is at present not exploited by the OCTs, which assume the primary responsibility for the formulation of their association strategies.* (…) *Because the OCTs are not part of the Community's single market, they must comply with obligations on imports of goods into the Community concerning trade and sanitary measures. Thus, improved standards in the OCTs in the sanitary and phytosanitary field, inspired by the Community's harmonisation experience, may generate mutual benefits, competitive and flexible markets, economies of scale and improved consumer choice.*"[108]

[108] EC 2008, Green Paper - Future relations between the EU and the Overseas Countries and Territories, Annexes, p.34-36.

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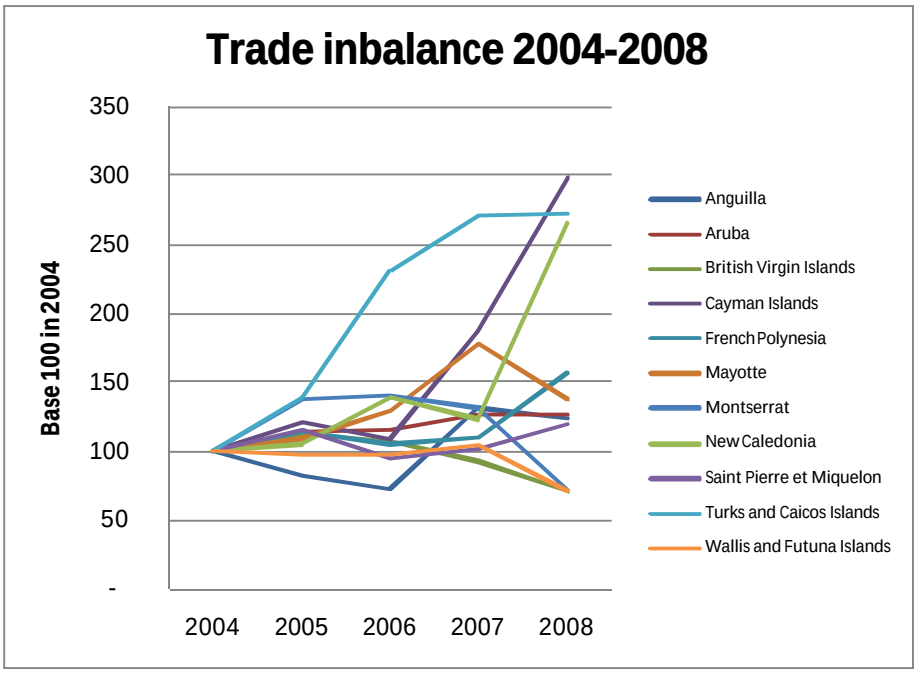
|---|---|
| I 6.4.3: Evolution of trade balance (including both goods and services) by product and by country | Pacific OCTs: All Pacific OCTs are strictly net importers, recording large trade imbalances. In the case of New Caledonia, the deficit reached US$1.6 billion in 2008, up from US$0.6 billion five years earlier. French Polynesia has the highest trade deficit of the Pacific OCTs, and recorded a deficit of US$2 billion in 2008, up from US$1.3 billion in 2004. Futuna and Wallis recorded a deficit of US$22.6 million, which as a ratio of its exports is very large (121%). The ratio of the deficit to exports for New Caledonia and French Polynesia was 100% and a staggering 982% respectively in 2008. The greatest source of imports is by far the EU27, despite this being a distant (and perhaps not efficient) market geographically for these OCTs.<br>In terms of cover ratios, it appears that the situation has been generally improving with the EU, whereby exports "cover" the value of imports by up to 59% for New Caledonia, though the values hover around 5% for French Polynesia and Wallis and Futuna (except for the exceptional but unreliable result in 2008). In other words, the Pacific OCTs import much more from the EU than they export. Cover ratios are also very low with PACER countries.<br><br>**Figure 12: OCT Trade inbalance 2004-2008**<br>  <br><br>Caribbean OCTs: All OCTs in the Caribbean, as in other regions, have large structural trade deficits. Anguilla has a large trade deficit, which reached US$121 million in 2008; Aruba's trade balance reached a deficit of US$1 billion in 2008, up from US$0.8 billion in 2004; The British Virgin Islands substantial imports created a trade deficit of US$ 2.7 billion in 2008; Cayman Islands trade deficit was of US$ 3.4 billion in 2008; Montserrat's trade balance moved from a deficit of US$ 21 million five years ago to US$ 15 million in 2008; As a result of the large surge in imports in 2008, the trade balance for the Netherland Antilles moved from a deficit of US$ 0.5 billion five years ago to US$ 19.6 billion in 2008; Turks and Caicos trade deficit has more than doubled since 2004 when it was US$ 208 million.<br>SPM has a structural trade deficit all over the period under review, reaching a pick of €65174 in 2008. This trend is linked to increasing imports for the |

construction industry and decreasing exports of fish products.

**Table 22: OCT Trade Balance 2004-2008**

| Trade balance (000' US$) | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| Anguilla | - 97 | - 80 | - 70 | - 128 | - 121 |
| Aruba | - 802 | - 924 | - 932 | - 1 016 | - 1 012 |
| British Virgin Islands | - 3 725 | - 4 207 | - 3 994 | - 3 435 | - 2 627 |
| Cayman Islands | - 1 133 | - 1 374 | - 1 231 | - 2 116 | - 3 379 |
| French Polynesia | -1 295 805 | -1 491 204 | -1 360 457 | - 1 431 108 | - 2 030 427 |
| Mayotte | - 276 704 | - 303 070 | - 357 748 | - 491 549 | - 382 498 |
| Montserrat | - 21 | - 28 | - 29 | - 27 | - 15 |
| Netherlands Antilles | - 503 | - 2 086 | - 3 494 | - 1 123 | - 19 569 |
| New Caledonia | - 568 582 | - 596 428 | - 791 761 | - 700 984 | - 1 509 869 |
| Saint Pierre et Migue | - 41 823 | - 48 263 | - 39 596 | - 42 780 | - 50 134 |
| Turks and Caicos Isla | - 208 | - 289 | - 480 | - 564 | - 567 |
| Wallis and Futuna Isl | - 31 379 | - 30 672 | - 30 721 | - 32 536 | - 22 618 |

Source: DFC 2010, The Analysis of the OCT Regional Economic Integration Processes

*"the sustainable development of the OCTs in today's globalised world seems best served by increasing their competitiveness and their gradual integration within regional and world markets, taking due account not only of the challenges they face, like high production and transport costs, diseconomies of scale and a relative lack of institutional capacity, but also of their potential, such as their expertise in certain areas, the relatively high level of education of their populations compared to neighbouring countries, or the availability of certain natural resources"* [109]*"The trade balances of the OCTs are usually negative. Most OCTs have very few natural resources and most goods need to be imported, in particular from the EU (which is, for example, the case for most French OCTs and the Falkland Islands, Saint Helena and dependencies, and Greenland) or from major regional trade partners (like the US for a number of OCTs in the Caribbean)."*[110]

[109] EC 2008, Green Paper - Future relations between the EU and the Overseas Countries and Territories, p.9.
[110] EC 2008, Green Paper - Future relations between the EU and the Overseas Countries and Territories, Annexe I, p.3.

## Evaluation Question 7: EU Core Values

| EQ 7 | In which ways have EU core values been identified and to what extent have they been made operational within the EC cooperation with OCT? |
|---|---|
| **Justification and Comment** | The materialisation of European values in the OCT is an important underlying assumption for the EC cooperation with the OCTs, playing a central role in the deliberations about future EU-OCT relations. The operational significance of the concept is, however, not very clear. The team therefore considered that the matter needed exploration with a view to future EC-OCT cooperation.<br>The OCT location outside the external borders of the EU is seen, particularly by the OCTs and the Member States to which they are related, as strategically important "outpost of Europe". This viewpoint implies an OCT-role also vis-à-vis the EU, not just related to the MS. The idea has been frequently mentioned that the OCTs from their frontier position could contribute to the promotion of European values within their respective regions.[111]<br>The EQ will serve to identify to what extent and how European core values are perceived in the OCTs, as well as possible derived consequences in practical terms, such as benefits for the OCT populations from European citizenship. |
| **Scope** | Effectiveness, Impact, Sustainability |
| **Judgment Criterion 7.1** | **EC-OCT cooperation has contributed to an operational definition of EU core values in the OCTs.** |
| I 7.1.1: Extent of common definitions of EU core values in EC-OCT cooperation documents | There is no reference to EU-core values in the specific cooperation documents, whereas there are references in the founding documents, such as:<br>With reference to Article 6 of the Treaty on the functioning of the European Union, the OAD (*Council Decision of 27 November 2001 on the association of the overseas countries and territories with the European Union*) mentions in Article 2: *"The OCT-EC association shall be based on the principles of* ***liberty, democracy, respect for human rights, fundamental freedoms*** *and* ***the rule of law***".<br>EU core values are further reflected in the Green Paper, linked with the idea of centres of excellence as a possible reflection of OCTs being European ambassadors:<br>The Green Paper mentions in 2008 (p.2):<br>- *"The OCTs form an integral part of a society that respects the values on which the EU is founded … such as respect of human dignity, liberty, democracy, equality, the rule of law and the respect of fundamental rights. These values and principles … are put in practice in the OCTs* (p.6)"<br>- Under the heading *mutual interests* (p.10) is mentioned: *"OCTs could also actively contribute to the promotion of "European" values that they share on as wide as possible geographical basis in their respective regions. …The idea has been put forward to help establish "Centres of experience and expertise" in the OCTs, facilitating the OCTs role as bridgeheads between the EU and the respective region. This could, for example, relate to the implementation and promotion of high standards in the field of the environment, the rule of* |

[111] The Green Paper does not specifically define "EU core values" but it notes the potential role of the OCTs in relation to the rule of law, good governance, respect for human rights, including minority right, the promotion of good neighbourly relations, and the principles of market economy, innovation and sustainable development. (Green Paper, p.10).

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| | *law, good governance, respect for human rights, including minority rights…"*<br>In the common document of the four MS[112] (Nov.2008), it is mentioned that<br>- *"Owing to their geographical location and the fact that they are part of the areas in which they are located and also form part of the European Union, the OCTs can communicate the values of the EU and be outposts of Europe in their regions. They have special characteristics which may be highly advantageous to the European Union (a presence in all parts of the globe, remarkable biodiversity etc.") (p.4), and*<br>- *"The creation of "poles of excellence and sustainable development" with a regional or global focus could therefore be an element of regional cooperation which takes account of the specific characteristics of the local economic and academic fabric. This approach links into the initiative launched by France to promote "centres of excellence"…The OCTs must make the most of the fact that they are members of the European family and make efforts to promote European values in their legislation where appropriate."(p.7)*<br>In the Communication from the Commission (Nov. 2009)[113] it is mentioned that the consultation has revealed:<br>- *"One key message is that the OCTs as outposts of Europe all over the world, should be seen as assets for the EU and not a burden." (p.3)*<br>- *"Once the comparative assets of an OCT has been identified, the future association should provide ways for an OCT to develop further these assets, up to at least EU-level standards, with a view to sharing the excellence and expertise acquired with other OCTs, neighbouring countries and in particular developing countries, as well as other interested parties", and "upgrading local legislation" could also make OCTs "examples" in their regions, thus contributing, under a more reciprocal partnership, to promoting EU values and standards" (p.7)*<br>From team interviews with, and survey responses from, OCTs it appears that for some of them the most important EU core values are interpreted as:<br>- Protecting the environment<br>- Respecting indigenous peoples' right<br>- Materialisation of "European" social services |
| I 7.1.2: EC-OCT cooperation visibility in the OCTs | In general, the EU does not appear to be very visible in the OCTs. EU-knowledge is mainly related concretely to ongoing cooperation and those participating or benefiting from it. Most OCTs would like the EU to be visible, including through better OCT coverage by its information services.<br>General EU Visibility appears highest when related to OCT status-issues, such as political debate on change of status in relation to Member States or when facing territorial claims by neighbouring countries. Thus, as verified in the field phase, in Mayotte which is working to change status from OCT to Outermost Region, efforts are made to raise the profile of the European Union.<br>In some OCTs, such as Greenland, there is an active debate on the general relations to the EU in the decision-making circles without much public awareness. |

[112] Common Document of the governments of the Kingdom of Denmark, the French Republic, the Netherlands, the United Kingdom regarding the future relations between the EU and the OCTs. November 2008.
[113] Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee and the Committee of the Regions – Elements for a new Partnership between the EU and the OCTs. COM (2009), 623. 6.11.2009.

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| | ***Cooperation specific visibility***<br>In reverse, it was found during the field visits to nine OCTs (Netherlands Antilles, Aruba, Montserrat, Falkland Islands, Mayotte, Greenland, New Caledonia, French Polynesia and Wallis & Futuna) that the concrete EU-visibility of the cooperation projects is in line with regulations – with the partial exception of the disaster-hidden Montserrat, where signs were worn-down. In FP, WF and Mayotte the cooperation was very visible, owing to the nature of the supported projects.<br>Visibility of support invariably declines in line with the transition to budget support, which is generally only visible for the decision-makers, not to the general public, except from some sparse media coverage.<br>During the field visits, and in line with the unanimous request in the Survey responses, an outspoken wish for stronger EU-visibility was encountered in NEA, Greenland, FP, FI and Mayotte. In the latter three cases, the wish was combined with political issues.<br>It was found in **FP** that high (if vague) EU visibility is combined with independence aspirations of local politicians, who underline the seriousness of the EU and their perceived future cooperation possibilities with the EU (as an ACP country).<br>In the **FI** and **Mayotte**, where the government was actively making the EU more visible, the wish of underlining their European nature in the light of territorial claims from neighbouring countries in the region (Comoros and Argentina). For these OCTs, criticism for insufficient visibility is combined with the wish for a stronger EU stance in defending their European nature.<br>In addition, EU-FI relations been somewhat strained by the following issues:<br>i) Challenges of complying with evolving EU standards (e.g. in relation to trade and food production);<br>ii) Perceived inefficiencies of the Commission's development assistance, particularly in relation to delays and, for project support, burdensome EU procurement procedures.<br>In the **NEA,** there has been some negative EU-publicity related to the regression from planned-for budget support to project support, since resources had been invested in a transition that did not materialise, causing delays in the 10th EDF preparations. It was also mentioned that need for easier liaison with the EU will grow in line with with the transition to budget support, which is supposed to result in a greater need for extra-EDF support for universities, NGOs etc.<br>In **Caribbean OCTs**, such as Montserrat, field visits underline, in line with survey responses, that the "EU-passport" is an appreciated manifestation of visibility, believing that it eases the entrance to the USA.<br>Most of the survey responses indicated a general OCT-wish for more coverage from the EU information service. Responding to this wish, DGs AIDCO and DEV representatives were, however, of the opinion that it would be difficult for the Commission to find the extra resources required and that the OCTs would have to do an effort themselves in this respect. |
| I 7.1.3: Evidence of OCT government priorities relating to EU core values | OCT governments generally adhere to the EU-core values, but rather refer to them as universal values or as related to the MS they are linked with.<br>In the answers to question: (10) *Has consciousness about European values had practical importance for Government and society*, it appears that EU is mostly visible for those involved directly in EC projects:<br>- "There is some awareness of European values created at those involved in EC financed projects and programs. Very limited is the practical importance for Government and society |

- Yes, although … largely hold European values, ensuring that EU standards and requirements are met, has sharpened the focus upon issues such as public consultation, transparency, accountability etc."

From its meetings with the four MS and OCTs linked with them, the team made similar observations:

- "Standard of living in relation to the rest of the Caribbean - advantage acquired as a result of being in the EU. But at the same time we are more Dutch than European".
- "We first and foremost regard ourselves as Caribbean but we also regard ourselves as British (as against European). Where possible we are adopting EU governance type issues to meet EU core values".

Field study findings indicate that:

**NEA and Aruba** consider themselves being part of "the Kingdom". As such they integrate many of the Kingdom values rather than with a general set of "European" values.

Values related to health, education and social security are probably more appreciated by the immigrants from neighbouring countries. The Central Bureau of Statistics in Aruba estimated that 34% of the present population were not born there, many of them coming from neighbouring (non-OCT) states. They stay because of the medical, educational, legal and social systems (which, to a certain extent, manifest core values).

**Mayotte** is conscious of European values although perceived more as French values. The Mahorais want closer association with France, which is expected to result in Mayotte becoming a French Department in 2011, seen as a precursor to Mayotte becoming an Outermost Region of the EU. Number of consequent changes has taken place, such as the prohibition of polygamy without noticeable protest or dissension. Health services are seen as an important "core value". The fact that Mayotte, together with Réunion, can elect a representative to the European parliament is also considered as an important acquired right.

The **Falkland Islands** position is covered by its Survey response: *"The answer to this depends on your interpretation of the question. From the perspective of the 'person in the street', European Citizenship does not mean a great deal. Yes, it means freedom of travel and work across the EU-27, but this benefit would exist via the British citizenship accorded to UK OCTs. However, there are distinct (but eroding) benefits to the Islands for trade and development funding. Political protection and support also exists in theory, but has not been seen in practice generally"*.

It was found that **French Polynesia's** political instability for many years prevents it to share EU core values.

In **Greenland**, there is no recognition of specific European values, they are rather seen as universal. In addition, European values are regarded with some suspicion since they are seen as leading to attacks on Greenland's traditional economy (sealing and whaling). Recent Greenpeace-action again oil exploitation is seen as "one more European attempt to jeopardize the future prospects of Greenland and decide what we should do".

In reverse, priority to environment and climate issues is regarded as a European value, the promotion of which could improve the EU image in Greenland. The Government sees more discussion on the substance of European values as needed.

***"Centres of excellence"***

During the field visits, the viewpoints were met that there is a potential for the development of centres of experience and expertise , including in the following OCTs / sectors:

In the **NEA,** the potential was seen as having inherited much of the legal and administrative apparatus from the MS and in having the MS as back-up. However, the capacity in numbers (rather than of individuals) remains a problem. Centres of excellence would require both human and financial resources from the MS.

Further, the FP7 research network EUCARINET was seen as an example of the potential. However, this is a research network with no funds for projects. The challenge was perceived to translate good intentions into reality with no funds for follow-up. Budget support by nature does not lend itself such interventions. Therefore, support would have to come from other budget lines, where OCTs are not constrained by the poverty criterion, or the MS.[114]

**In Mayotte**, potential centres of excellence were identified:

- Within the fields of environment and climate change. France and the EU (part of the 10th EDF Regional programme) are developing a programme with strong emphasis on climate change and protection of the marine environment.. (In his Survey response, the TAAF-representative also underlined the protection and research potential related to the large TAAF-EEZ)
- Through STABEX support and as a result of the EDF FLEX-support, the "pôle d'excellence rural pour les plantes aromatiques et médicinales", a programme initiated by the MS and based on the Ylang Ylang marketing and value chain, (a premier quality essential oil for which Mayotte is known internationally, used in *parfums de luxe* and in aromatherapy). (STABEX and PLARM programmes have been developed with EDF support on the marketing and value chains in Madagascar and the Comoros since 1990). A Mayotte centre of excellence would have the capacity to function as a regional focal point for Ylang Ylang (*observatoire, contôle qualité, labellisation régionale et biologique*).

In the **Pacific OCTs**, French language is a barrier to develop regional centres of excellence as it limits the ability to share experience and expertise, except in some regional organisation-fora. The Pacific OCTs are aware of shortcomings and limitations of their experiences, with the increasing flow of information provided by media and Internet, and it is rather unlikely that they could be considered a model for replication or inspiration, be it related to the economic area, or culture, administration and politics.

**Greenland** believes to have potential for developing a centre of excellence in relation to climate change. Research already started within the recently established Greenland Natural Resources Institute (which receives limited funding under the EU-Greenland Fisheries Agreement-sector support, but is otherwise well funded from abroad. It has therefore not explored the EU funding-avenues very much).

In **Falkland Islands**, the Government is interested in establishing a regional scientific research entity, and is considering whether this would attract additional funds for conservation etc.

[114] For example, the Arikok national park in Aruba (with EFD support) is member of the Dutch Caribbean Nature Alliance (http://www.ccrif.org/content/news) and the DCNA relies on financial contributions from several MS-based funding sources, incl. IUCN NL and WWF NL.

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| | During the field visit, the question was raised if there is a scope for creating an Atlantic regional OCT-cooperation covering Falklands, Tristan da Culna, St Helena, Ascension and Greenland given the similar challenges they are facing (which include **isolation, conservation, vulnerability to climate change and managing oil exploration**). This idea is supported by senior FI management and Counsellors, who recommended that it should be carried forward.<br><br>Regarding the future, it was mentioned at the 2010 OCT Forum by the UK:<br>*"…Adherence to the Community Acquis and centres of excellence …are worthy goals… However, … Europe should avoid unnecessary intervention in areas of responsibility which have been devolved to democratically elected governments….Where (the OCTs) cannot meet these requirements, or do not have the expertise to become centres of excellence there should be no discrimination against them"*[115] |
| I 7.1.4: Evidence of OCTA-operational understanding of the EU core values in general and in relation to the EC-OCT cooperation | On the part of the OCT-community, a general commitment to "international standards and norms" is mentioned in the OCTA 2008 Declaration finale de conference ministerielle:<br>*"…confirme leur volonté de souscrire aux normes et standards internationaux, ainsi qu'aux principes de bonne gouvernance, de responsabilité et de transparence"*<br>No explicit mention of specific EU-values has been identified in other common OCT documents.<br>From the interview it emerged that the OCTA is of the opinion that the OCTs do not have the sufficient resources to be active European ambassadors, unless being supported specifically for such task. |
| I 7.1.5: Evidence of OCT citizens having benefited from the EC programmes or thematic budget lines with a stated relation to democratic governance and gender equality | Team findings indicate that there have been no such cases, according to the CRIS database.<br>This is confirmed by the field studies and from the answers to the Survey question (13):<br>*Have institutions or citizens received funding from the EC programmes or thematic budget lines related to democratic governance and gender equality,* where only one case emerged:<br><br>*"Through EC funds the participation of a NEA delegation to the Beijing women conference in China was supported".* |
| **Judgment Criterion 7.2** | **EC-OCT cooperation has promoted good governance in the OCTs** |
| I 7.2.1: Evidence of an explicit focus on issues related to good governance in EC-OCT cooperation | No evidence of such explicit focus is found, but the existence of good governance standards is a precondition for cooperation. According to the answers to the question (10): *Has the EC-cooperation had an effect on governance?* examples indicate that, indirectly, the cooperation has had a positive impact on governance in relation to transparency, accountability and public finance management in some OCTs:<br>- "As a result of using sector budget support for large programmes, programme management skills have developed and lessons have been learned regarding financial management requirements. DFID now has the confidence to disburse aid funding to… in the form of budget support also. EC- |

[115] ON, OCTA Newsletter, May 2010, p.4.

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| | commissioned studies such as the '*Preliminary Assessment of Public Finance Management, Procurement Procedures and Assessment of the Economic Situation for Overseas Territories under the 10th EDF'* have assisted in identifying strengths and weaknesses in relevant local processes and procedures, so informing their improvement and further development".<br>- "Yes: Governance in terms of performance of public policies with the establishment of performance indicators and results". |
| I 7.2.2: Evidence of consequence for project implementation of non-compliance with good governance criteria in OCTs. | In the case of the Turks and Caicos Islands (TCI), a Report from the UK Foreign and Commonwealth office (in 2007) highlighted certain challenges in the public finance management of the TCI. This led to the decision by the EC to stop the second payment of the ongoing budget support. Subsequently, the EC is about to fund technical assistance to support the financial functions in the TCI Government. |
| I 7.2.3: Involvement of democratic structures in the OCT priority-setting processes related to EC-OCT cooperation. | It is reported to the team, confirmed by the field studies, from all the inhabited OCTs that the national democratic structures (parliaments or councils) have been fully involved in the priority-setting processes related to the EC-OCT cooperation**.** (All OCTs are parliamentary democracies). |
| **Judgment Criterion 7.3** | **The EC-OCT cooperation has promoted human rights and democracy in the OCTs.** |
| I 7.3.1: Human rights and democracy considerations have been mainstreamed in EC-OCT cooperation | Reference was made, in team interviews with OCTs, to the importance of European standards in certain domains such as hygiene and health standards; prisons, etc.<br>In addition, one answer to the question (12) *Has the EC-cooperation had an impact on human rights and the rule of law,* indicated that the cooperation has influenced positively on the state of human rights:<br>- *"These are not issues of concern on the Islands in the context of their meaning in many other jurisdictions so direct impact has not been significant. However, considerable capacity building has taken place both at programme management level and through the development of skills pertaining to implementation of the individual components of both territorial and regional programmes/projects. This accords with individuals' rights to education and employment.*"<br>In all other cases, the answer to the above question has been negative, as the OCTs have referred to their being "covered sufficiently" by their existing legislation and to the absence of an explicit focus in the EC-OCT cooperation on human rights and democracy. |
| I 7.3.2: OCT use of thematic budget lines related to human rights and democracy | In the CRIS-database, no such cases were found.<br>From the question (13): *Have institutions or citizens received funding from the EC programmes or thematic budget lines related to democratic governance and gender equality,* it appears that there has been only few such cases, and it is mentioned that these funds are practically inaccessible for OCTs<br>- *"Yes: Through EC funds the participation of a NEA delegation to the Beijing women conference in China was supported.*<br>- *Malheureusement pas dans le cadre de lignes thématiques dont l'extrême complexité, la lourdeur et l'inadaptabilité à des petits territoires éloignés empêche pour le moment une mise en œuvre en NC (c'est très dommageable* |

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| | *car éligibilité ne signifie pas accessibilité) »* |
| **Judgment Criterion 7.4** | **Gender equality in OCT has been promoted by the EC-OCT cooperation** |
| I 7.4.1: Gender considerations have been mainstreamed in the EC-OCT cooperation | It is fund that there has been no general mainstreaming of gender considerations in the EC-OCT cooperation.<br>However, answers to the survey question (12): *Has the EC-cooperation had an effect on gender equality, within the cooperation project and /or in society at large, reference is made to some projects as having had an indirect, positive effect on gender equality*, mention:<br>"To certain extends it had effect. E.g. in the 8-th EDF, the Support to Youth Development Programme priority was given to teen mothers, vulnerable youth and second chance education and self esteem creation. In 9-th EDF there was limited effect due to a distinct concentration area.<br>"Under the 9th EDF, funds were dedicated to the feminization of so-called "masculine" occupations; female boarding schools were built with funds from the EDF etc."<br>Furthermore is mentioned an example of an indirect, positive effect on gender equality from the capacity building related to the implementation of the EC support:<br>"Gender equality is not an issue on the islands. However, successful implementation of EC supported activities involving both genders in key roles has reinforced their equality. Capacity building has involved those of both genders also."<br>From the field visits, it emerges that, In the **Dutch Caribbean OCTs** gender balance was already supposed to be in place, as a result of the long association with the culture and traditions of the Member State. EC has supported the Netherlands Antilles Youth Development Programme (SNAYDP) to strengthen capacity to design and implement "youth development policy" and to improve quality and delivery of selected support services.<br>**Greenland** is already quite advanced in relation to gender balance. The actual manifestation may more be in the direction of not "losing" the young men in the small settlements under modern development where young women are more active in the education system. The EU-funded new GL education policy has school leavers and jobless people as the main target groups (both groups supposedly mainly male). |
| **Judgment Criterion 7.5** | **OCT populations are aware of and draw benefits from their European citizenship** |
| I 7.5.1: Existing evidence of OCT governments and populations having had access to relevant EU information services | In general, the OCTs are not covered by the EU information services. The possibility of constructing Euro-Info Correspondence Centres, referred to in the OAD, article 59, seems not to have been used.<br>Team interviews with OCT-representatives indicate that no EU information service is systematically extended to the OCTs – which they tend to regret. (The team failed to get an interview with the EC information services about their coverage of the OCTs since the services were unable to identify the right person to cover the issue.)<br>The below quotations from the answers to the survey question (33):<br>*What is your perception of the visibility of the EU in your OCT? (Do the inhabitants have a clear picture of what the EU is and what it stands for?)* indicate the same.<br>Where the general assessment of EU-visibility ranges from "low" to "high", such visibility is not owing to an outreach from the information service: |

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| | - "High, the inhabitants recognise the EU as a major provider of aid funding and value its support greatly. However, the need for a modest outreach campaign across Government and the community (especially the school) has been identified on… preferably led by a visiting EU official. Such a campaign would raise awareness of the EU's core values and functions. … would also welcome a visit from a relevant EU official.<br>- "High: There is little or no action at local level by the European Commission; no European Info Centre funded by the EU. Given this lack of visibility, since 2009, the government has implemented the "European week".<br>- There is a knowledge of EU in the cases, which makes the news headlines. For example trade ban on sealskin, whaling issues, the annual financing agreement."<br>The team communication with the OCTs indicates that the EU is most concretely visible mostly for those people involved directly in EC projects. |
| I 7.5.2: Existing evidence of OCT CSOs or citizens having benefited from EC programmes or thematic budget lines | The team only found very limited evidence of the OCTs benefiting from participation in EC-programmes or allocations from thematic budget lines. No such examples have been identified in the CRIS-database.<br>The below answers to the survey question (16): *Have institutions or citizens received allocations from, or benefited otherwise, from EU Research, Education & Training, Private Sector Development or Cultural programmes?* - indicated some exceptions from this situation, mainly relating to ERASMUS and other programs benefiting higher education and research:<br>- "Training in agriculture under the CEDEFOP programme, which took place in Tuscany".<br>- « Programme ERASMUS en place depuis 2007, Grundtvig, uniquement pendant une courte période à cause du retrait d'un des partenaires du projet, Recherche : projets netbiome (6°PCRDT) et pacenet sur le point d'être lancé ».<br>- « Students of ... usually choose to follow their university studies in France. Some of them benefit from the European exchange programs such as ERASMUS".<br>- "According to information received from DG Research, … has benefited from Leonardo Da Vinci, moreover University of … has just become a part of the ERASMUS from January 2010. In addition, projects from … have received allocations from FP6 and FP7".<br>Whereas in other cases, it was experienced as impossible to access those funds:<br>- … Has tried to access funding from other budget lines/programmes with little success. A bid for research funding relating to the fishery sector was rejected as … did not fulfil all the eligibility criteria… The Islands tend to fall into an ironic trap that prevents them from benefiting from a number of potential funding streams (within and outwith the EU) On the one hand, they qualify for support because of their isolation and aid dependence but, on the other, are not considered eligible for assistance because of their low level of development which is, however, too high to enable them to obtain humanitarian support.<br>The perceived difficult access to EC-programmes and funding is seen as a major problem by the OCTs. For example, In his speech to the 2010 OCT Forum, Greenland's premier, Mr Kuupik Kleist, mentioned:<br>"*In terms of admittance to EC programmes…We still find it important that OCTs access to programmes is given accessibility and visibility by the Commission services. It is still a fact that the programmes lack admittance by the OCTs. … My suggestion is to support a programme with the objective to inform and* |

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| | *include the OCTs. This in order to secure that valuable knowledge from the EUs "centres of excellence" (the OCTs) is included in future calls for proposals."*[116]<br>In the Report from the 2008-OCT Forum, it is mentioned that:<br>*"At the Forum, the OCTs and the Member States expressed support for the need to provide assistance in the form of an OCTA secretariat to assist the OCTs in achieving the objectives of the EU-OCT relationship. This issue was the essential point made the OCTA and all OCTs confirmed their support to use part of the 10th EDF regional envelope for this purpose… The Commission indicated that it can finance support to an OCT-body, but the ownership of this body would be with the OCTs, meaning that they should also deliver the major source of financing themselves."*[117]<br>Field visits and Survey responses revealed two examples of such support:<br>- The University of the Netherlands Antilles benefits from participation in the EUCARINET programme (http://www.eucarinet.eu/) with funding provided through the FP7 Research Budget Line. [118] The program is open for the Netherlands and UK OCTs and the French Outermost Regions in the Caribbean.<br>- FI Survey response mention that the local Infant & Junior School has received funding and visits as part of the EU Comenius programme since 2008 (due to end in 2010).<br>In **New Caledonia,** the presence of the Delegation was an incentive for the government to try to catch opportunities of the calls of proposals of budget lines such as research, Erasmus, etc. The extra-costs associated to the distance of EU and territory high costs of living were proposed compensated by the government but even with this support, the demand from citizens and organisations stayed scarce and no significant access to those thematic programmes were granted. |

[116] Greenland's speech for the OCT-Forum, Brussels, 25 march 2010.
[117] Report, 2008 OCT-EU Forum, Cayman Islands, 27-28 November 2008.
[118] The project EUCARINET, is a four-year INCONET Coordination Action whose main goal is to strengthen bi-regional sustainable policy dialogue on Science and Technology (including in the ICT field) between EU Member and Associated States and the Caribbean Region, the Caribbean ACP countries, the overseas departments, and the Overseas Countries and Territories (OCTs). The consortium will run under the coordination of APRE with the following partners: CERCAL, MENON, CIRAD, EGL, UAB, COMSEC, CARICOM, UWI, UAG, UNIBE, CITMA, UNA. It will cover the whole Caribbean, with partners in Italy, Belgium, France, Netherlands, Spain, United Kingdom, Guyana, Jamaica, Guadeloupe, Dominican Republic, Cuba, and Netherlands Antilles. http://www.eucarinet.eu/index.php?option=com_content&view=article&id=2&Itemid=2

# Evaluation Question 8: Concept of Membership of the Same Family

| EQ 8 | To what extent has the EC succeeded in putting in place policies and strategies between the EC, EU member states and OCT that will contribute to the "membership of the same family" concept as defined in the Green Paper? |
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| **Justification and Comment** | The Green Paper process reflects the ongoing debate within the EC and with the Member States about the future relations between the EU and the OCTs. In a parallel process, a number of OCTs are undergoing constitutional changes, which may redefine their relationship to "their" Member States and, hence, to the EU. One principal focus resulting from the abovementioned debate of such re-defined relations appears to be the imprecisely defined concept of "membership of the same family". Part Four of the Treaty on the functioning of the European Union states that:<br>*"Members States agree to associate with the Union the non-European countries and territories which have special relations with Denmark, France, the Netherlands and the United Kingdom, (and that) the purpose of the association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Union as a whole". (Article 198).*<br>Nonetheless, the logic applied for the EU-OCT relations is, to a large extent, identical to the cooperation between the EU and the ACP states. The discussion on future relations between the EU and the OCTs (captured in the Green Paper on Future relations between the EU and the Overseas Countries and Territories), takes into consideration that it is the specific social, economic and environmental challenges, as well as the close institutional and political ties (rather than a focus on "poverty alleviation") that define EU relations with the OCTs, thus establishing a clear distinction between an OCT and an ACP relationship. The Green Paper addresses the issue that an increasing number of Members States have expressed reservations as regards the OCT-EU association, against which should be seen the Commission's suggestions that a new relationship be built between the OCTs and the EU based on the concept of "**membership of the same family**"[119] rather than on the OCTs, development needs per se.<br>The concept of "membership of the same family" is based on a number of inter-related notions, such as the following Green Paper reference:<br>"*All OCT nationals are in principle European Citizens in the sense of Article 17 of the EC Treaty (Article 20 of the treaty on the Functioning of the European Union). (Therefore) as European citizens, OCT nationals are in principle also entitled to the rights conferred by Union citizenship, such as the right to move and reside freely within the territory of the Member States"* [120]<br>The present EQ focuses essentially on the responses of the EC, the OCTs and the four Member States to the changes in relationships discussed in the Green Paper and linked to the fact that the Overseas Association Decision between the EU and the OCTs will expire in 2013. The EQ will also examine whether there is coherence between the policies and strategies which are being put in place regarding the EC's relationship with the OCTs, and a number of relevant EU policies. These include, for example, EU fisheries policy, EU immigration and citizenship policies, EU response to Climate change, etc.<br>The EQ will further examine the issues of coordination between the EU and other development partners (often this will be limited to the respective Member State) and the complementarity between the EC programmes and that of other |

[119] Green paper, p.2.
[120] Green Paper, p.3.

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| | development partners (particularly the MS).<br>Finally the EQ looks at the issue of internal coherence between the OCT SPDs and other EC policies. This may be particularly relevant for interventions under ECHO, as many OCTs are vulnerable to disaster and may therefore also benefit from support under the ECHO programme. |
| **Scope** | Coherence, Coordination & Complementarity, Value Added (in relation to the OCTs and the four Member States) |
| **Judgment Criterion 8.1** | **OCTs have mechanisms in place to ensure alignment between their policies, EC cooperation policies and relevant EU policies (Trade, Fisheries, Environment, Migration, Financial Services & Taxation).** |
| I8.1.1: Alignment of SPDs to EU trade policies (single market, free movement, competitiveness; employment and equal opportunities) | Generally speaking, the SPDs are coherent with EU trade policies while maintaining a certain special status. For example, Greenland has a special arrangement with the EU through the Fisheries agreement but also has an ongoing discussion with the EU in respect of the marketing of their sealskin production based on sustainable off-take, while the EU is reluctant to market these sealskins.<br>All OCTs are heavily dependent on imports of consumer and capital goods, and have a narrowly based export economy - such as marine products, tourism, and financial services. Special agreements often exist between the OCTs and the EU/MS which are favourable to the OCTs<br>There is free movement of OCT residents holding Member State passports; however this is predominantly migration from the OCT to the MS/EU - even though movement in both directions is permitted. This is perceived as a problem in the OCTs - as the right to hold a European passport allows movement to Europe and work-access to the European market. This is also a problem in relation to the considerable efforts spent on capacity building within the OCTs - which see trained individuals leave the OCT to move to the Member State. The field visits confirmed that this was an issue; but also noted that there is a certain movement from Member State to OCT as well - in the form of Member State middle-level and senior technical staff taking up positions on contract basis, as well as OCT "natives" returning after long periods in the Member State.<br>Some OCTs are also used as stepping-stones into Europe from OCT-adjacent countries. Mayotte is a case in point with nearly one-third of the population is thought to "illegal" - mostly coming from the Comoros - and hoping to use Mayotte as a stepping-stone to Europe (Reference: Questionnaire response from Mayotte). Similar situations arise in other OCTs. Thus, the BVI complain about local in-migration being a threat to social cohesion; and the Netherlands Antilles also notes the problem of migration from Caribbean ACP countries, and the threat that this brings to the OCT's "culture".<br>Caribbean and Pacific OCTs are located within regions where possibilities exist to strengthen and improve regional trade relations through participation in regional trading blocks. Thus, Caribbean OCTs are moving closer to membership and observer status in regional organisations such as CARICOM and CEDMA. In addition, the various Chambers of Commerce in the different OCTs are active in opening up for regional activities. In the Caribbean, this is supported by the EU through the **Regional SME Programme.**[121]. Even in Mayotte, despite the unresolved issues with the Comoros, the Mayotte Chamber of Commerce is active within the region; and Mayotte is trying to develop its status as a springboard for regional products to Europe, through the establishment of phyto- |

[121] Regional SME Programme (€ 15.000.000). To strengthen the development of Small and Medium Enterprises (SME) in the British and Dutch OCTs to reduce social, economic and environmental vulnerabilities through enhanced cooperation and competitiveness within the region).

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| | sanitary control systems in accordance with European norms. This is not the case for the more remote OCTs - e.g. the British South Atlantic OCTs - and formal participation in many regional activities for some OCTs (e.g. Mayotte and the Falklands) has been blocked through unresolved political debates about the territory's status. [122] As regards regional trade arrangements - and participation in regional trade organisations and regional trade agreements - the OCTs remain subject to the Member State. Thus Member States have not been willing to allow OCTs to participate in the negotiations for the Economic Partnership Agreements (EPAs) being negotiated in "their" region. The viewpoint of the Member State is that even the Member State does not participate in the EPA negotiations as these were carried out by the EU on behalf of the Member State. |
| I8.1.2: Alignment of SPDs to EU fisheries policies and alignment of the role played by the OCTs and the EU in regional fisheries organisations and international agreements | The combination of the 28 EU Overseas Entities (the OCTs and the Outermost Regions) cover a combined Exclusive Economic Zone (EEZ) of over 15 million km$^2$, the largest EEZ globally. EU Maritime Policy and EU Maritime strategy aims to promote the sustainable use of the seas and conserve marine ecosystems. The strategy was arrived at after a long consultation process although it is unclear whether the OCTs were deeply involved in this process.<br>Fisheries is not a major issue in the Caribbean - whereas protection of the marine environment for tourism is of much greater importance for the Caribbean OCTs, where their focus is on the preservation of marine ecosystems - strongly supported by environmental organisations in their Member State. In other regions, the sustainable use of the seas takes on a much more prominent position. The South Atlantic OCTs, with the Falklands, has strong relations to other Member States than the UK in respect of the fisheries sector. Here Spain is an important partner. The fisheries resource is managed on the basis of scientific carrying capacity, and adjusts its licences accordingly.<br>Mayotte, TAAF and the BIOT have all declared Marine Protected Areas in their EEZ - with linked research programmes. In the Pacific, the French Government (through its Agence des aires marines protégées), its OCTs and international environmental NGOs - such as IUCN France; WWF France, Conservation International, etc. are active not only in the management of "their own" protected areas, but are also actively engaged with regional counterparts from other Pacific Island countries and territories.<br>Formally, the OCTs are represented in the regional fisheries organisations by the Member State. Thus:<br>– In respect of the **South East Atlantic Fisheries Organisations**. The initiative to establish a regional fisheries management organisation in the region came from Namibia in 1995 and was shared with and gained support from coastal states of Angola, South Africa and United Kingdom (on behalf of St. Helena and its former dependencies, Tristan da Cunha and Ascension Islands).<br>– In respect of the **North Atlantic Salmon Conservation Organisation**. Only Governments are members of NASCO, which has seven Parties: Canada, Denmark (in respect of the Faroe Islands & Greenland), the European Union, Norway, the Russian Federation and the United States of America<br>– In respect of the **Northwest Atlantic Fisheries Organisation** (NAFO). In 2009, NAFO had 12 Members from North America, Europe, Asia and the Caribbean. Among them are four coastal members bordering the Convention Area: USA, Canada, France (in respect of St. Pierre et Miquelon), and Denmark (in respect of Faroe Islands and Greenland).<br>Therefore, the onus is on the Member States to ensure that the OCTs align with EU Fisheries policy and that this is in line with international fisheries |

[122] This refers to the claim by the Comores on Mayotte; and the claim by Argentina on the Falklands.

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| | agreements. While not all Member States are represented on regional fisheries management organisations, the EU, represented by the Commission, plays an active role in six tuna organisations and 11 non-tuna organisation. It is noted that these fisheries organisations are open both to countries in the region ("coastal states") and to countries with interests in the fisheries concerned. The status of the OCT, however, is such that they are represented through their Member State.<br>This does not change the fact that, in general, not enough has been done to tackle the threat to the OCTs marine environment in their EEZ - a concern expressed by many of the OCTs in their SPDs. The declaration of Marine Protected Areas is a first step; this needs to go together with scientific research, inspection of illegal fishing activities and other illegal resource use (terrestrial and marine). Implementation remains the biggest challenge, as the areas to be covered are vast - and funds for inspection and for research remain limited. |
| I8.1.3: Existence of a consistency between the SPDs and the European strategy for adapting to climate change | There is consistency between the overall policy statements on climate change as adopted by the EU and the statements made in the SPDs. Again, representation of OCTs at international conferences and discussions on climate change goes formally through the Member State. It is also the Member State that ratifies climate change conventions on behalf of the OCT. In this context, France has, in respect of its National Biodiversity Strategy, prepared a Plan d'Action Outremer, which covers its OCTs (Mayotte, New Caledonia, French Polynesia, Wallis & Futuna, Saint Pierre & Miquelon and the Terres Australes et Antarctiques Françaises) and its outermost regions.<br>By the same token, the "UK Dependent Territories" under which are to be found the British OCTs, are included in the United Kingdom's Biodiversity Action Plan. Thus while it is noted that: *"Biodiversity conservation is primarily the responsibility of the Dependent Territory Governments, who have developed their own legal and administrative measures for conservation" (para 8.28)*, it is further noted that: *"Responsibility for the implementation of international agreements is retained by the UK Government. The major international and regional conservation conventions have been ratified by the UK government on behalf of the overseas territories as appropriate"*. (para 8.30)<br>The UK Biodiversity Action Plan also notes that: *"NGOs in the Dependencies play an important role in providing conservation expertise, maintaining links with the wider biodiversity conservation community, raising public awareness, and providing an additional source of funding for conservation initiatives"*. (para. 8.29) [123]<br>OCTs, through their environmental agencies and their environmental NGOs are becoming more actively involved. This is also helped by the existence and the active involvement of support mechanisms such as: the French National Committee for IUCN; the Dutch National Committee for IUCN and its collaboration with the Dutch Carribean Nature Alliance (DCNA); and in the case of the UK, the Joint Nature Conservation Committee (JNCC) as well as the UK Overseas Territories Conservation Forum (UKOCTF). (See also: **IUCN Discussion Paper**, September 2010). The OCTs themselves consider that sufficient expertise exists to allow for OCTs to participate with their Member State at official meetings regarding the CBD, climate change, etc., particularly at |

[123] In this endeavour they are often also supported by international NGOs, such as IUCN. See for example, Climate Change and Biodiversity in the European Union Overseas Entities. Jérôme Petit & Guillaume Prudent. IUCN 2008.

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| | the regional level.<br>In addition, it may be noted that the OCTA did lobby in its own right at the December 2009 COP 15 and that the OCTA is building up its environmental lobbying capacity in Brussels. [124] |
| I8.1.4: Existence of a consistency between the SPDs and the EU immigration and taxation policies | There are no apparent inconsistencies between the SPDs and EU immigration policies. One issue which appears clear is that OCTs citizens do make use of their European Member State passport to travel - particularly to Europe (although their use of the passport to obtain access to the US from Caribbean OCTs is also reported) but also within their region (the case of Mayotte, where individuals representing Mahorais institutions travel to attend regional meetings in their individual capacity, or representing a mainland France institution, using their French passports). At the same time OCTs complain about lack of capacity, and also include capacity building in their SPDs. Therefore, to some extent, the freedom to travel also works to the disadvantage of the OCTs that are left with an aging population and a brain drain when capacity development results in emigration away from the OCT.<br>This is an important element coming out of the Questionnaires and was confirmed during the field phase.<br>The situation in Mayotte is exacerbated by the fact that some 30% of its population (an estimated 55,000 out of a population of around 160,000[125]) are "immigrés clandestins" (mostly from the Comoros), reportedly with the objective of on-migration to France.<br>As regards Tax issues, DG TAXUD made a presentation to the OCTA forum in Nuuk in 2006, outlining OCT-EU cooperation in the tax area. Of particular concern was the risk of malpractices, which can thrive in a climate of secrecy, non-transparency and non-cooperation. In this context, the EU has come with a number of responses in the area of taxation. This covers:<br>- EU code of Conduct for Business taxation - which involves the Members States and associated and dependent territories.<br>- EU Savings Directive, which include automatic exchanges of information, which involves the MS and associated and dependent territories.<br>- Administrative cooperation and mutual assistance.<br>The key to success in responses in the area of tax practices, in general, and in the OCT-EU tax cooperation, in particular, has been that the respective jurisdictions are committed to transparency and effective exchange of information for tax purposes. [126] At the time that the presentation was made to the OCT Forum in 2006, the following OCT jurisdictions were committed to transparency and effective exchange of information for tax purposes: Aruba; Antigua; Bermuda; British Virgin Islands, Cayman Islands; Montserrat, Netherlands Antilles, Turks & Caicos Islands. |
| **Judgment Criterion 8.2** | **There is internal coherence (absence of contradiction) between the EC cooperation with OCTs and relevant EC policies** |
| I8.2.1: Extent to which SDPs take into account the regional program- | The OCTs are very aware that they are part of a region - at the same time they are also aware that they have a different status, and that they are not ACP countries. This also makes their direct involvement in the RIPS problematic. Moreover, the regional organisations, around which the RIPS are formulated, are |

[124] See: OCTA 2009. From the Poles to the Tropics, the OCTs, Hotspots and Climate Change.
[125] Population census of 2002, implemented through INSEE (Institut national de la statistique et des études économiques)
[126] PowerPoint presentation by Philippe Cattoir, DG TAXUD on: OCT-EU cooperation in the tax area. Nuuk, 2006.

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| ming documents (RIPS) | also the very same groups of nations, which are negotiating the EPAs with the EU. OCTs have been specifically informed by their Member State, that EPA negotiations are the responsibility of the EU. A number of OCTs, in their SPDs, expressed the desire to participate in the EPA negotiations - but this was not allowed to happen. There is, however, a strong movement by OCT chambers of commerce to become more involved in regional trade activities (subsequent to the EPA negotiations).<br>Nonetheless, in both the Pacific as well as the Caribbean RSP/RIP, rapprochement has been sought with the OCTS. For example, the Pacific RSP/RIP notes: *"Synergies will be sought with OCTs and regional interventions will be developed under the 10th EDF SPDs, when feasible and relevant to both regional groupings. Climate change and the sustainable management of oceanic resources, as well as regional telecommunications are example of topics that could benefit from a stronger link between ACP regional programmes and the OCTs 10th EDF programming, building on the OCTs participation in some regional Pacific ACP programmes under the 9th EDF, focussing on plant protection, sustainable agriculture and oceanic and coastal fisheries".* [127]<br>By the same token, in the Caribbean the 2008-2013 RSP/RIP, through CARIFORUM (the Caribbean Forum of ACP States) are taking action to deepen relations with the OCTs. This includes seeking to establish a formal status (for the OCTs) either as observers or associated members, promoting regional platforms for dialogue (for example in areas of natural disaster management, health - HIV/AIDS, interconnections, trade and investments). The Caribbean RIP also includes a note on the EPAs, in respect of extending trade, economic and social cooperation between OCTs and individual CARIFORUM states, including in areas covered by the EPA. As noted: *"The EPA provides for joint endeavours to facilitate cooperation involving the EU's outermost regions in all areas covered by the agreement. It also includes the possibility to revise the EPA to bring OCTs within the scope of the agreement."* [128]<br>By contrast, the Eastern and Southern Africa/Indian Ocean (ESA/IO) RSP/RIP does not mention Mayotte at all - presumably as a result of its disputed status vis-à-vis Comoros. The closest the ESA/IO RIP comes to discussing the OCTs is the issue around the role of Reunion (an "outermost region").<br>> *"The IOC programme on regional integration takes into account the vulnerability of the small-island economies (as recognised by the Articles 84.1 and 89.1 of the Cotonou Agreement). The issue of Réunion's membership of IOC whilst at the same time being an Overseas Department of France and an outermost region of the European Union, needs to be addressed both within the framework of EPAs and as part of the process of rationalisation of RIOs."* (Para 49 ESA/IO RIP).<br>By the same token, however, responses from the OCTs to the Evaluation Team's questionnaire underline the fact that the EC also needs to look more with OCT eyes and less with ACP eyes when dealing with the OCTs, and that poverty eradication is not a valid point of departure for the OCTs. There is a general complaint that OCTs are often treated as if they were ACPs by EU officials, rather than Member State overseas territories. This is also related to the fact that there are only few specialists within the Commission dealing with the OCTs. |
| I8.2.2: Evidence that ECHO, EIB, thematic budget lines (such as | During the interviews it became clear that both budget ENRTP and the FP7 Research lines have made concerted efforts to involve the OCTs (and SIDS) particularly targeting their insularity and vulnerability (especially to climatic factors). |

[127] RSP/RIP European Community - Pacific Region. 2008-2013. P.58.
[128] RSP/RIP European Community - Caribbean Region. 2008-2013. P.26.

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| ENRTP and the Research Budget Lines), and other EC facilities are consistent with the SPD | Thus far, there is no evidence to show that other EC facilities are not consistent with the SPDs. In particular thematic budget lines, such as the ENRTP and the Research budget line FP7, have made efforts to ensure that OCTs are included by explicitly mentioning them in the calls for proposals. The themes, which are proposed, are also consistent with the SPD priorities.<br>Notwithstanding the above, there remains a lack of capacity within the OCTs to formulate winnable proposals - and also there is the issue that, for some of the budget lines, it is difficult to meet the poverty alleviation criterion. While ENTRP and FP7 include or specifically encourage an OCT involvement, other budget lines (e.g Food Security, etc) have a poverty focus which effectively excludes the OCTs.<br>As regards the humanitarian budget line - ECHO - although the OCTs find themselves in disaster prone areas, OCTs are also quite advanced in disaster preparedness, including civil preparedness programmes. In that sense they are probably better equipped than most ACP countries to work with emergency assistance, should that be necessary.<br>ECHO has responded to the main emergencies that have affected the Caribbean region during the last decade and, together with its partners, also work on disaster preparedness. Thus far, no ECHO projects have been found being directly implemented in the OCTs but ECHO's work with regional disaster preparedness programmes is likely to involve the OCTs. In the Caribbean, which is particularly disaster prone, the UK OCTs are already members of the regional disaster preparedness organisation, CEDEMA; while links between Netherlands and UK OTCs are being strengthened through the R3I disaster preparedness programme (funded by the EC). And in the Pacific the French OCTs are members of SOPAC (the Pacific islands Applied Geoscience Commission).<br>Both Aruba and the Netherlands Antilles approached the European Investment Bank, and were also granted a credit facility. However, in the end both declined to make use of this facility as they expressed dissatisfaction with the conditions; and, in the end, were able to find loans under better conditions elsewhere.<br>Discussions were held with the University of the Netherlands Antilles during the field phase because they participate in the FP7 EUCARINET programme - however, this support is in its initial stage without any concrete achievements being reported. There is no evidence to suggest that the FP7 programmes are developing in directions which are not consistent with the SPDs. |
| I8.2.3: Existence of co-financed projects which negatively affect the SPD inter-vention framework | This covers programmes and projects which are financed by the EU through, for example, multi-lateral budget lines - such as the OCT Regional Risk Reduction Initiative (R3I) run through a contribution agreement with UNDP Barbados; or regional projects which include the OCTs and ACP countries as part of the RSP/RIPs; or other EU budget lines, such as the ENTRP budget line and the FP7 research budget line.<br>Research and interviews during the desk phase, and the response to the questionnaires suggests that this is not a problem and that there is coherence between the SPDs and other EC-funded and supported interventions. In addition, no evidence was found of projects being implemented, which have not been requested by the OCTs. This was confirmed during the field phase. |
| **Judgment Criterion 8.3** | **EC cooperation is aligned and coordinated with the policies of the four Member States in relation to the OCT to which they are linked.** |
| I8.3.1: Extent of alignment between EC and MS policies, as stated | Normally most OCTs only deal with 2 development partners, the EU and the Member State. There are a number of cases, however, where another development partner comes in - for example the UNDP in the Caribbean OCTs. This programme is EC-funded and it is implemented under a contribution |

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| in official development assistance programmes (e.g. SPDs) | agreement between the EU and UNDP-Barbados. The same situation is found for the Regional HIV/AIDS programme in the Caribbean run through a contribution agreement with PAHO (Pan American Health Organisation). The EU as a development partner can come in through a number of funding channels (EDF, thematic budget lines, RSP/RIP and other regional programmes). Nonetheless, the two principal donors remain the EC and the Member State, as the regional programmes are also funded through the EU budgets.<br>Coordination between the EC and the Member State appears to be a relatively simple matter and there is no evidence from the SPDs nor from the Questionnaire to suggest that lack of coordination is a major problem. The Member State is very present in the OCT - thus, for example, the Comité de Pilotage for the EDF on Mayotte, has representatives from both the Préfecture and the Conseil Général de Mayotte; and in the NEA the largest part of the EDF programme is run through USONA (a Netherlands foundation established in NEA to implement the Member State development programme) and all financial systems are monitored by the Member State financial overview board (the CFT - Commissie Financieel Toezicht). This is also the case for the other OCTs, where the member state ensures good practice and financial governance, and can step in where necessary - as happened in the Turks & Caicos where the UK imposed direct rule after an inquiry found evidence of government corruption and incompetence. |
| I8.3.2: Evidence of joint EC/MS cooperation, including joint coordination mechanisms | Development assistance in the OCTs - whether from the EC or the Member State - is coordinated by the same small group of officials within the OCT. As previously mentioned, the number of individuals with the skills and the capacity to deal with these issues in the OCTs is limited; and so is the number of officials that the OCT can afford to have dealing with on these issues. Hence, there is considerable overlap and coordination from the OCT itself. However, there is an issue related to the fact that the responsible EU delegation is not located within the territorial boundary of the OCT and the fact that EU officials (i) are more familiar in dealing with ACPs and (ii) are not familiar with having the Member State as part of a triangular relationship.<br>Moreover, within the Member State, the Ministry dealing with OCT issues in Brussels is not necessarily the same Ministry responsible for Member State relations with the OCT. Thus, for example, the Netherlands Ministry of Foreign Affairs represents the Netherlands in Brussels; while the Ministry of Interior and Kingdom Relations is responsible for the relations between Member State and OCT.<br>Similar situations exist in other Member States. In the Netherlands, this is solved by a strong coordination between the responsible officers in the two Ministries.<br>Both the Member State and EU have a stated preference for budget support; the preference in most OCTs is also for budget support. Problems in obtaining budget support, however, have at times stranded on the difficulties in applying the various EC regulations which have caused delays of anything between less than 1 year, to over three years (Source: OCT questionnaire; plus field interviews). The Netherlands financial watchdog, the CFT (Commissie Financieel Toezicht) as well as the Implementing Agency established in the Netherlands Antilles to support Netherlands Development Assistance (USONA), is now also being used to support the preparation and implementation of EU programmes - underlining the potential synergy between EU and MS, and the direct support being provided by the MS to assist the OCT in meeting EU procedures.<br>The fact that institutional capacity within the OCTs is limited has a major impact on the preparation, administration and management of EU assistance. There is very little understanding in the OCTs why EU procedures have to be as complicated as they are - and considerable frustration due to the fact that the |

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| | interpretation of these same procedures varies between EU officials within one Delegation; and between delegations and Brussels; and between new officials replacing former officials in the same post. All OCTs have seen considerable delays in the preparation of the EDF 10 SPD and much of this is attributed to the EU system (although there is also a certain acknowledgement that they might also be at fault, themselves, on a number of issues).<br>In order to tackle this, OCTs have had to (i) hire in additional capacity to meet the demands of the EU and (ii) in extreme cases, mobilise their Member State to put pressure on the EC in Brussels. |
| I8.3.3: Evidence of functioning coordination mechanisms in place between EC, MS and OCTA. | All OTCs consider the OTCA to be a very valuable and coherent lobbying organisation on their behalf. The financial support through an allocation of €2 million by the EC to support the OCTA secretariat in Brussels (increasing to €5 million during the 10th EDF for Technical Assistance and office upgrading) will also help to improve its ability to support the OCTs. The OCTs have common problems, all being small, remote, exposed to out-migration and depopulation, as well as climatic and environmental risks. The fact that they are linked to four different Members States does not seem to influence the coherence of these lobbying activities.<br>The OCTA Secretariat now consists of 2 persons in the office in Brussels and 10th EDF funding will be used to upgrade it to a 4-person TA presence, which will cover: environment; trade; research, education and training. In addition, the OCTA will focus on how to improve its communication capacity - upgrading of website, etc.<br>However, one of the issues noted was that the OCTs consider the annual meetings of the OCTA Forum more important than do the Member States. One complaint voiced was that OCTs send politicians and senior officials to these forums; while the MS normally send officials particularly, when the Forum is held outside Europe - i.e. in other words they do not view the importance of the Forum in the same way. (Thus, the fact that the French Development Minister was present at the 2010 OCTA Forum, when the Forum was held in Brussels, was highly appreciated by OCT participants.<br>In the long term, it is not clear what will happen if more OCTs move towards Outermost Region status. This might well weaken the lobbying position of the OCTA. This was one of the issues which was raised during the field visit - i.e. their vision of their future status which, for Mayotte, is already quite clear, namely their preparations to move towards Outermost Region status. The constitutional changes taking place in the Netherlands Antilles may also impact on this if, for example, the BES islands consider following the example of Mayotte.<br>OCTs and ORs share many of the same characteristics - small, remote, exposed to out-migration and depopulation, as well as climatic and environmental risks. Whereas the OCTs are funded through the EDF and have the OCTA as their lobbying organisation, the ORs are funded through DG Regio and have their own annual forum. Already Mayotte is participating in the OR forum as an observer; Netherlands OCT St. Maarten, and French OR St. Martin share the same island; La Réunion (OR) and Mayotte (OCT) share a number of Member State institutions. The seminal work carried out by the IUCN on Climate Change and Biodiversity in the European Union Overseas Entities (IUCN 2008) has chosen to treat OCTs and ORs together and there is already precedence for calling the "EU overseas entities" to meet in joint fora. The September 2010 IUCN discussion paper consequently also calls for more structured cooperation between the OCTs, the ORs, the EU and the Member State.<br>Given that OCTs do not share the ACP focus on poverty alleviation but instead share many of the same characteristics of the Outermost Regions, it should be |

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| | considered to re-examine existing coordinating mechanisms within the EU/MS framework to also improve OCT/OR coordination. |
| **Judgment Criterion 8.4** | **EC cooperation has added value to the priorities of the four member states.** |
| I8.4.1: Evidence of an increased impact of a Member state's interventions in the focal sectors supported by the EC. | The responses received to the questionnaire do not allow for a very clear answer to be given on this point. To a certain extent, this also constrained by the fact that the EC supports a single focal sector which, in most instances, was already supported by the Member State. There are, however, a number of incidences noted in the SPDs where the EC has built on programmes initiated by the Member State. An example of this is the vocational training Youth Development Programme in the Netherlands Antilles. Unfortunately, this programme did not follow the direction laid down by the MS programme and was the subject of a very critical evaluation which pointed out the fact that a parallel programme had been created; and that no exit strategy had been designed, so that all that had been achieved was left in limbo.<br>At the regional level - particularly in the Caribbean - there are also examples of the EU adding value to existing cooperation experiences between the British and the Dutch OCTs through the EC support to the regional disaster preparedness programme (R3I), and the Regional HIV/AIDS programme. As regards the Regional SME programme, this is still in its infancy and has yet to resolve a number of institutional issues resulting from the different positions taken by several OCTs.<br>During the field visits it became clear that EDF 10 preparation in all OCTs had been considerably delayed - often as a result of the long and cumbersome communication process with the EC. In the Caribbean, considerable work had gone into preparing the OCTs for Budget Support (through regional training exercises and seminars) even though a number of the smaller islands were very dubious at Budget Support. Particularly as regards the Netherlands Antilles, a great deal of frustration was expressed at the decision by the EC to change its earlier decision to opt for Budget Support, and to revert to a project support modality with a separate SPD being required for each new territory, subsequent to the NEA constitutional changes after 10.10.10. In fact, the majority of the new territories from the former NEA support the decision to revert to project support, as they also recognise their limitations as regards public finance management, but were frustrated with the time lost and the opportunity cost of having staff being trained in Budget Support. In this context, the role of Curacao, as the main gatekeeper in the Netherlands Antilles, was not always appreciated by the other territories of the former NEA.<br>Consequently, programming delays with EDF 10 have meant that there has been little additional EC impact under EDF 10 to add value to what is already being implemented with support from the MS. |
| I8.4.2: Evidence that EC involvement has contributed to prioritising certain sectors and/or interventions | The discussion around the Green Paper has clearly underlined the importance of climate change, climate related activities and the environment. The importance of this has also been recognised by the OCTs - as evidenced by the responses to the interviews and the questionnaires.<br>Already in the 9th EDF SPDs, the importance of climate change and the environment was highlighted - without this really being translated into a support programme or a focal sector (except in Mayotte). This has clearly now become one of the paramount issues for OCT focus during the next EDF - also for those OCTs where tourism is a major industry (and where climate change or disasters threaten the future of the industry). Thus, the discussion around tourism and the necessity to maintain the tourism industry, by default often becomes a discussion on the importance of the environment (preserving biodiversity, improving urban |

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| | waste disposal, combating invasive alien species, etc.) and climate change.<br>Tentative allocations noted in the Green Paper for EDF 10 clearly follow this priority setting. It remains to be seen how this will be incorporated into the forthcoming SPDs - and also how these priorities will be accommodated into the RSP/RIPs. Here also EC interventions have given a positive spin-off in that OCTs now participate in regional programmes together with ACP countries - and the Member States (responsible for the OCT's international relations) support this involvement.<br>Nonetheless, the SPDs are limited to a single main focal sector - and can therefore only reflect one OCT priority; other priorities can be accommodated through other budget lines (notably ENRTP and FP7) but these budget lines remain highly competitive and successful outcomes, as a result of the large number of responses to calls-for-proposals, remain low.<br>Other priorities are reflected in the introductory chapters of the SPD but are not incorporated as interventions within the SPD's single main focal sector. These priorities will need to be addressed through other means - other budget lines; support from Member State; own resources.<br>The preferred funding modality for the 10th EDF will be budget support, which, ideally, should allow for both more flexibility and closer alignment to OCT priorities. In the absence of EDF 10 SPDs (still under preparation), the Green Paper has strongly emphasized the importance of environment, disaster preparedness and climate change. [129] However, apart from recognising the importance, there is little evidence to suggest that the EDF 10 SPDs under preparation have been able to integrate EDF funds into of environment, disaster preparedness and climate change; thematic budget lines (FP7 and ENTRP) have yet to produce results. Instead, these priorities appear in the regional programmes - under implementation or under preparation.<br>However, in a number of areas and notwithstanding implementation delays, interventions by the EC have contributed to adding benefits to Member State interventions. The following examples can be mentioned.<br><br>– Introduction of more rigour in public finance management, performance targets, and development of sector strategies within the context of Budget Support, and the Budget Support training exercises have been positively received; but this is coupled with the dissatisfaction as a result of the increasingly stringent rules being applied by the European Court of Auditors (Ref: EQ 2)<br>– Developing an environmental programme with a broad upstream-downstream vision focussing on the environmental problems of small islands (rainwater run-off, solid and liquid waste management; protection of the marine environment) and linking this to a broader regional vision which also includes research on climate change (e.g. Mayotte and the TAAF). This experience has the potential of being replicated in similar small island settings elsewhere. (EQ5)<br>– Operating within a regional context in a number of sectors (e.g. environment, health, small scale enterprises, etc.) in situations where the Member State retains an OCT focus and does not operate within a regional context nor is involved in regional programmes. (EQ5; EQ6). |

[129] Green Paper, pp 11-12; and also: the Commission Staff Working Document accompanying the Green Paper (COM 2008 383 final) Annex V, pp 39-40.

# ANNEX VI: TAO QUESTIONNAIRE

The following Questionnaire has been sent to Territorial Authorizing Officers (or equivalent) of Anguilla, Aruba, British Virgin Islands, Cayman Islands, Falkland Islands, French Polynesia, Greenland, Mayotte, Montserrat, Netherlands Antilles, New Caledonia, Pitcairn, Saint Helena, Saint Pierre et Miquelon, TAAF, Turks & Caicos Islands, and Wallis & Futuna during the Desk Phase.

***Evaluation of the EC cooperation with the OCTs, 1999-2009***

## Questionnaire

The questionnaire is divided into 22 priority questions (general and sector specific) and 15 optional questions about your cooperation with the EC.

### 1. General questions, priority:

1. Has EC support reflected the priorities of the Government of your OCT?

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| **Degree of correspondence:** | High | Medium | Low |

*Possible additional comments:*

2. How consistent has the EC support been over the period 1999-2009? (e.g. level of support; guidance provided and method of support including "aid modality")

| | | | |
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| **Degree of consistency:** | High | Medium | Low |

*Possible additional comments:*

3. Has the EC support been coherent (e.g. between different sectors, if applicable)

| | | | |
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| **Degree of coherence:** | High | Medium | Low |

*Possible additional comments:*

4. Has civil society been involved in the implementation of the EC support?

*Yes / No*

*If yes, please mention in which ways:*

5. Have you experienced delays in the implementation of EC-support?

*No*

*Yes:*

| | | |
|---|---|---|
| *Less than one year* | *2-3 years* | *More than 3 years* |

*If yes, please mention the reasons and how/whether the problems were solved:*

6. How effectively has the EC support been coordinated with other external support?

| | | | |
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| **Degree of coordination** | High | Medium | Low |

*Possible additional comments:*

7. Have changes in the OCT Government budgetary resource allocations taken place as a result of the EC support?

   *Yes / No*

   *If yes, please mention which changes:*

8. Have changes in Government procurement practices taken place as a result of the EC support?

   *Yes / No*

   *If yes, please mention which changes:*

9. Are there cases of EC interventions which have not been maintained properly or are not sustainable?

   *Yes / No*

   *If yes, please mention which ones:*

10. Has consciousness about European values had practical importance for Government and society?

    *Yes / No*

    *If yes, please mention which kind of importance:*

11. Has the EC-cooperation had an effect on governance?

    *Yes / No*

    *If yes, please mention examples of such effects:*

12. Has the EC-cooperation had an impact on human rights and the rule of law?

    *Yes / No*

    *If yes, please mention examples of such impact:*

13. Has the EC-cooperation had an effect on gender equality, within the cooperation project and /or in society at large?

    *Yes / No*

    *If yes, please mention examples of such effect:*

14. Have institutions or citizens received funding from the EC programmes or thematic budget lines related to democratic governance and gender equality?

    *Yes / No*

    *If yes, please mention examples:*

15. Does the European citizenship result in concrete benefits for the inhabitants?

    *Yes / No*

    *If yes, please mention examples:*

16. Have institutions or citizens received allocations from, or benefited otherwise, from EC Research, Education & Training, Private Sector Development or Cultural programmes?

    *Yes / No*

    *If yes, please mention examples:*

17. The current cooperation modalities are due to expire in 2013. If possible it would be helpful to know your preferences for the cooperation modalities beyond 2013?

## 2. Sector related questions, priority:

18. (If applicable) Please briefly describe your assessment of the impact to date of the EC support for the transport sector in relation to:

    a. Reduction of the isolation in general

| | | |
|---|---|---|
| High | Medium | Low |

    b. Improvement of the internal transport capacity in your OCT

| | | |
|---|---|---|
| High | Medium | Low |

    c. Development in trade and tourism

| | | |
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| High | Medium | Low |

19. (If applicable) Please briefly describe your assessment of the impact to date of the EC support for vocational training in relation to:

a. Upgrading of the labour force

| | | |
|---|---|---|
| High | Medium | Low |

b. Employment generation

| | | |
|---|---|---|
| High | Medium | Low |

c. Increased economic diversity

| | | |
|---|---|---|
| High | Medium | Low |

d. Increased gender equality

| | | |
|---|---|---|
| High | Medium | Low |

20. (If applicable) Please briefly describe your assessment of the impact to date of the EC support for the environment, in relation to

a. Reduction of pollution

| | | |
|---|---|---|
| High | Medium | Low |

b. Protecting biodiversity

| | | |
|---|---|---|
| High | Medium | Low |

c. Enhancing disaster preparedness

| | | |
|---|---|---|
| High | Medium | Low |

d. Enhancing strategies for preparation against climate-induced changes

| | | |
|---|---|---|
| High | Medium | Low |

21. Please briefly describe your assessment of the impact to date of the association of with the EC in relation to:

a. Increased trade with the EU

| | | |
|---|---|---|
| High | Medium | Low |

b. Increased trade with other partners

| | | |
|---|---|---|
| High | Medium | Low |

c. Increased economic interaction with neighbouring countries

| | | |
|---|---|---|
| High | Medium | Low |

22. Please briefly describe your assessment of the impact of the association with the EU in relation to regional integration:

    a. In the economic sphere

| | | |
|---|---|---|
| High | Medium | Low |

    b. In supporting closer links with neighbouring countries (and on which topics)

| | | |
|---|---|---|
| High | Medium | Low |

    c. In accessing EC regional programmes or working with Regional Integration Organisations

| | | |
|---|---|---|
| High | Medium | Low |

## 3. Optional questions

23. Which are the most important challenges that your OCT is facing in its future development?
24. Which are the most promising opportunities that your OCT is facing in its future development?
25. What are the effects of population movements in your OCT?
26. In addition to the EC-funded cooperation, which kind of relations with the EU (such as fisheries, trade, regional integration, participation in EC-programmes) are of specific importance to your OCT?
27. Please briefly describe your perception of the main trends in the cooperation with the EC since 1999:
28. Please briefly describe your perception of the possible pros and cons of project support vs. budget support:
29. Please briefly describe your assessment of the overall procedures to be followed in the cooperation with the EC:
30. Has your OCT received support from the EC in managing cooperation projects / sector budget support?

    *Yes / No*

    *If yes, please mention in which ways and if this support was adequate:*
31. Has the EC support been complementary to (working well together with) other support received?

    *Yes / No*

    *If yes, please mention in which ways:*

    *If no, please mention why not*

32. Has the EC support added value (such as bringing in new methodologies or adding new perspectives) to the support received from the EU Member State?

*Yes / No*

*If yes, please mention in which ways:*

33. What is your perception of the visibility of the EU in your OCT? (Do the inhabitants have a clear picture of what the EU is and what it stands for?)

| **Degree of visibility:** | High | Medium | Low |
|---|---|---|---|

*Possible additional comments:*

34. What is the importance of EC humanitarian aid in your OCT

| High | Medium | Low |
|---|---|---|

35. What is your assessment of the importance of the annual OCT Forum?

| High | Medium | Low |
|---|---|---|

36. What is your overall assessment of the significance of the EU support for the relationship between your OCT and the EU Member States it is linked to:

37. Are there examples of EC support, which you would have preferred but which has not been possible?

*Yes / No*

*If yes, please mention which ones:*

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For the sake of anonymity, the completed questionnaires the team received are not published in the annex volume. However, the following Annex VII presents an anonymised compilation of some answers (to question 1- 4, 23-27, 37, and 17.

# ANNEX VII: EXTRACT OF RESPONSES TO TAO QUESTIONNAIRE

The questionnaire has been sent to TAOs or representatives of 17 OCTs (Anguilla, Aruba, British Virgin Islands, Cayman Islands, Falkland Islands, French Polynesia, Greenland, Mayotte, Montserrat, the Netherland Antilles, New Caladonia, Pitcairn, Saint Helena, Saint Pierre et Miquelon, TAAF, Turks and Caicos Islands, and Wallis et Futuna). 14 OCTs (Aruba, British Virgin Islands, Cayman Islands, Falkland Islands, French Polynesia, Greenland, Mayotte, Montserrat, Netherlands Antilles, New Caledonia, Saint Helena, Saint Pierre et Miquelon, TAAF and Wallis et Futuna) returned the questionnaire. As illustrated in the following sectionthe 14 OCTsgenerally took effort in providing substantial and well reflected answers.Answers in French are translated into English, some responses are shortened.

**Answers to question 1:**

*Has EC support reflected the priorities of the Government of your OCT?*

14 answers in total, out of which

- **Medium (5x),** additional comments:
  - Since 8th EDF (…) don't receive any more territorial allocation. So between 1999 and 2009 (9th and partly 10th EDF) Europe did not contribute to supporting the priorities of (…) (environment, sustainable management of territory, development of responsible fisheries practice,…)
  - As funds have generally been received via the budget support mechanism, the application of these has naturally reflected the political and development priorities of the Falkland Islands Government. From a political viewpoint the support received from the EC has been helpful but has not always been reflective of the Falkland Islands Government viewpoint.
  - The definition of projects funded by the EC has always been subject of intercommunication between the authorities and representatives of the Territory of the EC in the Pacific region. The opinions of the EC sometimes prevail over the decisions taken by the Territory. For example in the case of the 9th EDF, the fishing port project has been withdrawn from the 9th EDF funding at the request of the EC, which found that economic and financial studies were not sufficiently substantiated to justify the creation of this infrastructure .
- **High (9x),** additional comments:
  - The programs and projects financed with EDF were also nominated as priority by the OCT.
  - All bids for support made to the EU over the past 10 years have related to the key, formally endorsed priorities of (...). Consequently, all EU-funded interventions have been consistent and coherent in addressing the development needs of the Islands.
  - EDF could be used for projects identified by the Conseil général.
  - As per the implementation of the R3I Project in the region, the approval and implementation of the Parks Trust Project between the BVI, Cayman Islands and Turks and Caicos Islands. In addition the construction of the HLSCC Learning Resource Centre.
  - The projects implemented under the various EDF programmes which the Government of (...) considered as priority projects are selected from the national development plan,

SDP. With the help of budget support we are able to ensure that priority projects that were identified by the people of (...) are implemented.

- EC cooperation is financed directly by the EC financial perspectives and not by the EDF, due to several historic reasons, i.e. the fisheries agreement between (…) and the EC. The agreement was renewed in 2007 when a new fisheries agreement and a new protocol were signed and also a new partnership was defined in which budgetary support was introduced based on a (…) programming document.
- High, at least since 2004.

**Answers to question 2:**

*How consistent has the EC support been over the period 1999-2009? (e.g. level of support; guidance provided and method of support including "aid modality")*

12 answers in total, out of which

- **Low (1x)**
- **Medium (7x),** additional comments:
  - Over the past five years, the support has improved greatly. We have been able to dialogue more with the regional Delegation and have gotten great support from them within the last five years.
  - When budgetary support was introduced to the trilateral cooperation in 2007, it was the impression given to (...) from the EC negotiators that it would have flexible reporting mechanisms. However, as it turned out, flexibility had not been introduced to the implementers and (…) and authorities were to follow the same guidelines as other budgetary support recipients through Aidco.
  - Direct EC support began in 2005 following the devastating Hurricane Ivan, which arrived around the 11th September 2004.
  - The level of support received from Europe has been relatively consistent over the past decade with similar amounts of funds received via the 9th and 10$^{th}$ EDF (€4.5m and €4.13m respectively). Funds were also received via the STABEX scheme in the 1990's/early 2000, and it has yet to be seen whether this has been appropriately replaced with the FLEX scheme.
- **High (6x),** additional comments:
  - The support provided by the EC was the last 10 years very EC driven.
  - The main challenge over the years is that is becoming increasingly more difficult to acquire development aid in a timely manner. However, the support from the Delegation and supporting institutions/bodies has been maintained.
  - From 1999 to 2003, support consisted in diverse sporadic operations but from 2004 onwards, with sector budget support on VET, there is a consistency in EC support (around F.CFP 500m per year since 2004).
  - EC funds have been used for transport and environment.
  - The EC has provided significant support both during the elaboration phase of the 9th EDF SPDs as well as during the implementation phase. Delays by the Territory in the implementation of the 9th EDF are linked in part to the absence of a coordination structure from the TAO, and secondly, due to the poor interpretation and use of administrative and financial EDF procedures.

**Answers to question 3:**

*Has the EC support been coherent (e.g. between different sectors, if applicable)*

12 answers, very mixed picture

- **Medium (6x),** additional comments:
  - In terms of direct support, only support for the housing (reconstruction) sector has been implemented and this was implemented through an NGO.
  - The absence of territorial development strategy and sector strategies did not facilitate the implementation of a coherent support by the EC in the Territory.
- **High (4x),** additional comments:
  - Support from AIDCO has always been of an extremely high quality. DG Dev has suffered from changes of personnel that have resulted in some delays to programming. Other DGs have been slow to respond in some cases. (…) would like to have a local TAO, but recognise that capacity does not allow for this at the current time.
  - Due to the prevalence of budget support, it is difficult to define whether there has been consistency and coherency amongst sectors from the EC perspective. Certainly, from a (…) Government viewpoint, support across sectors has been coherent and has, at least for the past decade been based on a single strategy document.
  - Until 2009, support was about investments in facilities/ equipment for transport/ water/ environment. From 2010 onwards, with the economical crises (and its effects on demography), concentration will be on development goals.
- **Low (2x)**

**Answer to question 4:**

*Has civil society been involved in the implementation of the EC support?*

13 answers, out of which

- **Yes (8x +2)**
  - The (…) Government prepared all proposals with consultation with relevant NGO's.
  - During preparation and implementation of the 8th and 9th EDF NGO's, training institutions, neighbourhood centres etc. have been consulted. In addition, public hearings have been held during the preparation phase.
  - The implementation working groups include non- Government members. The local private sector has been fully involved in the 9th EDF-funded construction works and the regional project relating to invasive species on the Islands. Strategies for public consultation and feedback are in place at all stages of the programme/project cycle.
  - The projects are derived through a consultative process and are selected because they were identified by civil society as priority areas. The Government of (…) encourages ownership of the projects and civil society is invited to participate through steering committees or through public gatherings.
  - As the Government of (…) chose the existing extraordinary education plan to be part of the (…) Programming document, civil society had already been part of the hearing process. An education reform in the (…) administrative system always undergoes a hearing procedure whereby civil society is heart via respective organisations.
  - Budget Support entails implications for the civil society.
  - Through pilot committees of the different projects.

(neither, nor)

- NGOs such as (...) have been beneficiaries of EDF funds. In other respects, the involvement of civil society has been limited.
- Civil society is getting involved since 2009 through its participation in the elaboration of development policies which will be funded through the EDF from 2010 onwards

o **No (3x)**

- Civil society has benefited from EC support and has also helped informing about where the support should be directed (through the political process and public consultation) but in terms of implementation, its only involvement took place throughout the normal (…) Government procurement and tender processes.

**Answers to question 17**

*The current cooperation modalities are due to expire in 2013. If possible it would be helpful to know your preferences for the cooperation modalities beyond 2013?*

11 answers:

- Cooperation modalities that are more flexible, better adapted to the particularities of OCTs (small countries, low population number) and to their challenges.
- To move away from a development cooperation approach and adopt an approach based on a vulnerability index, where environment and economic vulnerabilities are the measures for determining the modality for cooperation. Thereby building the capacity of statistical and information systems.
- Our current preference is Budget Support, but this may change if budget support is no longer deemed to be the most effective modality.
- The possibility of both project and sector (budget support) projects, and the possibility of regional projects with fewer participating territories to maximise specific benefits per territory.
- Continuation of Sector Budget/Budget support by means of a pre-determined allocation to the most isolated and vulnerable OCT's in order to support their sustainable economic growth, with flexibility to target more than a single sector should this be required to achieve optimal benefit from the funding available; Increased access to horizontal programmes and associated calls for bids. Currently many of the latter only relate to ACPs or are so over-subscribed that OCT bids have little chance of success. Consequently, although OCTs are eligible in theory, little real opportunity of obtaining funding exists at present; Thematic funding that can be made available for activities involving a minimum of two OCTs, and not virtually all OCT's as OCTA is currently requiring; Access to research and development funding on an equal footing with ACPs. A ring-fenced funding allocation to support projects that address key issues relating to the nature and built environments, against which only bids from OCT's are entertained…. measures to strengthen the competitiveness of OCT products on EU markets would be beneficial, together with accordance of high priority by the Veterinary Office of the EU to applications from OCTs for export licences. … it would be extremely helpful if some funding was made available for practical support (rather than only advice and consultancies) pertaining to disaster preparedness/management. Such support under the 9th EDF has been invaluable in Strengthening Fisheries Products' Health Conditions on (...).
- Financial cooperation: A certain continuity is expected in financial cooperation, as to

procedures, and as to the level of aid provided as well. When speaking of reduction of vulnerability, you need to look at the territories that have been prone to an exogenous shock with economic or environmental consequences, due to their vulnerability. With a decline of 95% of export in the early 1990ies, (…) can serve as an example. In addition to the direct economical and social consequences, such crises narrow the capacities to find resources (fiscal, customs) that would be needed for investments and to boost development in the territory. Hence bad economic conditions persist.

- (…) finds trade preferences of vital importance to the continued development of exports from (...) If trade preferences are to keep eroding, compensation should be given or other modalities in the field of trading made possible. Access to EC programmes should be kept and further developed to cover all programmes. Access to structural funds should be considered for OCTs in areas, which can help the sustainable development of our societies. A specific area of importance is infrastructure and port development. For (…) as an isolated OCT, this area is vital for its continued development and opening up for exploitation of mineral resources. Furthermore, incorporating OCT in the Global Climate Change Alliance would provide the financial and technical assistance needed in order to adapt to climate change.
- The (…) Government would like to see, as a minimum, a similar level of support offered post-2013. Budget support under the EDF programme has been an effective modality and allows the necessary degree of flexibility and applicability to local circumstances that micro-economies, such as most OCTs, require. However, the timing and process could be tightened up slightly in order to assist small Islands minimise their administrative burden for producing an SPD and the requisite audits etc.
- Simplified procedures, more dialogue, more transparency (notably, between delegations and OCTs) should be put in place. Too many intermediaries are slowing down processes. If one or various OCTs are not kept informed about discussions between the delegation and the Regional Authorizing Offices concerning projects they are implementing, this is neither reasonable nor equitable.
- OCTs should be subject to different treatment than the one reserved for ACP countries.
- (…) is not in the position to express a preference because (…) is at the moment in a process of constitutional changes and it is there for the future governments of the new entities to decide on this matter.

**Answers to question 23:**

*Which are the most important challenges that your OCT is facing in its future development?*

12 answers:

- Small island economies are very vulnerable to the impact of natural disasters and the effects of changes in the international economic system, for example effects of the international financial/economic crisis. The small size of the island/population results in no possibilities for economies of small scale, with high cost of living, brain drain due to lack of labour opportunities in high skilled jobs, no natural resources available etc.
- Increased and improved physical access to reduce the Islands' isolation from the

outside world; sustainable economic growth to reduce aid dependence; conservation/preservation of the Islands' valuable biodiversity and built heritage; addressing the needs of an ageing demographic profile.

- Education, migration and its socio economic impacts for the (…) financial perspectives and effects of climate change. The socio-economic impact of the major industrial projects, the further development of the democratic hearing processes in relation to the development of major industrial projects, the further development of our environmental preparedness with regards to the activities within the mineral and oil sector also belong to the challenges we are facing.
- The constitutional reform and capacity building in order to manage EC cooperation.
- Capacity building in statistical and information systems management, and in the area of macro economic analysis. Strengthening of the international trade relations and our local economic base.
- Boosting endogenous, neighbour-orientated development (tourism, services), while protecting a traditional industry with its advantages.
- Cooperation on environment (research on climate change and biodiversity). Need for maritime bio-regionalisation. Knowledge on the use of maritime spaces (through satellite), monitoring. Perpetuation of human presence on islands. Accessibility (sea and air transport connections, communication through satellite). Sustainable management: energy autonomy, waste. Economic challenges and perspectives: responsible fisheries, regional integration, and globalisation.
- Basic infrastructures and transport services are the principal mid-term challenge the territory is facing. As a result of the lack of funds for repairs, the degradation of the road network is increasing and will lead to a quasi-total loss of invested capital by 2015-2020. Connection through long-distance flights is not possible due to the insufficient length of the landing strip. Low competitiveness of air companies has an impact on tourism. Interurban transport services rely on private initiatives. Besides the transport problem, the following challenges can also be cited: education, health, sanitation, environment and biodiversity, adaptation to climate change, etc.
- Political pressures from [neighbouring country] causing effective economic blockade and inhibiting economic development.
- The global economic environment and the uncertainty about OECD and EU policies and legislation.
- Living with an active volcano and rebuilding a robust economy with a small population.
- Strengthening education, improve the production of primary goods (fish and agricultural goods), reduce own isolation through improvement of water and air infrastructure and reinforce regional integration.

**Answers to question 24**

*Which are the most promising opportunities that your OCT is facing in its future development?*

10 answers:

- Education and diversification of the economy in sectors that can create highly skilled labour.

- Possibility of introduction of air access on (…), fisheries and tourism development.
- Regarding sea products, (…) can play the role of the toehold for the European Union, an export base for the European market. (…) can count on the potential of an orientation towards France for developing its tourism. As to services, further opportunities can be explored.
- Exploitation of mineral resources, development of the tourism sector as well as the possible development of an aluminium smelter. Development of a large port ready for the potential future North West Passage shipping traffic. A further development of our hydro power capacity in order to raise the level of energy coming from renewable sustainable energy sources, and to make the (…) society less vulnerable to the fluctuations of world market prices on oil.
- Broadening of the economic bases, including Financial Services, and Tourism. Utilization/implementation of components of EU trade preferences. Specific geographical situation allows for scientific observation.
- Biodiversity hot spot. Maritime zones, responsible and sustainable fisheries. Specific geographical situation of major interest for scientific observation.
- The global economic crisis has promoted a focus on how to further diversity our economy.
- As a result of volcanic activity we have lost our capital and centre for economic activity. Even though this can be seen as a weakness, it has given us the opportunity to sculpture our development in a systematic way in order to ensure we develop a thriving modern economy.
- (…) owns a particularly sensitive natural heritage, notably the humid tropical forest, the lagoon, the reproduction sanctuary for humpback whales. However, the environment is endangered (i.e. by the effects of population growth). Together with R., (…) represents the EUMS – and soon Europe – in the Indian Ocean. Its privileged geographical situation together with its political stability offer regional investment possibilities. Its exceptional flora and fauna are an advantage with respect to sustainable tourism, even more with its strategy of avoiding mass tourism.
- A protected environment, a young population and the possible exploitation of biological or mineral resources of the Exclusive Economic Zone.

**Answers to question 25**

*What are the effects of population movements in your OCT?*

9 answers:

- Brain drain. Young people that emigrate for study do not come back.
- Major brain drain as most skill labour migrated to the [EUMS] and other countries during the crisis. A large percentage of the current population is made up by non-nationals.
- Loss of some 20% of working age population on (...) Ageing demographic profile; brain-drain and increased need for recruitment of expatriates; associated social problems.
- Population slightly declining, but with a rigorous loss of young adults, a decline in fertility and an aging population.
- Out-migration from smaller settlements to the bigger towns. This creates housing

challenges for the towns. Better education and better job opportunities.

- Significant with the importation of labour, which has affected our cultural balance, social cohesion and the preservation of our indigenous culture.
- Almost one third of the population is estimated to be illegal immigrants […]. Apart from the cost for combating illegal immigration, the presence of illegal immigrants itself is costly as they have the right to benefit from basic services (education, health). These expenses disequilibrate the provisions for the development of the island.
- Negligible. Movements of native population, apart from students, is limited. Expatriate employees have levelled off.
- The population is declining due to a significant emigration towards New Caladonia and metropolitan France (-10% between 2003 and 2008). This phenomenon is continuing even today.

**Answers to question 26**

*In addition to the EC-funded cooperation, which kind of relations with the EU (such as fisheries, trade, regional integration, participation in EC-programmes) are of specific importance to your OCT?*

12 answers:

- All of the above are important but Trade and regional integration have priority.
- All aspects of relations with the EU are of potential importance to the Islands, but some instruments (e.g. EPAs) are of little relevance due to their isolation and lack of natural resources.
- Trade, Fisheries, Capacity Building, Climate Change, Financial Services, Biodiversity and Tourism.
- Regional integration efforts, participation in EC programmes.
- Devco works with regional projects and is assessing possibilities for NEA participation in EC- programmes.
- Access to the EU market, participation in EU programmes in order to reinforce relations.
- Trade cooperation is important for fisheries that rely on supply from [neighbouring country]. The rules of origin being compulsory (obligation to produce products issue from fisheries and aquaculture), (…) has to manage with exceptions. Cooperation in the health domain is very important as well.
- (...) would like to reinforce its cooperation with the EC in other areas like fisheries, trade, and above all regional integration.
- Political dialogue and high-level interaction with the EC on issues of bilateral relevance, such as Arctic related issues. For (…), being a part of the Kimberley-process could also be very beneficial.
- Being eligible for framework programme (FP7) in the following areas: environment (research on climate change and biodiversity). Maritime bio-regionalisation. Monitoring of maritime spaces. Perpetuation of human presence on islands. Accessibility (sea and air transport connections, communication through satellite). Sustainable management: energy autonomy, waste. Economic challenges and perspectives: responsible fisheries, regional integration, globalisation.
- Participation in EC programmes.

- Regional integration can attract interest for the future development of the territory of (…).

**Answers to question 27**

*Please briefly describe your perception of the main trends in the cooperation with the EC since 1999:*

8 answers

- More recently donor coordination became more important and poverty reduction as a focal area of the cooperation.
- Greater confidence in local processes and procedures resulting in movement to sector budget support, which is being successfully implemented. Greater awareness of the needs of vulnerable OCTs and their diversity. More ''hands off' stance on part of EC officials and consequent increase in local autonomy.
- The movement from Project Support to Budget Support is very significant and would suggest that EC has greater confidence in the national systems. We have been able to qualify under the three eligibility criteria. An effort is being made to strengthen areas such as Public Finance Management. However, it is becoming increasingly onerous to prepare a Single Programming Document and to satisfy the disbursement criteria.
- OCTA made the dialogue more visible and mutual goal oriented. Support to the Bureau will be of major importance for the continued dialogue among OCT parties and the EC. PWPs must be given resources in terms of technical support and travel costs for experts to attend. By giving ownership in the OCTs to EC-OCT cooperation projects the creation of mutually benefiting projects will be given incentives
- Wish to (and discussion about) smoothening procedures however without tangible result so far, positive concentration, problems in communication and on personal level between headquarter and delegations not solved yet, difficulties in perception of cooperation (between DG DEV and DG AIDCO)….
- Difficulties in using EDF procedures are causing delays, and so do institutional reforms initiated since 2004. [….].
- Increased interest in disaster mitigation.
- Overall, the cooperation with the EC has improved since 1999. The support of the EC office for OCTs in Nouméa and the EC Delegation in Fidji in charge of the pacific region are essential institutions for the implementation of projects.

**Answers to question 37**

*Are there examples of EC support, which you would have preferred but which has not been possible?*

10 answers

- Yes: different budged lines for education for example etc.
- Yes, The Technical Cooperation Facility (TCF) under management of OCT authority provides substantial opportunities for funding other cooperation areas. Under the 10th EDF this is not possible.
- Real opportunities for access to horizontal budget lines. Access to research and development support. Practical support (e.g. provision of equipment and materials) to facilitate implementation of the recommendations of the Disaster Preparedness/Management consultant funded from the 9$^{th}$ EDF Envelope C. Currently,

(…) might qualify for assistance from FP7 Research Funding because of their relatively low GNP/GDP, but do not possess any local research institutions, let alone those of the size and quality required for eligibility. Consequently, although local research capacity requires urgent development, it is unlikely that any bid would be successful, although dialogue has been established with the relevant DG and this matter is being pursued. The Islands tend to fall into an ironic trap that prevents them from benefiting from a number of potential funding streams. On the one hand, they qualify for support because of their isolation and aid dependence but, on the other, they are not considered eligible for assistance because of their low level of development which is, however, too high to enable them to obtain humanitarian support. EC support was targeted for exploratory fishing within (…)'s Exclusive Economic Zone in partnership with ICCAT and SEAFO, but unfortunately by the time the bid was submitted, all 9th EDF Regional funding had been committed. Every effort was made to obtain 10th EDF Thematic funding for a fisheries project of which … component could form a part, but other isolated OCTs did not wish to focus on fisheries, and so the project which is still badly needed cannot be funded by this means. The concept that thematic funding should only be used for activities that benefit the majority of OCTs is unrealistic, particularly as (…) cannot send direct representation to the majority of workshops, seminars and other events funded from this source and, similarly, consultants appointed cannot visit the Islands because of the excessive travel time and cost involved.

- Yes, there is a need for EC to better communicate on their initiatives in order to allow us to participate. Hence, if the EC wants to boost regional integration, it has to integrate OCTs in the activities implemented with ACP countries.
- Yes: Access to all EC programmes and guidance given to us specifically on the attendance of the programmes. There is little effect in allowing OCTs access to EC programmes if this is not followed up by guidance on how to network and when to apply, and the process of applying to a programme. The C-envelope could also have been more used in … if guidance had been given naturally by the Commission. Generally, the fact that OCTs have access to regional cooperation could be given more visibility by the Commission in the OCTs, and specifically to the isolated OCTs. Regional cooperation is often not possible for these isolated OCTs and, therefore, more information needs to be given directly by the Commission to (…), including information about how they are eligible for getting financing for projects.
- More territorial support had we not been subjected to GDP measurement which determines our level of support as opposed to a vulnerability index which in not being considered.
- We ask for (…) being eligible to EDF territorial allocations once again and for a modification of criteria. Activities of (…) like protection of biodiversity, sustainable management of fish stock, scientific research on global change….) are in the EU core priorities.
- Greater assistance in completing SPD and other supporting documents.
- EC support that facilitates heritage tourism and niche markets for OCT products and services.
- Yes: Co-financing of longer airstrip, co-financing of an Institute for biodiversity, participation of (…) in programmes like Erasmus etc.

# ANNEX VIII: INTERVIEW GUIDES

## I. EU officials / RG members

**General questions:**

1. Identification of the work-relation of the interviewee with the OCTs
2. In which way is your work-relations with the OCTs coordinated with the other EU-services, which relate to the OCT?
3. Where do you see the most important challenges and opportunities for the OCTs within your sector?
4. **What is your assessment of the move from project to budget support and its implications for the OCTs (predictability, budgetary flexibility and PFM)?**
5. What is your assessment of the adequacy of the size of the EU sector-support for the OCTs?
6. What is your assessment of the efficiency with which it is delivered (in terms of disbursement rates, transaction costs etc)?
7. **Have the OCTs had adequate institutional capacity to follow the EC procedures and to implement the support programmes?**
8. Have they received adequate support from the EC in this respect?
9. Which EU-relations, outside the EC-funded cooperation, are of particular importance for the OCTs?
10. In which ways could / should the OCTs' participation in regional integration be strengthened within "your sector"?
11. In which way is the EU-support coordinated with and complementary to the support from the MS?
12. Please mention examples of added value from the EU support in relation to the support from the MS
13. Please mention European values, which are enhanced in the OCTs as a consequence of the relations with the EU.
14. **What does it imply, in your opinion, that the OCTs are regarded as "European ambassadors"?** Please give examples of where the OCT has acted in that manner, with or without specific support from the EU.
15. In your opinion, in what direction should future relations between the EU and the OCTs develop?
16. What is your assessment of the importance of the annual OCT forums?

**Sector related questions:**

17. **Questions related to the EQs 3-5, with which the interviewee is dealing, to be specified by the interviewer**
18. Any other issue you wish to bring up?

## II. Representatives for OCTs based in Brussels, Hague and London

**General questions:**

1. With respect to your relationship or partnership with the EC, where do you see the most important challenges and opportunities in your present and future societal development?
2. In which sectors are the relations with the EU of specific importance to you?
3. **What is your assessment of the implications for the OCTs of the move from project to budget support (predictability and PFM)?**
4. What is your assessment of the adequacy of the size and nature of the EU support for the OCTs?
5. What is your assessment of the efficiency with which it is delivered?
6. **Have you had adequate institutional capacity to deal with the EC procedures and to implement the support programmes?**
7. Have you received adequate support from the EC in this respect?
8. Which EU-relations, outside the EC-funded cooperation, are of particular importance for…?
9. **In practice, what are the consequences of the …inhabitants having EU citizenship? (Including in relation to migration and depopulation)**
10. In which ways could / should your participation in regional integration be strengthened
11. Do you have any viewpoints on the way such arrangements are being negotiated?
12. In which way is the EU-support coordinated with and complementary to the support from the MS?
13. Please mention examples of added value from the EU support in relation to the support from the MS
14. **Please mention possible examples of European values, which you represent in your region**
15. What does it imply that the OCTs are regarded as "European ambassadors"?
16. Have you received support from the EU related to your acting as such?
17. Which are your ideas regarding the direction in which the future relations between the EU and the OCTs should develop?
18. How do you assess the importance of the annual OCT forums?

**Sector related questions:**

19. **Questions related to the EQs 3-5, of specific importance to the OCT, to be specified by the interviewer**
20. Any other issue you wish to bring up?

## III. OCTA

1. Where do you see the most important challenges and opportunities in the present and future societal development of the OCTs, and what should be role of the EU in influencing their development?

2. Which are the most important sectors regarding the cooperation between the EU and the OCTs linked with the MS?
3. What is your assessment of the move from project to budget support and its implications for the OCTs?
4. What is your overall assessment of the adequacy of the size and nature of the EU support for the OCTs?
5. What is your overall assessment of the efficiency with which it is delivered?
6. Which EU-relations, outside the cooperation, are of particular importance for the OCTs linked with the MS?
7. **What is your overall assessment of the importance and consequences of the OCT-inhabitants having EU citizenship? (Including in relation to migration and depopulation)**
8. **In which ways should the OCT participation in regional integration be strengthened and should they be able to negotiate their own arrangements in this respect?**
9. In which way is the EU-support to the OCTs coordinated with and complementary to the support from the MS?
10. Please mention examples of added value from the EU support in relation to the support from the MS
11. **What does it imply, in your opinion, that the OCTs are regarded as "European ambassadors" and do they represent any particular European core values in the regions where they are located?**
12. Which are your ideas regarding the direction in which the future relations between the EU and the OCTs should develop?
13. How do you assess the importance of the annual OCT forums?
14. Any other issue you wish to bring up?

**IV. The four MS**

1. How are the MS's relations with the OCTs structured within the MS?
2. In which ways do the MS represent the OCTs in relation to the EU, and to what extent do the OCTs negotiate directly with the EU?
3. Which are, in your opinion, the most important sectors regarding the (EC-funded) cooperation between the EU and the OCTs?
4. What is your overall assessment of the adequacy of the size of the EU support for the OCTs?
5. What is your overall assessment of the efficiency with which it is delivered?
6. What is your assessment of the move from project to budget support and its implications for the OCTs (predictability and PFM)?
7. In which way is the EU-support to the OCTs coordinated with and complementary to the support from the MS?
8. Please mention examples of added value from the EU support in relation to the support from the MS

9. Which EU-relations, outside the support from the EC, are of particular importance for the OCTs linked with the MS?
10. What is your overall assessment of the importance and consequences of the OCT-inhabitants having EU citizenship? (Including in relation to migration and depopulation)
11. In which ways should the OCT participation in regional integration be strengthened and should they be able to negotiate their own arrangements in this respect?
12. What does it imply, in your opinion, that the OCTs are regarded as "European ambassadors" and do they represent any particular European core values in the regions where they are located?
13. How do you assess the importance of the annual OCT forums?
14. **Which are your ideas regarding the direction in which the future relations between the EU and the OCTs should develop?**
15. Where do you see the most important challenges and opportunities in the present and future societal development of the OCTs, and what should be role of the EU in influencing their development?

# ANNEX IX: LIST OF PERSONS MET

| NAME | INSTITUTION/UNIT |
|---|---|
| AFLALO, Myriam | France, Ministry of Foreign Affairs |
| ALLIOT, Julie | Agence Française de Développement (AFD) |
| AMIR, Ahmed | Direction des Affaires Européennes & de la Coopération Décentralisée |
| ANDERSON, James | Regional Coastal Management Programme of the Indian Ocean (RECOMAP) |
| ANDJILANI, Maoulana | Direction de la Recherche et de l'enseignement supérieur |
| AZAÏS-VELY, Denise | Indian Ocean Commission |
| BAL, Laurent | EU regional Delegation |
| BALLET, Jean-Francois | Direction de l'Equipement de Mayotte |
| BALLOO, Madev | Delegation of the European Union to Mauritius, Comoros and Seychelles |
| BARTHELEMY, Julien | Agence France de Développement (AFD) |
| BARTON, John | Director of Fisheries, FIG |
| BERAN, Marek | DG MARE |
| BERAN, Marek | EC DG MARE |
| BERTHON, Eric | Haut Commissariat |
| BIENIUK, Zuzanna | DG MARE, Atlantic, Outermost Regions and Arctic |
| BION, Teva | Commune de Bora Bora |
| BLAZKIEWICZ, Bernard | EU regional Delegation |
| BOLLY, Jean-Louis | Joint Evaluation Unit, Evaluation Manager |
| BONNE, Gina | Indian Ocean Commission |
| BRACH, Irmela | DG RTD, Science, Research and development |
| BUILLES, Bernard | Chef du service emploi formation de la province, Government of the South Province (Province Sud) - |
| BUILLES, Luc | Chambre d'Agriculture |
| CALI, Gaëlle | Conseiller technique, Chambre de Commerce & Industrie |
| CALVIGNAC, Chloê | OCTA New Caledonia - working group for regional integration |
| CAMERON, Sukey | Falkland Island Representative in London |
| CANAVATE, Laurent | Direction des Affaires Européennes & de la Coopération Décentralisée |
| CANTON-LAMOUSSE, Xavier | EU regional Delegation Attaché |
| CHAMBERS, Philip | Permanent Secretary Ministry of Communications and Works |
| CHAMSSIDINE, Houlam | UTG |
| CHANFI, Hourou | Direction des Affaires Européennes & de la Coopération Décentralisée |
| CHARLES, Pierre-Henri | Directeur, Direction de la formation professionnelle continue (DFPC) |

| NAME | INSTITUTION/UNIT |
|---|---|
| CHATENAY, Laurent | Chef du Services de l'Amenagement et de la Planification |
| CHRISTIANSEN, Palle | Greenland Ministry of Finance and Nordic Cooperation |
| CLARKE, Roger | Montserrat Programme Adviser DFID (by telephone and e-mail) |
| CLAVEL, Pierre-Yves | Agence Française de Développement (AFD) |
| COFFRE, Raymond | Institut d'Emission d'Outre-mer (IEOM), Directeur |
| COYETTE, Etienne | DG Environment - Desertification, Environment Development Integration Policy, SIDS and OCT states |
| DARELL, Felicia | French Ministry of Foreign Affairs |
| DE KROON, Sabine | NL Ministry of Interior and Kingdom Affairs: Policy Advisor, Department of Kingdom Affairs |
| DE SAN, Michel | Regional Coastal Management Programme of the Indian Ocean (RECOMAP) |
| DELADRIÈRE, Bernard | Membre du Gouvernement, en charge du Secteur du Budget, de la fiscalité et de l'économie numérique |
| DURASNEL, Léonard | DEDD |
| EDWARDS, Emma | Counsellor |
| ESTWICK, Angela | Ministry of Economic Development & Trade, GoM and Director, Montserrat Tourism Board |
| FARIMERO, Henriette | Service du Plan et de la Prévision (SPP) |
| FELEU, Yannick | Assemblée Territoriale, Conseiller |
| FERGUSON, John | General Manager,Falkland Islands Meat Company |
| FORREST, Mike | Private sector representative, Chamber of Commerce |
| FOUC, Francine | Département infrastructure, bureau eau et assainissement, Direction de l'environnement, chargé des programme FED |
| FROST, Mette | Greenland Climate Agency |
| FULUTUI, Malia Sanele | Assemblée Territoriale, Conseillère |
| FUTLOO, Zaid | Delegation of the European Union to Mauritius, Comoros and Seychelles |
| GADENNE, Timothée | AQUAMAY développement aquacole |
| GARNIER, Charles | Service du Plan et de la Prévision (SPP) |
| GASTON, Olivier | OCTA Saint Pierre et Miquelon (co-chairs of our working group for regional integration) |
| GEERE, Malcolm | DFID |
| GERMAIN, Philippe | Membre du Gouvernement, Responsable de l'économie |
| GESSI, Paola | Joint Evaluation Unit, Second Evaluation Manager |
| GRANGER, Nicola | Chief Accountant, FIG |
| GREENAWAY, Angela | Territorial Authorizing Officer Ministry of Economic Development & Trade, GoM |
| GRELOT, Jacques | UTG |

| NAME | INSTITUTION/UNIT |
|---|---|
| GRENET, Aline | Vice-recteur |
| GROTH, Teit | University of Greenland |
| GUILLOUX, Abner | Chambre de Commerce, d'Industrie, des Services et des Métiers (CCISM) |
| HAKOMANI, Peklo | Chambre de Commerce, d'Industrie, des Métiers et d'agriculture (CCIMA) |
| HAMMOND, Aleqa | Greenland Parliament |
| HANSEN, Rune | Fisheries' Agency Greenland |
| HARMS, Martin Hasforth | Employers' Association of Greenland |
| HAZEL, Monica | NL Antilles Representative in the Hague (Kabinet van de Gevolmachtigde Minister, Afdeling Algemene & Juridische Zaken) |
| HEALY, Benedicte | Direction des Affaires Européennes & de la Coopération Décentralisée |
| HERNÁNDEZ AGUILAR, Plácido | AIDCO E/7 Quality Management Officer - Infrastructure |
| HIPPOLET, Vincent | Access Coordinator GoM (long term consultant) |
| HOKKANEN, Paula | Greenland Representative in Brussels |
| HOKKANEN, Paula | EC DG AIDCO |
| HOLLOWAY, Sarah | Adviser Public Sector Modernisation Programme |
| HORALA, Yves | EU Delegation |
| HORALA, Yves | Office of the European Commission in Nouméa |
| HUEKWAHIN, Jerry | Pacific Islands Forum secretariat General, Technical officer |
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| Short title | Year | Author | Full title |
|---|---|---|---|
| Presentation EU-OCT Forum 2010 | 2010 | EC: DG Research | EU-OCT Forum Brussels 2010: Presentations by RTD |
| **TRANSPORT AND COMMUNICATION INFRASTRUCTURE** | | | |
| 9PTU MON1 | 2009 | | Resettlement Programme |
| 9PTN NEA2 | 2009 | | Restoration of the Queen Emma Bridge |
| 9PTU MON1 | 2008 | | Resettlement Programme |
| 9PTU MON1 | 2007 | | Resettlement Programme |
| 9 PTN NEA 2 Final Evaluation | 2007 | | Specific Contract No: Contract 9 PTN NEA 2. Restoration of the Queen Emma Bridge: Final Evaluation. Final Report January 2007 |
| 9PTN NEA2 | 2006 | | Restoration of the Queen Emma Bridge |
| **WATSAN INFRASTRUCTURE AND URBAN PLANNING** | | | |
| 9PTN NEA6 | 2009 | | Urban Infrastructures for Socially Deprived Areas. Result-Orientated Monitoring: Final Report |
| 9PTF POF2 | 2009 | | Assainissement des eaux usées pour les communes de Punaauia. Result-Orientated Monitoring: Final Report |
| 9PTF POF2 | 2008 | | Assainissement des eaux usées pour les communes de Punaauia. Result-Orientated Monitoring: Final Report |
| 9PTF POF2 | 2007 | | Assainissement des eaux usées pour les communes de Punaauia. Result-Orientated Monitoring: Final Report |
| **OTHERS** | | | |
| 9PTF WF1 | 2009 | | Système d'Information Geographique. Result-Orientated Monitoring: Final Report |

| **Web links** |
| --- |
| Green paper:<br>http://ec.europa.eu/development/icenter/repository/1_EN_ACT_part1_v8.pdf<br>http://ec.europa.eu/development/icenter/repository/green-paper-annex.pdf<br>http://ec.europa.eu/development/icenter/repository/OCTs-AnnexII-Common-MS-contribution-to-Green-Paper_en.pdf<br>http://ec.europa.eu/development/icenter/repository/OCTs-AnnexIIIa-Regional-coop-platf-Decl_en.pdf |
| Association of Overseas Countries and Territories<br>http://www.octassociation.org/ |
| Denmark: State Ministry<br>http://www.stm.dk/_a_1644.html |
| Caribbean Tourism Organisation<br>www.onecaribbean.org/statistics |
| France: Overseas Council<br>http://www.outre-mer.gouv.fr/?-conseil-interministeriel-de-l-outre-mer-.html (cf also: http://www.outre-mer.gouv.fr ) |
| Ministry of Foreign Affairs of Denmark - GREENLAND AND THE FAROE ISLANDS<br>http://www.um.dk/en/menu/foreignpolicy/greenlandandthefaroeislands/<br>http://ec.europa.eu/development/icenter/repository/Greenland-PDSD-and-annexesfinal.pdf |
| Northern Peripheries Programme<br>http://www.northernperiphery.eu/en/home/ |
| Strengthening Fishery Products Health Conditions in ACP/OCT Countries<br>www.sfp-acp.eu/en |
| The Netherlands, Ministry of the Interior and Kingdom Relations –Aruba and The Netherlands Antilles<br>http://www.minbzk.nl/english/subjects/aruba-and-the (cf also: http://www.minbzk.nl/english/ ) |
| UK Foreign and Commonwealth Office<br>http://www.fco.gov.uk/en/ |

# ANNEX XI: INVENTORY OF EC PROJECTS/ PROGRAMMES

## Projects per sector

Below are listed (according to sectors, alphabetical order of *Zone benefitting from the action*) main projects benefitting OCTs identified so far. Regional and Budget line projects are not yet included.

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| TRANSPORT & COMMUNICATION INFRASTRUCTURE | | | | | | | | | | |
| 7PTU AG10; 7PTU AG11; 8PTU AG1 | FED/2002/ 016-001 | CL | ANGUILLA, ROAD IMPROVEMENT PROJECT PHASE 2 | Anguilla | 22/11/2002 | 15.05.2003 | 28.03.2007 | 1588966 | 1588966 | 1588966 |
| 9PTU AG1 | FED/2006/ 020-678 | EC | SECTOR POLICY SUPPORT FOR MEDIUM TERM AIR TRANSPORT PLAN | Anguilla | 29/08/2006 | 29.08.2006 | ongoing | 12240000 | 12240000 | 0 |
| 8PTU VI1 | FED/1999/ 014-639 | CL | BRITISH ISLANDS INTERNATIONAL AIRPORT PROJECT (20162) | British Virgin Islands | 21/09/1999 | 01.01.1999 | 17.01.2002 | 512570 | 512570 | 512570 |
| 8PTU MON3 | FED/2002/ 016-098 | CL | RESETTLEMENT TECHNICAL STUDIES | Montserrat | 26/11/2002 | 01.02.2003 | 23.11.2006 | 58487 | 58487 | 58487 |
| 9PTU MON1 | FED/2003/ 016-345 | EC | RESETTLEMENT PROGRAMME | Montserrat | 10/12/2003 | 10.12.2003 | ongoing | 5587750 | 5587750 | 4988100 |
| 9PTU MON3 | FED/2007/ 019-207 | EC | Montserrat New Airport – Complementary financing | Montserrat | 21/12/2007 | 21.12.2007 | ongoing | 374835 | 374000 | 296292 |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| TRANSPORT & COMMUNICATION INFRASTRUCTURE (contin.) | | | | | | | | | | |
| 8PTN NEA1 | FED/2000/ 014-838 | CL | REHABILITATION SABA HARBOUR | Netherlands Antilles | 09/02/2000 | 01.03.2000 | 13.12.2001 | 62634 | 62634 | 62634 |
| 9PTN NEA2 | FED/2003/ 016-299 | CL | RESTORATION OF THE QUEEN EMMA BRIDGE | Netherlands Antilles | 06/08/2003 | 04.08.2003 | 25.08.2009 | 5505396 | 5505396 | 5505396 |
| 8PTF NC3 | FED/2001/ 015-545 | EC | ACHEVEMENT DE LA CONSTRUCTION DE LA ROUTE HIENGHENE POUEBO | New Caledonia | 25/03/2002 | 01.01.2003 | ongoing | 5600000 | 5600000 | 5600000 |
| 9PTU PIT1 | FED/2006/ 018-551 | EC | Pitcairn Transport Infrastructure - Breakwater | Pitcairn Islands | 26/02/2007 | 06.03.2007 | ongoing | 2350000 | 0 | 0 |
| 9PTU SH2 | FED/2006/ 018-358 | EC | Sector Policy Support for a programme of Infrastructure Development to improve access to St Helena, Ascension and Tristan da Cunha Islands | Saint Helena | 01/01/2006 | 23.06.2006 | ongoing | 17794290 | 17674290 | 14374290 |
| 9PTF SPM1 | FED/2006/ 018-332 | EC | ST. PIERRE ET MIQUELON - PROGRAMME D' APPUI AUX POLITIQUES SECTORIELLES DU TRANSPORT | Saint Pierre and Miquelon | 28/04/2006 | 20.06.2006 | ongoing | 18944541 | 18880000 | 64541 |
| 7PTF WF12; 8PTF WF3 | FED/2002/ 016-013 | CL | ACQUISITION DE MATERIEL COMPLEMENTAIRE DE TRAVAUX PUBLICS | Wallis and Futuna | 02/09/2002 | 01.07.2003 | 17.08.2006 | 1873148 | 1873148 | 1873148 |
| 9PTF WF2 | FED/2006/ 018-684 | EC | Wallis et Futuna - Programme de mise en oeuvre du 9ième FED | French countries and territories | 26/03/2007 | 01.01.2007 | ongoing | 16320600 | 15320593 | 698342 |
| **Total** | | | | | | | | **88813217** | **85277834** | **35622766** |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| WATSAN INFRASTUCTURE & URBAN PLANNING | | | | | | | | | | |
| 9PTU CI2 | FED/2007/ 020-888 | EC | HURRICANE IVAN RECONSTRUCTION EFFORTS PART II:REPAIR AND RECONSTRUCTION OF HOUSES | Cayman Islands | 21/12/2007 | 21.12.2007 | ongoing | 3300000 | 3300000 | 2640000 |
| 6PTF POF35; 6PTF POF36; 7PTF POF16; 8PTF POF4; | FED/2001/ 015-192 | CL | ASSAINISSEMENT COLLECTIF DES EAUX USEES DE L'ILE BORA BORA | French Polynesia | 30/01/2000 | 31.07.2001 | 09.11.2007 | 9892307 | 9892307 | 9892307 |
| 9PTF POF2 | FED/2005/ 017-808 | EC | Assainissement des eaux usées pour les communes de Punaauia | French Polynesia | 14/10/2005 | 11.08.2005 | ongoing | 8369777 | 8285000 | 8211824 |
| 9PTF POF4 | FED/2008/ 020-904 | EC | Programme d'assainissement des eaux usées de PunaauiaIII et Moorea II | French Polynesia | 17/09/2008 | 27.06.2008 | ongoing | 8914714 | 0 | 0 |
| 8PTF MY7 | FED/1999/ 014-598 | CL | STUDY FOR ESTABLISHMENT OF SEWERAGE AND SOLID WASTE DISPOSAL TARIFFS | Mayotte | 31/08/1999 | 01.11.1999 | 26.06.2005 | 114053 | 114053 | 114053 |
| 8PTF MY8 | FED/1999/ 014-702 | CL | PREPARATION OF PROJECT FOR ELIMINATION OF SOLID WASTES & SUP ERVISION OF WORKS | Mayotte | 22/10/1999 | 01.12.1999 | 24.11.2005 | 25695 | 25695 | 25695 |
| 8PTF MY11 | FED/2000/ 015-253 | CL | ASSAINISSEMENT DE PASSAMAINTI | Mayotte | 10/11/2000 | 08.01.2001 | 18.12.2008 | 140381 | 140381 | 140381 |
| 8PTU MON1 | FED/2002/ 015-796 | CL | DESIGN/SUPERVISION OF THE COMMUNITY COLLEGE | Montserrat | 22/02/2002 | 01.06.2002 | 23.02.2008 | 114707 | 114707 | 114707 |
| 8PTU MON4 | FED/2002/ 016-118 | CL | MONTSERRAT COMMUNITY COLLEGE (MCC) | Montserrat | 12/03/2002 | 15.05.2003 | 08.11.2007 | 1083336 | 1083336 | 1083336 |
| 8PTN NEA6 | FED/2001/ 015-614 | CL | SEWAGE SYSTEM BONAIRE | Netherlands Antilles | 13/09/2001 | 15.01.2002 | 05.02.2007 | 327826 | 327826 | 327826 |
| 9PTN NEA3 | FED/2003/ 016-497 | CL | TA - TECHNICAL DESIGN FOR BONAIRE SEWERAGE & SANITAT. SYSTEM | Netherlands Antilles | 22/12/2003 | 22.12.2003 | 13.04.2007 | 411949 | 411949 | 411949 |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| WATSAN INFRASTUCTURE & URBAN PLANNING (contin.) | | | | | | | | | | |
| 9PTN NEA6 | FED/2007/ 018-774 | EC | Urban Infrastructures for Socially Deprived Areas | Netherlands Antilles | 15/04/2008 | 20.12.2007 | ongoing | 24000000 | 23527224 | 1377852 |
| 9PTN NEA7 | FED/2007/ 019-113 | EC | Sewerage and Sanitation Project Bonaire | Netherlands Antilles | 08/05/2008 | 21.12.2007 | ongoing | 19606231 | 19089371 | 19067491 |
| 8PTF SPM1 | FED/2000/ 014-921 | CL | EAU ET ASSAINISSEMENT | Saint Pierre and Miquelon | 24/04/2000 | 01.09.2000 | 02.10.2000 | 2300600 | 2300600 | 2300600 |
| 8PTF SPM3 | FED/2002/ 015-966 | CL | ASSAINISSEMENT A ST PIERRE | Saint Pierre and Miquelon | 18/10/2002 | 01.07.2003 | 03.05.2006 | 1169400 | 1169400 | 1169400 |
| 9PTU TC1 | FED/2003/ 016-368 | CL | FINAL PROJECT EVALUATION - WATER & SEWERAGE PROJECT (6 PTU TC 4 AND 7 PTU TC 5) | Turks and Caicos Islands | 24/09/2003 | 24.09.2003 | 15.10.2007 | 20540 | 20540 | 20540 |
| 8PTF WF1 | FED/2001/ 015-402 | EC | PRESERVATION DE LA RESSOURCE EN EAU DU TERRITOIRE | Wallis and Futuna | 21.03.2002 | 31.03.2002 | ongoing | 987015 | 984673 | 984673 |
| **TOTAL** | | | | | | | | **80778532** | **70787063** | **47882635** |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| EDUCATION / VOCATIONAL TRAINING | | | | | | | | | | |
| none | GREENLAND/2007/ 018-941 | CL | EC support to the Greenland Education Programme - Sector Budget Support | Greenland | 31/12/2008 | 28.09.2007 | 17.10.2008 | 26214700 | 26214700 | 26214700 |
| none | GREENLAND/2008/ 019-712 | EC | EC support to the Greenland Education sector | Greenland | 31/12/2009 | 26.08.2008 | ongoing | 26811000 | 26761000 | 26595082 |
| none | GREENLAND/2009/ 021-121 | EC | EC support to the Greenland Education and Vocational Training Sector 2009 | Greenland | 31/12/2010 | 09.06.2009 | ongoing | 27327000 | 27277000 | 21821600 |
| 8PTN NEA7 | FED/2002/ 015-961 | EC | SUPPORT TO THE NETHERLANDS ANTILLES YOUTH DEVELOPMENT PROGRAMME (NAYDP) | Netherlands Antilles | 10/05/2003 | 01.05.2003 | ongoing | 3470000 | 3441522 | 3143294 |
| 8PTF NC8 | FED/2002/ 016-106 | EC | FORMATION PROFESSIONNELLE ET REVEGETALISATION MINIERE | New Caledonia | 02/06/2003 | 31.07.2004 | ongoing | 2450000 | 2354633 | 2268782 |
| 9PTF NC1 | FED/2004/ 017-383 | EC | PROGRAMME D'APPUI BUDGETAIRE A LA FORMATION PROFESSIONNELLE (2004-2007) | New Caledonia | 29/07/2004 | 29.07.2004 | ongoing | 30214370 | 30094370 | 25380000 |
| **TOTAL** | | | | | | | | **116487070** | **116143225** | **105423458** |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| ENVIRONMENT | | | | | | | | | | |
| 8PTN ARU3 | FED/2000/ 015-043 | CL | TA-SERVICES FOR PROJECT PREPARATION FOR ARIKOK NATIONAL PARK AND MUSEUM | Aruba | 28/06/2000 | 01.07.2000 | 30.03.2004 | 36262 | 36262 | 36262 |
| 8PTN ARU4 | FED/2001/ 015-706 | CL | PREPARATORY STUDIES FOR DESIGNING NATIONAL PARK (ROADS AND C ENTRE) AND NATIONAL MUSEUM IN ARUBA | Aruba | 22/11/2001 | 15.01.2002 | 15.12.2005 | 347649 | 347649 | 347649 |
| 8PTN ARU5 | FED/2003/ 016-234 | CL | T.A. FOR PROJECT PREP. FOR ARIKOK NATIONAL PARK AND MUSEUM | Aruba | 27/05/2003 | 05.12.2001 | 30.03.2004 | 15274 | 15274 | 15274 |
| 9PTN ARU1 | FED/2004/ 016-981 | EC | National Museum | Aruba | 12/05/2004 | 22.12.2004 | ongoing | 4433881 | 3967917 | 3943124 |
| 9PTN ARU2 | FED/2004/ 017-035 | EC | Arikok National Park | Aruba | 12/05/2004 | 26.04.2005 | ongoing | 7028200 | 6643747 | 5858435 |
| 8PTF MY5 | FED/1999/ 014-562 | CL | PROJET DE SUIVI DE L'UTILISATION DES SOLS-METHODE TERUTI | Mayotte | 28/07/1999 | 15.08.1999 | 29.10.2003 | 139635 | 139635 | 139635 |
| 9PTF MY3 | FED/2007/ 019-392 | EC | APPUI A L'AMENAGEMENT ET AU DEVELOPPEMENT DURABLES DE MAYOTTE | Mayotte | 01/01/2007 | 15.11.2007 | ongoing | 20526000 | 1204802 | 300000 |
| 8PTF NC1 | FED/2000/ 014-852 | CL | ENERCAL II (20438) (Power generation) | New Caledonia | 22/02/2000 | 01.01.2000 | 31.10.2000 | 334367 | 334367 | 334367 |
| **TOTAL** | | | | | | | | **32861268** | **12689653** | **10974746** |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| island economics | | | | | | | | | | |
| 9PTU VI1 | FED/2007/ 018-957 | EC | Developing & Ensuring Sustainability in the Tourism Sector through the BVI Culinary Arts Centre | British Virgin Islands | 07/12/2007 | 07.12.2007 | ongoing | 1003000 | 65600 | 937400 |
| 9PTU FK1 | FED/2008/ 020-227 | EC | Sector Budget Support for Trade Development in Falkland Islands | Falkland Islands | 16/10/2006 | 24.10.2006 | ongoing | 4547116 | 4547116 | 4547116 |
| 9PTF POF1 | FED/2004/ 016-967 | EC | PROFESSIONNALISATION ET PERENNISATION DE LA PERLICULTURE | French Polynesia | 12/06/2005 | 23.12.2004 | ongoing | 3645000 | 3030128 | 1800257 |
| 8PTF MY6 | FED/1999/ 014-554 | CL | STABEX 98 - HUILES ESSENTIELLES | Mayotte | 14/12/1999 | 31.07.1999 | 25.09.2001 | 282053 | 282053 | 282053 |
| 8PTF MY9 | FED/2000/ 015-054 | CL | TRANSFERT STABEX 99 : VANILLE | Mayotte | 04/07/2000 | 25.07.2000 | 25.09.2001 | 55613 | 55613 | 55613 |
| 8PTF MY10 | FED/2000/ 015-055 | CL | STABEX ESSENTIAL OILS | Mayotte | 04/07/2000 | 25.07.2000 | 25.09.2001 | 42820 | 42820 | 42820 |
| 8PTF MY12; 9PTF MY1 | FED/2001/ 015-626 | CL | DEVELOPPEMENT DE L'AQUACULTURE MARINE | Mayotte | 26/11/2001 | 31.12.2002 | 21.03.2008 | 512594 | 512594 | 512594 |
| 9PTU MON2 | FED/2006/ 020-692 | EC | TRADE INSERVICES SUPPORT PROGRAMME (TSSP) | Montserrat | 09/01/2006 | 09.01.2006 | ongoing | 17200000 | 17200000 | 7000000 |
| 8PTF NC2 | FED/2000/ 015-714 | CL | AGRANDISSEMENT DES ENTREPOTS FRIGORIFIQUES | New Caledonia | 01/01/2000 | 01.04.2001 | 16.01.2006 | 1000000 | 1000000 | 1000000 |
| 8PTF NC6 | FED/2001/ 015-714 | CL | Bases de pêche des Iles Loyauté | New Caledonia | 25/01/2002 | 01.01.2003 | 02.10.2007 | 85629 | 85629 | 85629 |
| **TOTAL** | | | | | | | | **28373825** | **26821553** | **16263482** |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| OTHERS | | | | | | | | | | |
| 8PTF POF1 | FED/1999/ 014-395 | CL | Socredo pg v b (20.223) | French Polynesia | 28/04/1999 | 01.01.1999 | 07.12.2005 | 3000000 | 3000000 | 3000000 |
| 8PTF POF2 | FED/1999/ 014-734 | CL | Socredo pg v a (20222) | French Polynesia | 17/11/1999 | 01.01.1999 | 03.06.2004 | 293068 | 293068 | 293068 |
| 8PTF POF3 | FED/2000/ 015-103 | CL | POLES DE DEVELOPPEMENT ARCHIPELS | French Polynesia | 11/08/2000 | 01.10.2000 | 16.01.2006 | 666162 | 666162 | 666162 |
| 9PTF MY2 | FED/2006/ 018-356 | EC | UNITE TECHNIQUE DE GESTION | Mayotte | 27/06/2006 | 27.04.2006 | ongoing | 3624000 | 2951806 | 1500499 |
| 8PTN NEA2 | FED/2000/ 014-990 | CL | ACCOUNTANCY SERVICES - T.A. TO NAO | Netherlands Antilles | 15/06/2000 | 01.07.2000 | 29.11.2004 | 23826 | 23826 | 23826 |
| 8PTN NEA4 | FED/2000/ 015-172 | CL | TECHNICAL ASSISTANCE FOR PROJECT PREPARATION | Netherlands Antilles | 05/10/2000 | 05.10.2000 | 22.12.2004 | 71729 | 71729 | 71729 |
| 8PTN NEA5 | FED/2000/ 015-278 | CL | ACCOUNTANCY SERVICES - T.A. TO NAO | Netherlands Antilles | 27/11/2000 | 24.11.2000 | 29.11.2004 | 150203 | 150203 | 150203 |
| 8PTN NEA8 | FED/2002/ 016-067 | CL | T.A. TO THE N.A.O. | Netherlands Antilles | 15/10/2002 | 31.07.2002 | 17.01.2005 | 73557 | 73557 | 73557 |
| 9PTN NEA1 | FED/2003/ 016-267 | CL | TA TO SUPPORT THE PREPARATION OF THE SPD | Netherlands Antilles | 27/06/2003 | 27.06.2003 | 07.12.2006 | 174192 | 174192 | 174192 |
| 9PTN NEA4 | FED/2004/ 016-907 | CL | Technical Co-operation Facility (TCF) | Netherlands Antilles | 21/12/2004 | 23.11.2004 | 21.10.2009 | 773003 | 773003 | 773003 |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| OTHERS | | | | | | | | | | |
| 7 PTF NC 24, 25, 26; 8 PTF NC 07 | FED/1998/ 013-898 | CL | NOUVEL ACQUARIUM A NOUMEA | New Caledonia | 22/07/1998 | n/a | n/a | 4805999 | 4805999 | 4805999 |
| 8PTF NC5 | FED/2001/ 015-692 | CL | ETUDE D'ELIGIBILITE - APPUI DE LA FACILITE SYSMIN 8EME FED | New Caledonia | 19/11/2001 | 01.12.2001 | 17.08.2006 | 40972 | 40972 | 40972 |
| 8PTU SH1 | FED/2002/ 015-851 | CL | STUDY OF ROCKFALL PROTECTION IN JAMESTOWN | Saint Helena | 27/03/2002 | 29.05.2002 | 26.04.2004 | 63008 | 63008 | 63008 |
| 9PTU SH1 | FED/2003/ 016-270 | CL | TECHNICAL ASSISTANCE FOR PROJECT DETAILED DESIGN | Saint Helena | 04/07/2003 | 04.07.2003 | 22.12.2006 | 146390 | 146390 | 146390 |
| 8PTU TC1 | 2001/015-753 | CL | Tcinvest gl i | Turks and Caicos Islands | 12.12.2001 | 03.07.2001 | 24.08.2006 | 3000000 | 3000000 | 3000000 |
| 9PTU TC2 | FED/2006/ 020-686 | EC | BUDGET SUPPORT PROGRAMME | Turks and Caicos Islands | 25/08/2006 | 25.08.2006 | ongoing | 14635000 | 10530087 | 8530087 |
| 9PTF WF1 | FED/2003/ 016-427 | EC | SYSTEME D'INFORMATION GEOGRAPHIQUE | Wallis and Futuna | 28/05/2004 | 07.04.2004 | ongoing | 670400 | 535928 | 535928 |
| **TOTAL** | | | | | | | | **32351142** | **27439563** | **23988256** |

# Regional Projects and Projects Per OCT

Regional OCT projects

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | Status | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| REGIONAL | | | | | | | | | | |
| 7 PTO REG 034<br>9 PTO REG 010 | FED/1995/007-831 | EC | Extension Caraibbean Regional Tourism Development | Caribbean OCTs | 25.06.1996 | 27.12.1995 | 12.01.2012 | 165.863 | ? | ? |
| 9 PTO REG 003 | FED/1999/014-476 | CL | Strengthening of Medical Laboratory Services in the Caribbean | Caribbean OCTs | 16.11.2004 | 05.10.2004 | 30.06.2009 | 1.138.503 | 1.138.503 | 1.138.503 |
| 8 ACP RIN 008 | FED/2000/015-173 | EC | COI MANIFESTATION CULTURELLE TOURNANTE | Indean Ocean Region (Mayotte) | 05.10.2000 | 15.10.2000 | 28.07.2009 | 672.646 | 672.646 | 574.056 |
| ? | FED/2002/015-963 | CL | OCT-EU FORUM AND MINISTERIAL MEETING 2002/2003 | All OCTs | ? | ? | ? | 455.830 | 455.830 | 455.830 |
| ? | FED/2002/015-995 | EC | PF REG/7502/001 PROGRAMME REGIONAL DE PROTECTION DES VEGETAUX DANS LA REGION DE L'OCEAN INDIEN | Indean Ocean Region (Mayotte) | ? | ? | ? | 4.850.000 | 4.196.924 | 3.878.135 |
| 8 ACP RCA 040<br>6 ACP RPR 597<br>7 PTU MON 010<br>8 PTU MON 002 | FED/2002/016-034 | CL | MONTSERRAT NEW AIRPORT | Regional EDF | 29.11.2002 | 31.07.2003 | 28.07.2009 | 7.857.867 | 7.765.778 | 7.653.448 |
| 9-ACP RPA-006 | FED/2003/016-418 | EC | PACIFIC ACP REGIONAL ECONOMIC INTEGRATION PROGRAMME (PACREIP) | Pacific Region RPA | 07.02.2004 | 22.12.2003 | | 11.200.000 | | |
| 9 PTO REG 001<br>9 PTO REG 002<br>9 PTO REG 003<br>9 PTO REG 004 | FED/2003/016-514 | CL<br>CL<br>EC<br>EC | STRATEGIC PLANNING IN PUBLIC SERVICES | Pacific Ocean Regions (POR) | 22.12.2003 | 22.12.2003 | 31.12.2009 | 1.300.000 | 1.266.119 | 1.238.144 |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | Status | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| REGIONAL | | | | | | | | | | |
| ? | FED/2005/017-870 | EC | INCREASING REGIONAL CAPACITY TO REDUCE THE IMPACT OF INVASIVE SPECIES ON THE SOUTH ATLANTIC UNITED KINGDOM OVERSEAS TERRITORIES | British OCTs | ? | ? | ? | 1.999.141 | 1.959.141 | 1.922.249 |
| 9 PTO REG 006 | FED/2006/018-660 | EC | Tonnes équivalent Pétrole - Valorisation des énergies renouvelables et transfert d'expérience et de savoir-faire (TEP VERTES) | French OCTs | 18.10.2006 | 18.10.2006 | 31.07.2013 | 5.227.819 | 4.943.245 | 3.766.251 |
| 9 PTO REG 013 | FED/2007/019-432 | CA | Management of Protected Areas to Support Sustainable Economies | OCT | 21.12.2007 | 07.12.2007 | 31.12.2014 | 2.475.000 | 1.635.575 | 326.895 |
| 9 PTO REG 009 | FED/2007/019-605 | EC | Multi-Country Programme for the Implementation of UNCTAD ASYCUDAWORLD | Caribbean Region POR | 20.12.2007 | 20.12.2007 | 31.12.2012 | 1.550.000 | 1.380.100 | 524.064 |
| 9 PTO REG 014 | FED/2007/020-892 | EC | GLOBAL C ENVELOP AND REGIONAL ALLOCATION FOR HUMANITARIAN, EMERGENCY AND REFUGEE AID ASSISTANCE FOR ALL OCT'S | Caribbean OCTs | 21.12.2007 | 21.12.2007 | 31.12.2013 | 22.173.623 | 21.826.955 | 9.277.115 |
| 9 ACP RCA 020 | FED/2007/020-897 | EC | EU CONTRIBUTION TO THE CARIBBEAN CATASTROPHE RISK INSURANCEFACILITY (CCRIF) | Caribbean Region | 21.12.2007 | 21.12.2007 | 31.12.2013 | 8.000.000 | 8.000.000 | 8.000.000 |
| ? | FED/2008/020-225 | EC | Cayman Islands - Hurricane Ivan Reconstruction: Phase I | British OCTs | ? | ? | ? | 3.700.000 | 3.539.636 | 3.487.574 |
| 9 PTO GPR 003 | FED/2008/020-228 | CL | Technical Cooperation Facility for OCTs | Caribbean OCTs | 01.01.2006 | 29.08.2006 | 31.10.2010 | 430.237 | 430.237 | 430.237 |
| 9 PTO REG 012 | FED/2008/020-231 | EC | Technical Cooperation Facility - | Caribbean OCTs | 26.02.2008 | 21.12.2007 | 31.12.2013 | 2.769.000 | | |

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | Status | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| REGIONAL | | | | | | | | | | |
| | | | all OCT | | | | | | | |
| N/A | FED/2009/021-998 | PO | Technical Assistance to OCTA | All OCTs | | | | 5.000.000 | | |
| n/A | FED/2009/022-056 | PO | Regional Trade, Private Sector and Export Development Programme | Carribean Region RCA | | | | 22.300.000 | 0 | 0 |
| N/A | FED/2010/022-298 | PO | Initiative des Territoires du Pacifique sud pour la Gestion Régionale de l'Environnement INTEGRE | OCT | | | | 12.000.000 | | |
| N/A | FED/2010/022-558 | PO | Territorial Strategies for Innovation (TSI) | OCT | | | | 5.000.000 | | |
| N/A | FED/2010/022-895 | PO | BELNEM/HATO SEWERAGE AND SANITATION PROJECT | Dutch OCTs | | | | 0 | 0 | 0 |
| N/A | FED/2010/022-897 | PO | Under the Hill - Infrastructure For Social Housing-Phase 2 | Dutch OCTs | | | | 0 | 0 | 0 |
| N/A | FED/2010/022-898 | PO | Port Development of St.Eustatius | Dutch OCTs | | | | 0 | 0 | 0 |
| N/A | FED/2010/022-899 | PO | Dutch Quarter Sewerage, St. Maarten | Dutch OCTs | | | | 0 | 0 | 0 |

## Anguilla

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Anguilla | | | | | | | | | | |
| 7PTU AG10; 7PTU AG11; 8PTU AG1 | FED/2002/ 016-001 | CL | ANGUILLA, ROAD IMPROVEMENT PROJECT PHASE 2 | Anguilla | 22/11/2002 | 15.05.2003 | 28.03.2007 | 1588966 | 1588966 | 1588966 |
| 9PTU AG1 | FED/2006/ 020-678 | EC | SECTOR POLICY SUPPORT FOR MEDIUM TERM AIR TRANSPORT PLAN | Anguilla | 29/08/2006 | 29.08.2006 | ongoing | 12240000 | 12240000 | 0 |
| **Total** | | | | | | | | **13828966** | **13828966** | **1588966** |

## Aruba

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Aruba | | | | | | | | | | |
| 8PTN ARU3 | FED/2000/ 015-043 | CL | TA-SERVICES FOR PROJECT PREPARATION FOR ARIKOK NATIONAL PARK AND MUSEUM | Aruba | 28/06/2000 | 01.07.2000 | 30.03.2004 | 36262 | 36262 | 36262 |
| 8PTN ARU4 | FED/2001/ 015-706 | CL | PREPARATORY STUDIES FOR DESIGNING NATIONAL PARK (ROADS AND C ENTRE) AND NATIONAL MUSEUM IN ARUBA | Aruba | 22/11/2001 | 15.01.2002 | 15.12.2005 | 347649 | 347649 | 347649 |
| 8PTN ARU5 | FED/2003/ 016-234 | CL | T.A. FOR PROJECT PREP. FOR ARIKOK NATIONAL PARK AND MUSEUM | Aruba | 27/05/2003 | 05.12.2001 | 30.03.2004 | 15274 | 15274 | 15274 |
| 9PTN ARU1 | FED/2004/ 016-981 | EC | National Museum | Aruba | 12/05/2004 | 22.12.2004 | ongoing | 4433881 | 3967917 | 3943124 |
| 9PTN ARU2 | FED/2004/ 017-035 | EC | Arikok National Park | Aruba | 12/05/2004 | 26.04.2005 | ongoing | 7028200 | 6643747 | 5858435 |
| **TOTAL** | | | | | | | | **11861266** | **11010849** | **10200744** |

## British Virgin Islands

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| British Virgin Islands | | | | | | | | | | |
| 8PTU VI1 | FED/1999/ 014-639 | CL | BRITISH ISLANDS INTERNATIONAL AIRPORT PROJECT (20162) | British Virgin Islands | 21/09/1999 | 01.01.1999 | 17.01.2002 | 512570 | 512570 | 512570 |
| 9PTU VI1 | FED/2007/ 018-957 | EC | Developing & Ensuring Sustainability in the Tourism Sector through the BVI Culinary Arts Centre | British Virgin Islands | 07/12/2007 | 07.12.2007 | ongoing | 1003000 | 65600 | 937400 |
| **TOTAL** | | | | | | | | **1515570** | **578170** | **1449970** |

## Cayman Islands

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Cayman Islands | | | | | | | | | | |
| 9PTU CI2 | FED/2007/ 020-888 | EC | HURRICANE IVAN RECONSTRUCTION EFFORTS PART II:REPAIR AND RECONSTRUCTION OF HOUSES | Cayman Islands | 21/12/2007 | 21.12.2007 | ongoing | 3300000 | 3300000 | 2640000 |
| **TOTAL** | | | | | | | | **3300000** | **3300000** | **2640000** |

## Falkland Islands

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Falkland Islands | | | | | | | | | | |
| 9PTU FK1 | FED/2008/ 020-227 | EC | Sector Budget Support for Trade Development in Falkland Islands | Falkland Islands | 16/10/2006 | 24.10.2006 | ongoing | 4547116 | 4547116 | 4547116 |
| **TOTAL** | | | | | | | | **4547116** | **4547116** | **4547116** |

## French Polynesia

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
|---|---|---|---|---|---|---|---|---|---|---|
| French Polynesia | | | | | | | | | | |
| 6PTF POF35; 6PTF POF36; 7PTF POF16; 8PTF POF4; | FED/2001/ 015-192 | CL | ASSAINISSEMENT COLLECTIF DES EAUX USEES DE L'ILE BORA BORA | French Polynesia | 30/01/2000 | 31.07.2001 | 09.11.2007 | 9892307 | 9892307 | 9892307 |
| 8PTF POF1 | FED/1999/ 014-395 | CL | Socredo pg v b (20.223) | French Polynesia | 28/04/1999 | 01.01.1999 | 07.12.2005 | 3000000 | 3000000 | 3000000 |
| 8PTF POF2 | FED/1999/ 014-734 | CL | Socredo pg v a (20222) | French Polynesia | 17/11/1999 | 01.01.1999 | 03.06.2004 | 293068 | 293068 | 293068 |
| 8PTF POF3 | FED/2000/ 015-103 | CL | POLES DE DEVELOPPEMENT ARCHIPELS | French Polynesia | 11/08/2000 | 01.10.2000 | 16.01.2006 | 666162 | 666162 | 666162 |
| 9PTF POF1 | FED/2004/ 016-967 | EC | PROFESSIONNALISATION ET PERENNISATION DE LA PERLICULTURE | French Polynesia | 12/06/2005 | 23.12.2004 | ongoing | 3645000 | 3030128 | 1800257 |
| 9PTF POF2 | FED/2005/ 017-808 | EC | Assainissement des eaux usées pour les communes de Punaauia | French Polynesia | 14/10/2005 | 11.08.2005 | ongoing | 8369777 | 8285000 | 8211824 |
| 9PTF POF4 | FED/2008/ 020-904 | EC | Programme d'assainissement des eaux usées de PunaauiaIII et Moorea II | French Polynesia | 17/09/2008 | 27.06.2008 | ongoing | 8914714 | 0 | 0 |
| **TOTAL** | | | | | | | | **34781028** | **25166665** | **23863618** |
| | | | | | | | | | | |

Greenland

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Greenland | | | | | | | | | | |
| none | GREENLAND/2007/018-941 | CL | EC support to the Greenland Education Programme - Sector Budget Support | Greenland | 31/12/2008 | 28.09.2007 | 17.10.2008 | 26214700 | 26214700 | 26214700 |
| none | GREENLAND/2008/019-712 | EC | EC support to the Greenland Education sector | Greenland | 31/12/2009 | 26.08.2008 | ongoing | 26811000 | 26761000 | 26595082 |
| none | GREENLAND/2009/021-121 | EC | EC support to the Greenland Education and Vocational Training Sector 2009 | Greenland | 31/12/2010 | 09.06.2009 | ongoing | 27327000 | 27277000 | 21821600 |
| **TOTAL OTHERS** | | | | | | | | **80352700** | **80252700** | **74631382** |

Mayotte

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Mayotte | | | | | | | | | | |
| 8PTF MY5 | FED/1999/ 014-562 | CL | PROJET DE SUIVI DE L'UTILISATION DES SOLS-METHODE TERUTI | Mayotte | 28.07.1999 | 15.08.1999 | 29.10.2003 | 139635 | 139635 | 139635 |
| 8PTF MY6 | FED/1999/ 014-554 | CL | STABEX 98 - HUILES ESSENTIELLES | Mayotte | 14/12/1999 | 31.07.1999 | 25.09.2001 | 282053 | 282053 | 282053 |
| 8PTF MY7 | FED/1999/ 014-598 | CL | STUDY FOR ESTABLISHMENT OF SEWERAGE AND SOLID WASTE DISPOSAL TARIFFS | Mayotte | 31/08/1999 | 01.11.1999 | 26.06.2005 | 114053 | 114053 | 114053 |
| 8PTF MY8 | FED/1999/ 014-702 | CL | PREPARATION OF PROJECT FOR ELIMINATION OF SOLID WASTES & SUP ERVISION OF WORKS | Mayotte | 22/10/1999 | 01.12.1999 | 24.11.2005 | 25695 | 25695 | 25695 |
| 8PTF MY9 | FED/2000/ 015-054 | CL | TRANSFERT STABEX 99 : VANILLE | Mayotte | 04/07/2000 | 25.07.2000 | 25.09.2001 | 55613 | 55613 | 55613 |
| 8PTF MY11 | FED/2000/ 015-253 | CL | ASSAINISSEMENT DE PASSAMAINTI | Mayotte | 10/11/2000 | 08.01.2001 | 18.12.2008 | 140381 | 140381 | 140381 |
| 8PTF MY10 | FED/2000/ 015-055 | CL | STABEX ESSENTIAL OILS | Mayotte | 04/07/2000 | 25.07.2000 | 25.09.2001 | 42820 | 42820 | 42820 |
| 8PTF MY12; 9PTF MY1 | FED/2001/ 015-626 | CL | DEVELOPPEMENT DE L'AQUACULTURE MARINE | Mayotte | 26/11/2001 | 31.12.2002 | 21.03.2008 | 512594 | 512594 | 512594 |
| 9PTF MY2 | FED/2006/ 018-356 | EC | UNITE TECHNIQUE DE GESTION | Mayotte | 27/06/2006 | 27.04.2006 | ongoing | 3624000 | 2951806 | 1500499 |
| 9PTF MY3 | FED/2007/ 019-392 | EC | APPUI A L'AMENAGEMENT ET AU DEVELOPPEMENT DURABLES DE MAYOTTE | Mayotte | 01/01/2007 | 15.11.2007 | ongoing | 20526000 | 1204802 | 300000 |
| **TOTAL** | | | | | | | | **25462843** | **5469451** | **3113342** |

Montserrat

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Montserrat | | | | | | | | | | |
| 8PTU MON1 | FED/2002/ 015-796 | CL | DESIGN/SUPERVISION OF THE COMMUNITY COLLEGE | Montserrat | 22/02/2002 | 01.06.2002 | 23.02.2008 | 114707 | 114707 | 114707 |
| 8PTU MON3 | FED/2002/ 016-098 | CL | RESETTLEMENT TECHNICAL STUDIES | Montserrat | 26/11/2002 | 01.02.2003 | 23.11.2006 | 58487 | 58487 | 58487 |
| 8PTU MON4 | FED/2002/ 016-118 | CL | MONTSERRAT COMMUNITY COLLEGE (MCC) | Montserrat | 12/03/2002 | 15.05.2003 | 08.11.2007 | 1083336 | 1083336 | 1083336 |
| 9PTU MON1 | FED/2003/ 016-345 | EC | RESETTLEMENT PROGRAMME | Montserrat | 10/12/2003 | 10.12.2003 | ongoing | 5587750 | 5587750 | 4988100 |
| 9PTU MON2 | FED/2006/ 020-692 | EC | TRADE INSERVICES SUPPORT PROGRAMME (TSSP) | Montserrat | 09/01/2006 | 09.01.2006 | ongoing | 17200000 | 17200000 | 7000000 |
| 9PTU MON3 | FED/2007/ 019-207 | EC | Montserrat New Airport – Complementary financing | Montserrat | 21/12/2007 | 21.12.2007 | ongoing | 374835 | 374000 | 296292 |
| **TOTAL** | | | | | | | | **24419115** | **24418280** | **13540922** |

## Netherlands Antilles

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
|---|---|---|---|---|---|---|---|---|---|---|
| Netherlands Antilles | | | | | | | | | | |
| 8PTN NEA1 | FED/2000/ 014-838 | CL | REHABILITATION SABA HARBOUR | Netherlands Antilles | 09/02/2000 | 01.03.2000 | 13.12.2001 | 62634 | 62634 | 62634 |
| 8PTN NEA2 | FED/2000/ 014-990 | CL | ACCOUNTANCY SERVICES - T.A. TO NAO | Netherlands Antilles | 15/06/2000 | 01.07.2000 | 29.11.2004 | 23826 | 23826 | 23826 |
| 8PTN NEA4 | FED/2000/ 015-172 | CL | TECHNICAL ASSISTANCE FOR PROJECT PREPARATION | Netherlands Antilles | 05/10/2000 | 05.10.2000 | 22.12.2004 | 71729 | 71729 | 71729 |
| 8PTN NEA5 | FED/2000/ 015-278 | CL | ACCOUNTANCY SERVICES - T.A. TO NAO | Netherlands Antilles | 27/11/2000 | 24.11.2000 | 29.11.2004 | 150203 | 150203 | 150203 |
| 8PTN NEA6 | FED/2001/ 015-614 | CL | SEWAGE SYSTEM BONAIRE | Netherlands Antilles | 13/09/2001 | 15.01.2002 | 05.02.2007 | 327826 | 327826 | 327826 |
| 8PTN NEA7 | FED/2002/ 015-961 | EC | SUPPORT TO THE NETHERLANDS ANTILLES YOUTH DEVELOPMENT PROGRAMME (NAYDP) | Netherlands Antilles | 10/05/2003 | 01.05.2003 | ongoing | 3470000 | 3441522 | 3143294 |
| 8PTN NEA8 | FED/2002/ 016-067 | CL | T.A. TO THE N.A.O. | Netherlands Antilles | 15/10/2002 | 31.07.2002 | 17.01.2005 | 73557 | 73557 | 73557 |
| 9PTN NEA1 | FED/2003/ 016-267 | CL | TA TO SUPPORT THE PREPARATION OF THE SPD | Netherlands Antilles | 27/06/2003 | 27.06.2003 | 07.12.2006 | 174192 | 174192 | 174192 |
| 9PTN NEA2 | FED/2003/ 016-299 | CL | RESTORATION OF THE QUEEN EMMA BRIDGE | Netherlands Antilles | 06/08/2003 | 04.08.2003 | 25.08.2009 | 5505396 | 5505396 | 5505396 |
| 9PTN NEA3 | FED/2003/ 016-497 | CL | TA - TECHNICAL DESIGN FOR BONAIRE SEWERAGE & SANITAT. SYSTEM | Netherlands Antilles | 22/12/2003 | 22.12.2003 | 13.04.2007 | 411949 | 411949 | 411949 |
| 9PTN NEA4 | FED/2004/ 016-907 | CL | Technical Co-operation Facility (TCF) | Netherlands Antilles | 21/12/2004 | 23.11.2004 | 21.10.2009 | 773003 | 773003 | 773003 |
| 9PTN NEA6 | FED/2007/ 018-774 | EC | Urban Infrastructures for Socially Deprived Areas | Netherlands Antilles | 15/04/2008 | 20.12.2007 | ongoing | 24000000 | 23527224 | 1377852 |
| 9PTN NEA7 | FED/2007/ 019-113 | EC | Sewerage and Sanitation Project Bonaire | Netherlands Antilles | 08/05/2008 | 21.12.2007 | ongoing | 19606231 | 19089371 | 19067491 |
| **TOTAL** | | | | | | | | **54650545** | **53632431** | **31162951** |
| | | | | | | | | | | |

## New Caledonia

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
|---|---|---|---|---|---|---|---|---|---|---|
| New Caledonia | | | | | | | | | | |
| 7 PTF NC 24, 25, 26; 8 PTF NC 07 | FED/1998/ 013-898 | CL | NOUVEL ACQUARIUM A NOUMEA | New Caledonia | 22/07/1998 | n/a | n/a | 4805999 | 4805999 | 4805999 |
| 8PTF NC1 | FED/2000/ 014-852 | CL | ENERCAL II (20438) (Power generation) | New Caledonia | 22/02/2000 | 01.01.2000 | 31.10.2000 | 334367 | 334367 | 334367 |
| 8PTF NC2 | FED/2000/ 015-714 | CL | AGRANDISSEMENT DES ENTREPOTS FRIGORIFIQUES | New Caledonia | 01/01/2000 | 01.04.2001 | 16.01.2006 | 1000000 | 1000000 | 1000000 |
| 8PTF NC3 | FED/2001/ 015-545 | EC | ACHEVEMENT DE LA CONSTRUCTION DE LA ROUTE HIENGHENE POUEBO | New Caledonia | 25/03/2002 | 01.01.2003 | ongoing | 5600000 | 5600000 | 5600000 |
| 8PTF NC5 | FED/2001/ 015-692 | CL | ETUDE D'ELIGIBILITE - APPUI DE LA FACILITE SYSMIN 8EME FED | New Caledonia | 19/11/2001 | 01.12.2001 | 17.08.2006 | 40972 | 40972 | 40972 |
| 8PTF NC6 | FED/2001/ 015-714 | CL | Bases de pêche des Iles Loyauté | New Caledonia | 25/01/2002 | 01.01.2003 | 02.10.2007 | 85629 | 85629 | 85629 |
| 8PTF NC8 | FED/2002/ 016-106 | EC | FORMATION PROFESSIONNELLE ET REVEGETALISATION MINIERE | New Caledonia | 02/06/2003 | 31.07.2004 | ongoing | 2450000 | 2354633 | 2268782 |
| 9PTF NC1 | FED/2004/ 017-383 | EC | PROGRAMME D'APPUI BUDGETAIRE A LA FORMATION PROFESSIONNELLE (2004-2007) | New Caledonia | 29/07/2004 | 29.07.2004 | ongoing | 30214370 | 30094370 | 25380000 |
| **TOTAL** | | | | | | | | **44531337** | **44315970** | **39515749** |
| | | | | | | | | | | |

## Pitcairn Islands

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Pitcairn Islands | | | | | | | | | | |
| 9PTU PIT1 | FED/2006/ 018-551 | EC | Pitcairn Transport Infrastructure - Breakwater | Pitcairn Islands | 26/02/2007 | 06.03.2007 | ongoing | 2350000 | 0 | 0 |
| **TOTAL** | | | | | | | | **2350000** | **0** | **0** |

## Saint Helena, Ascension Island and Tristan da Cunha

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Saint Helena | | | | | | | | | | |
| 8PTU SH1 | FED/2002/ 015-851 | CL | STUDY OF ROCKFALL PROTECTION IN JAMESTOWN | Saint Helena | 27/03/2002 | 29.05.2002 | 26.04.2004 | 63008 | 63008 | 63008 |
| 9PTU SH1 | FED/2003/ 016-270 | CL | TECHNICAL ASSISTANCE FOR PROJECT DETAILED DESIGN | Saint Helena | 04/07/2003 | 04.07.2003 | 22.12.2006 | 146390 | 146390 | 146390 |
| 9PTU SH2 | FED/2006/ 018-358 | EC | Sector Policy Support for a programme of Infrastructure Development to improve access to St Helena, Ascension and Tristan da Cunha Islands | Saint Helena | 01/01/2006 | 23.06.2006 | ongoing | 17794290 | 17674290 | 14374290 |
| **TOTAL** | | | | | | | | **18003688** | **17883688** | **14583688** |

## Saint Pierre et Miquelon

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Saint Pierre and Miquelon | | | | | | | | | | |
| 8PTF SPM1 | FED/2000/ 014-921 | CL | EAU ET ASSAINISSEMENT | Saint Pierre and Miquelon | 24/04/2000 | 01.09.2000 | 02.10.2000 | 2300600 | 2300600 | 2300600 |
| 8PTF SPM3 | FED/2002/ 015-966 | CL | ASSAINISSEMENT A ST PIERRE | Saint Pierre and Miquelon | 18/10/2002 | 01.07.2003 | 03.05.2006 | 1169400 | 1169400 | 1169400 |
| 9PTF SPM1 | FED/2006/ 018-332 | EC | ST. PIERRE ET MIQUELON - PROGRAMME D' APPUI AUX POLITIQUES SECTORIELLES DU TRANSPORT | Saint Pierre and Miquelon | 28/04/2006 | 20.06.2006 | ongoing | 18944541 | 18880000 | 64541 |
| **TOTAL** | | | | | | | | **22414541** | **22350000** | **3534541** |

## Turks and Caicos Islands

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Turks and Caicos Islands | | | | | | | | | | |
| 8PTU TC1 | 2001/015-753 | CL | Tcinvest gl i | Turks and Caicos Islands | 12.12.2001 | 03.07.2001 | 24.08.2006 | 3000000 | 3000000 | 3000000 |
| 9PTU TC1 | FED/2003/ 016-368 | CL | FINAL PROJECT EVALUATION - WATER & SEWERAGE PROJECT (6 PTU TC 4 AND 7 PTU TC 5) | Turks and Caicos Islands | 24/09/2003 | 24.09.2003 | 15.10.2007 | 20540 | 20540 | 20540 |
| 9PTU TC2 | FED/2006/ 020-686 | EC | BUDGET SUPPORT PROGRAMME | Turks and Caicos Islands | 25/08/2006 | 25.08.2006 | ongoing | 14635000 | 10530087 | 8530087 |
| **TOTAL** | | | | | | | | **17655540** | **13550627** | **11550627** |

## Wallis and Futuna

| EDF Code or Budget Line | Decision No (Projects) or Contract No (BL) | | TITLE | Zone benefitting from the action | Implementation | | | Financial Data (€) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | EC Sign. Date of FA | Starting Date | Closing Date | Allocated | Contracted | Paid |
| Wallis and Futuna | | | | | | | | | | |
| 7PTF WF12; 8PTF WF3 | FED/2002/ 016-013 | CL | ACQUISITION DE MATERIEL COMPLEMENTAIRE DE TRAVAUX PUBLICS | Wallis and Futuna | 02/09/2002 | 01.07.2003 | 17.08.2006 | 1873148 | 1873148 | 1873148 |
| 8PTF WF1 | FED/2001/ 015-402 | EC | PRESERVATION DE LA RESSOURCE EN EAU DU TERRITOIRE | Wallis and Futuna | 21.03.2002 | 31.03.2002 | ongoing | 987015 | 984673 | 984673 |
| 9PTF WF1 | FED/2003/ 016-427 | EC | SYSTEME D'INFORMATION GEOGRAPHIQUE | Wallis and Futuna | 28/05/2004 | 07.04.2004 | ongoing | 670400 | 535928 | 535928 |
| **TOTAL** | | | | | | | | **3530563** | **3393748** | **3393748** |

# ANNEX XII: METHODOLOGY APPLIED

## 1. Overall Strategy and Methods for Analyses

The work of the team was to fulfil the main objectives of the Evaluation, which are to:

- Provide the relevant external cooperation services of the European Commission and the wider public with an overall independent assessment of the Commission's past and current cooperation activities with the Overseas Countries and Territories.
- Identify key lessons in order to improve the current and future strategies and programmes of the Commission.

Thus, the team used the collected data and information, grouped according to the evaluation questions to:

- Assess the relevance, impact, effectiveness, efficiency, sustainability, coherence and EC value added of the cooperation in its entirety 1999-2009, with the prioritisation of its focal and non-focal elements indicated in the evaluation questions.
- Identify key lessons learnt, which may be instrumental for the design of the current and future strategies and programmes of the Commission.

For this purpose, the team applied the following overall methodology.

### 1.1. Step 1

An overview was established of the interventions, containing the support agreed between the EU, the OCT Governments and the Member States to which they are linked. This defined the cooperation context including purpose, timing, allocations and disbursements.

The team attempted to create a full inventory of the Commission's funding to the OCTs for 1999-2009 (see Annex XI). However, it was difficult to trace all elements therein. The team sought the support of the Joint Evaluation Unit and the RG-members, in this regard. It was also a challenge that project documentation, including ROM-reports, and information about possible OCT-funding from the Commissions' programmes and thematic budget lines, could only be identified to a limited extent.[130]

Team members participated in the 2010 OCT Forum in Brussels (March), where the evaluation was presented to the Forum and information gathered incl. through interviews with representatives of the OCTs and Member States.

### 1.2. Step 2

In the fields defined by the EQs, stable observations were attempted regarding the performance of specific interventions based on their programming, funding and timing of the activities and the identification of results, to the extent possible including their sustainability and impact. The main sources were performance reports and evaluations at the strategic, programme and project levels (including ROM, MTR ETR) and open sources when applicable, supplemented with interviews and written requests for information and documentation. When possible, the team applied triangular verification to the observations throughout the evaluation.

[130] In the CRIS databank, no thematic budget line programmes for OCTs could be found. Regional projects showed up but, with the exception of Greenland, there was no mention of funds eventually channeled to an OCT.

A sample of projects was defined to focus on emerging main issues and opportunities for the EU cooperation with OCTs. However, regarding the OCTs, a representative sample was out of reach due to their small number and the disparities among them. Sampling was therefore oriented towards surveying the most relevant or innovative initiatives and linked with the criteria for the field visit programme (see Annex XII point 2).

### 1.3. Step 3

Data and observations from step 1 and 2 were analysed in order to arrive at preliminary findings for each EQ and specifically in relation to the JCs through the logic of the indicators. These findings served to identify areas that needed further research for validation. To enhance their operational value, the derived questions were qualified through the formulation of corresponding hypotheses to be verified.

While the written sources of information were in play at this stage, additional information and validation of it, was sought through interviews and meetings, including with members the Reference Group, incl. EC services in Brussels, OCTA and OCT Representations to the EU. For information regarding the OCT-relations with the four EU Member States, the relevant services in the Member States were approached in accordance with the list of contacts provided by the JEU (May-June 2010).

The team kept an open mind concerning the nature of the findings to avoid premature conclusion making. The areas identified for further research formed the basis of an OCT survey-questionnaire. The answers to the questionnaire contributed to decide the methodologies for the rest of the process, such as further desk study and interviews and they served to prepare for the field phase.

For the team interviews with representatives of the four Member States; OCT-representatives; the OCTA and involved EC-officials, separate interview guides for each of these categories were elaborated (see Annex VIII).

Based on the above, the Desk Report was elaborated in line with the TOR requirements.

The observations and preliminary findings of the desk phase were validated through a meeting with the Reference Group on 30 July, where it provided its comments to the draft Desk Report at the meeting and subsequently in writing. These comments were considered in the final version of the Desk Report.

#### *1.3.1. Methodology for data collection, desk phase*

For the desk study, the evaluation team collected its data and information from:

- The existing documentation and reporting related to the different development cooperation channels between the OCTs and the EC, 1999-2009, including what is indicated in the TOR, through the use of the AIDCO Library, CRIS and other relevant databases;
- Open sources on the OCT context, including the available on Internet;
- The relevant EC services in Brussels were approached (25-27 May 2010) for additional information needs regarding the EU cooperation with the OCTs and about the OCT context and policies;

- For information regarding OCT context, viewpoints and policies, not covered by the above sources, TAOs and relevant OCT authorities, including OCTA and their representations to the EU, were approached (25-27 May 2010) including through interviews and the use of a questionnaire;
- For information and data needs regarding the OCT relations with the four EU Member States, the relevant services in the Member States were approached (May-June 2010) in accordance with the list of contacts provided to the team by the JEU.

In their use of the above sources, the members of the team focused on the fields defined by the evaluation questions with corresponding Judgment Criteria and indicators in order to cover the thematic scope of the evaluation.

The team established an internal knowledge management website, which ensured easy and fast internal team communication.

### *1.3.2. OCT survey and interview guide*

The evaluation covers thirteen OCTs that have had a cooperation programme with the EU within the evaluation period; however, it was only be possible to undertake field studies for some of these. Therefore, it was important to approach all OCTs and concerned Member States in a uniform way during the desk phase.

To that effect, a common questionnaire was drafted at the beginning of the desk phase, based on the evaluation questions, seeking information on all OCTs that the evaluation team had not been able to find – and the viewpoints of the contact persons. The questionnaire included horizontal, transversal and sector specific research issues. It allowed for specific OCT comments in accordance with their perceptions of the EC cooperation reality and was designed to reflect:

- What the team needed to know,
- What the OCT representative might want to add, and
- The need to be sufficiently short and clear to have a realistic chance to be answered as intended.

To the extent possible, multiple-choice answers were used, combined with possibility for adding open-ended comments. (See Annex VI where the questionnaire and cover letter is found.) The questionnaires were sent to the TAOs[131], who could also ask other relevant OCT-representatives to answer (more than one answer per OCT was possible, but in all cases only one answer was received per OCT). The OCTs were encouraged to be frank and open in their answers on the background of a team-policy of keeping the answers anonymous in the public domain, with access to the original answers for the team, only.

Responses from almost all OCTs were received (see Annex VII containing representative samples of the anonymous answers). For the team interviews during the desk phase with representatives of the four Member States; OCT-representatives; the OCTA and involved EC-officials, separate interview guides for each of these categories were elaborated (see Annex VIII).

[131] A French version was elaborated and sent to the French-speaking OCT.

### 1.4. Step 4

When the Desk Report was approved, the team started the fieldwork. Through the application of the above methods, the preliminary findings were validated (or not) through selected, representative on-site visits, and some missing information was obtained in the field. Triangular verification was applied.

#### *1.4.1. General methodology for data collection, field phase*

Budgetary and logistical limitations dictate that the team members undertook the field studies individually while still covering all evaluation questions for the entire team. To that effect, was used for the field phase:

- A common evaluation grid applied to the extent relevant in all field visits and used as basis for OCT specific, general interview guides.
- Sector specific interview guides to be used for in-depth study of the sampled projects.[132]

The structure and content of the evaluation grid and interview guides was a function of the findings, hypotheses and areas in need of further study identified during the desk phase. Thus, the main content covered the issues outlined in the below Section 2, p…).

**OVERVIEW OF PROJECTS SAMPLED FOR FIELD STUDY RELATED TO THE EQS:**

- Transport, energy connectivity and budget support: *Montserrat, the Falkland Islands*, and *Wallis & Futuna*. This way some of largest transport and energy related EU support projects under the 8th and 9th EDF were covered in three different regions. (See project inventory in Annex 11, or for an overview: Table 2, p.18). In the case of the Falkland Islands, there is no support in the sector, but the selection served to include the general isolation-situation of some OCTs. Transport was included in the field studies in Mayotte regarding the draft-SPD for the 10th EDF.
- Education and vocational training: SBS support to vocational training in *New Caledonia* and to education, incl. vocational training in Greenland, based on the recent MTR undertaken. This way, almost all EU OCT-support in this sector (from the 8th and 9th EDF and from the general budget) was represented, from two different regions.
- Environment and related sectors: urban sewerage and waste disposal in *the Netherlands Antilles*; natural resource and coastal zone management in *Aruba*; water resources management and the technical assistance support project to the environment sector in *Mayotte*, as well as regional environmental/climate change activities in the Caribbean, incl. Disaster Risk Reduction and Civil Preparedness programmes. This way, most of the 8th and 9th EU OCT-support in the environment and water sectors is included, represented by two different regions.
- Regional integration was specifically studied in related to the *French Polynesia* multifaceted regional links in addition to information gathering from the other relevant OCTs.

[132] It was not found possible to elaborate a representative sample for the OCTs due to their smallness and the disparities among them. The sampling method applied here is, therefore, more oriented to surveying relevant and innovative OCT initiatives.

**OVERALL VISIT PROGRAMME**

The fine-tuning of the content of the evaluation grid, together the list of interviewees, meetings and project visits sough for, was undertaken in the beginning of the field phase, together with the concrete scheduling of the visits, in collaboration with the OCTs.

In addition to EU-delegation visits and travel time, the visits to each OCT was of maximum one weeks' duration, during which were prioritised interviews with:

- Relevant members of the Govt Cabinet and Government officials,
- The TAOs and / or their Deputies
- EU Delegations and representative offices, where present
- Resident representatives of the MS responsible for the MS programmes.
- Institutions / persons in charge of project / SBS implementation
- Selected civil society organisations, for example women's groups or environmental NGOs / other non-state actors.
- Direct beneficiaries when applicable
- Possible independent informants from the academic and press communities

The criteria applied for the following suggestion of a representative sample are:

- TOR: *The field missions will be organized in 4 different zones (Indian, Atlantic and Pacific Ocean, Caribbean Sea). For each mission, it is necessary to foresee a session of briefing and debriefing in the EU Delegation responsible for the OCTs in the region.*
- The limitations dictated by the evaluation budget,
- Coverage of the sampled projects and general evaluation issues emerging as important from the desk study,
- In addition the team tried to accommodate expressed wishes to include small and isolated islands.

On this background, field visits took place in

- Pacific: New Caledonia, French Polynesia and Wallis & Futuna
- Indian Ocean: Mayotte
- Caribbean: Aruba, Netherlands Antilles, Monserrat
- South Atlantic: Falkland Islands
- North Atlantic: Greenland

This selection covered OCTs linked with all of the four member States.

Each of the experts elaborated identically structured field mission reports, which allowed for the subsequent sharing of observations and findings related to the same EQs within the team

and were used for the elaboration of the EQ answers as well as for updating the OCT specific annexes elaborated under the desk phase. Thus, the reporting from the field phase is reflected

in the information matrix on the indicator level and subsequently in the judgments and EQ answers in the main Report as well as in the OCT specific annexes. Therefore, the mission reports are not included in the already voluminous reporting.

Based on the validation of findings, the team formulated its conclusions and preliminary recommendations that were discussed at its debriefing Reference Group Meeting on 6 December, the comments of which are taken into consideration in the draft Final Report. Conclusions are based on the validated findings and the identification of lessons learnt and the recommendations on the conclusions.

### 1.5. Step 5

Further to the meeting with the Reference Group, the team took stock of its findings and conclusions in relation to the comments from the RGM and finalised its conclusions and recommendation in the draft Final Report.

Conclusions are based on the validated findings as expressed in the answers to the EQs and the recommendations are based on the conclusions.

Regarding the findings, conclusions and recommendations, the team is aware that it is dealing with thirteen countries and territories, which share framework conditions and goals for their cooperation with the EU – but otherwise are quite different in several respects. Not only in terms of climatic and socio-economic characteristics, but also regarding their legal status in relation to the four EU Member States.

Some of the findings are therefore specific for individual OCTs, or categories of OCTs. Hence, while most of the conclusions and recommendations are valid for the whole group, others refer to specific OCTs as indicated.

## 2. Field Phase Methodology

The visits to each OCT were of maximum one week in duration, in addition to EU-delegation visits and travel time. The field studies had a common general focus, outlined in the below stated field study interview guide (Section II), and a special focus related to the OCT/sample project visited as outlined under the below section III.

**Table 23: Overview OCT Field Visits**

| Expert | OCT | Special Focus | Delegation visit | Timing |
|---|---|---|---|---|
| Dolf Noppen | Netherland Antilles (Curaçao & Bonnaire) | Environment, DRR*, Waste disposal | Barbados (17 Sep) UNDP-Barbados (20 Sep) | 6-11 Sep. 12-16 Sep. |
| | Aruba | Environment, DRR | | 12-16 Sep. |
| | Mayotte | Environment-water;Transport; migration | Mauritius (13-15 Oct) | 16-22 Oct. |
| Gunner Olesen | Greenland | Educ. and voc. Training, Fisheries Agreement, Arctic dimension | Brussels (16 Sep) | 27 Sep./ 1 Oct |
| Max Hennion | Fidji | Regional programmes: environment, disaster preparedness | Fiji Del. (12/10) | 11-12 Oct. |
| | Wallis & Futuna | Transport (9th and 10th EDF), Education, TEP Vertes (regional programme) | Fiji Del. (12/10) Noumea Del (19/10) | 13-18 Oct. |
| | New Caledonia | Trade, reg. integration, TEP Vertes (regional programme) | Fiji Del. (12/10) Noumea Del (19/10) | 19-21 Oct. |
| | French Polynesia | Sanitation, Pearl culture, Trade, reg. integration), TEP Vertes (regional programme) | Fiji Del. (12/10) Noumea Del (19/10) | 21-28 Oct. |
| Mark Watson | Montserrat | Transport, reg. integration, DRR | Barbados** | 22 Sep.-1 Oct. |
| | Falkland Islands | Transport (isolation) | Brussels (14 Sep) | 3-11 Oct. |
| Sean Burke | New Caledonia | Vocational Training | Noumea | 18-29 Oct. |

** DRR- Disaster Risk Reduction ** covered by Dolf Noppen*

## 2.1. Field Study Interview Guides

The field phase of the evaluation served the following specific purposes:

General:

- Verification of preliminary findings from the desk phase
- The field studies will reflect the needs for follow-up from the desk phase, by providing supplementary information incl. on:
    - Identification of the nature of and the reasons for earlier implementation /disbursement delays, where applicable
    - The additionality of EU-support to the OCTs related to MS-support
    - The nature of the relations between OCT / MS / EC / delegations
    - Supplementary information about the 10th EDF

Specifically, the field visits comprised in-depth studies of sampled projects.

The field study interview guide consists of:

1. A general part, to be used for all field visits by the different consultants
2. A sector and OCT-specific part, related to in-depth studies of sampled projects.

### *2.1.1. General part*

To be used for all interviews where it is relevant to bring up these issues.

**i. Crosscutting issues**

1. Evidence of visibility of the EU in the OCTs in general, including the coverage of the OCTs by the EU information services
2. Evidence of visibility of the EU in the OCTs, concretely related to the support projects/SBS
3. Examples of OCT-funding from EU thematic budget lines and programmes, additional to what was mentioned in the survey responses

**ii. EQ related questions:**

**EQ 1**

4. Can the same high degree of consistency of the upcoming EU-OCT cooperation with the OCT and EU policy objectives under the 10$^{th}$ EDF be identified as observed for the 8$^{th}$ and 9$^{th}$ EDF?
5. Identification of possible examples of upcoming EU-support under the 10$^{th}$ EDF reflecting increased emphasis on competitiveness, resilience and regional integration and / or dealing with energy issues and exploitation of marine resources.

**EQ 2**

6. Timeliness: Key milestones: what records are available regarding phase-programming; approvals; implementation; release of funds. Have things speeded up or slowed down

when new modalities have been adopted? Can interviewees justify their perceptions with documented evidence?

7. Institutional capacity: Feedback regarding constraints (e.g. key posts have remained vacant).
8. Budget support has contributed to improved management and governance where BS has been introduced. Feedback on overall PFM strengthening programmes should be sought where a PEFA or a preliminary PFM assessment has been undertaken.
9. Establish the ownership of the migration to BS. Has there really been buy-in? Have the OCTs been persuaded that it was the right way to go at a seminar organised in Miami by the EC?

**EQ 3**

This EQ applies to certain OCTs only. Dolf Noppen, Max Hennion and Mark Watson will coordinate to see whether there are any ambiguities.

**EQ 4**

10. Extent to which gender balance is achieved as a result of EDF implementation in the vocational training sector.
11. Extent to which local employment is promoted as a result of EDF implementation in the vocational training sector.

**EQ 5**

12. Extent to which OCTs cooperate with other countries in the region (other OCTs, ACP states, SIDS states) in relation to environment, disaster preparedness and climate change.
13. Identification of the role played by MS and the EC in facilitating regional cooperation on environment, disaster preparedness and climate change, given the constitutionally paramount role of the MS in this context
14. Identification of integration of environment, disaster preparedness and climate change issues into the 10$^{th}$ EDF

**EQ 6**

15. Example of local firms exploiting the potential advantages of the trade preference rules in accessing the EU market (export)? Same for imports?
16. Idem for regional trade i.e. with PACER, COMESA, and CARIFORUM
17. Evidences of changes in sea routes (for containers) linked to EC projects or sector supported by the EC?
18. Example of institutions or firms benefiting from regional programmes?

**EQ 7**

19. Indications of the perceived importance of EU core values for the relations of the OCTs with their neighbouring regions and possible examples thereof
20. Extent to which potential exists the development of OCT-centres of excellence in their immediate regions

**EQ 8**

21. Supplementary information from MS representatives in the OCTs about the strategy adopted by the MS vis-à-vis the OCT, and its relation to the EC strategy regarding additionality
22. Supplementary information and viewpoints from OCT, MS and EU officials on OCT / MS / EU relationship, incl. mechanisms in place to coordinate and complement the respective development programmes.
23. Evidence of coherence, coordination, complementarity and value added in the preparation of the 10th EDF.

## 2.2. Field study, specific interview guides

### 2.2.1. Dolf Noppen: Regional Delegations, Aruba, Netherlands Antilles and Mayotte

Regional Delegation, Aruba, Netherlands Antilles

*Overview:*

The field visit took place from 6-16 September, including travel. It was split as follows:

- Regional delegation in Barbados and UNDP Barbados: 3 days (The Delegation in Guyana, was covered by tel. Interview);
- Curacao and Bonaire (NEA): 4 days;
- St Maarten and Saba (NEA): 2 days;
- Aruba: 3 days.

The visit programme was been confirmed by the OCTs and the delegations. The offices of the two TAOs were very helpful in arranging the ptogramme.

The general interview guide formed the basis for the field visit interviews. In addition, the following specific issues were raised, in addition to the information already provided through the desk phase OCT-survey:

**Regional Caribbean:**

A number of programmes involve the British and the Netherlands OCTs in the Caribbean. The Netherlands OCTs are covered by the Delegation in Guyana, while the British OCTs are covered through the Delegation in Barbados. In addition, the Barbados Delegation is responsible for a number of regional programmes, which affect both British and Netherlands OCTs.

The Regional Delegation in Barbados is responsible for regional projects covering the NL and UK OCTs in the Caribbean; in addition, meetings with the regional delegation will follow-up on the field visit to the Montserrat programme undertaken by Mark Watson. (Specific issues related to the British OCTs are covered in the Section on Montserrat below.) The visit to Barbados will also include a visit to the UNDP-Barbados, which is responsible, under a contribution agreement, for the implementation of the Regional Risk Reduction Strategy (see below); as well as meetings with the DFID Risk Reduction Programme..

The evaluation team was advised (both by the EC in Brussels and by the authorities in Aruba and the NEA) that travelling to Guyana is complicated and time consuming. In addition, the responsible officer at the Delegation was on leave during the period of the field visit.

Accordingly, a phone interview was conducted with the delegation in Guyana subsequent to the field visit to the NEA and Aruba, once the responsible staff member was back at the delegation.

The following regional programmes affect the Caribbean OCTs, the first 2 are coordinated through the Delegation in Barbados. The regional HIV/AIDS programme is run through a Contribution Agreement with PAHO (Pan American Health Association) and coordinated through the Delegation in Trinidad & Tobago. A telephone interview was conducted with the project officer.

1. **Regional SME Programme** : (€ 15.000.000). To strengthen the development of Small and Medium Enterprises (SME) in the British and Dutch OCTs to reduce social, economic and environmental vulnerabilities through enhanced cooperation and competitiveness within the region).

2. **Regional Risk Reduction Strategy (R3I):** (4.932.000). To address the risks and exposure of these OCT's by providing a network of regional infrastructure, programmes, policies and protocols aiming at reducing loss of Human life and lessening the impact of disasters.)

3. **Regional HIV/AIDS :** (€6.000.000). To halt and reverse the spread of HIV/AIDS in the British and Dutch Caribbean OCTs and Minimize its impact on the health, social and economic sectors, in the context of poverty reduction strategies.)

4. **Territorial Strategy for Innovation**: (€5.000.000) The project intends accordingly to focus on capacity-building both at each OCT level and at OCTA level to improve the understanding of what innovation is and its impact on the socio-economic fabric and economic performance of OCTs among policy-makers and stakeholders concerned. (This last project is run through OCTA; whereas the first 3 are regional Caribbean run through the Regional Delegations in Barbados and Trinidad & Tobago, with R3I being run by UNDP Barbados through a Contribution Agreement, and the HIV/AIDS programme through a Contribution Agreement with PAHO.

**Netherlands Antilles (NEA)**

Preparation for the field visit in the Netherlands Antilles was carried out with the cooperation of the OCT representative in The Hague and with the Authorities in the Netherlands Antilles. A proposed programme was prepared which took into consideration the fact that the Netherlands Antilles were approaching both elections as well as constitutional changes - and that therefore the field visit should be planned where a maximum number of individuals would be available for discussion; and where the field visit will have taken place before the constitutional changes of 10.10.2010.

The field programme was prepared with the Department for Development Cooperation, in the NEA Ministry of General and Foreign Affairs and with the NEA representation in The Hague. In addition, the Netherlands Ministry of Internal and Kingdom Affairs has provided suggestions on institutions/individuals to be met.

Regarding the timeframe to visit the Netherlands Antilles, the NEA authorities suggested that this take into consideration a number of dates: 27 august for the elections of the islands council in Curacao (and before the St.Maarten elections ), as well a the change in constitutional status of the NEA in October 2010. Therefore the period 6 -10 September was seen as the most convenient. The Department of Development Cooperation provided a draft programme for meetings with relevant parties during the mission in Curacao, such as USONA, VNW, Economic

affairs, statistic bureau, environ mental NGO's, institutions related to regional programmes (chamber of commerce/disaster organization/innovation centre/university of the NEA).

The NEA Department of Development Cooperation stressed the importance of visiting both the Northern group of islands which form part of the Netherlands Antilles (St. Maarten, St. Eustatius and Saba) as well as the Southern Group (Curacao and Bonaire). By doing so, the evaluation will cover both differences as a result of geographic distances, as well as the "territories" that will become "countries" after the constitutional changes of 10.10.2010 and those that will become "municipalities".

The Netherlands Ministry of Internal and Kingdom Affairs has stressed the importance of meeting key MS officials based in the NEA - at policy as well as at project level, in both Curacao and St. Maarten ("territories" that will become "countries" after 10.10.10) as well as Bonaire, Saba and St.Eustatius ("territories" that will become "municipalities" after 10.10.10). The MS has provided assistance to arrange relevant meetings at policy and implementation level.

The following choice of projects was been made as this includes the above elements and allows for project specific visits:

**EDF 8 and EDF 9:**

The field visit will cover the following projects:

- Sewerage system - Bonaire (8PTN NEA6; 9PTN NEA3 and 9PTN NEA7); (approximately €21.000.000 allocated for the 3 projects)
- Support to the Netherlands Antilles Youth Development Programme (8PTN NEA7); (€ 3.5 million allocated)
- Urban Infrastructure for Socially Deprived Areas (9PTN NEA6) (€24 million allocated)
- Restoration of the Queen Emma Bridge (9PTN NEA2) (€5.5 million allocated)
- Rehabilitation of Saba harbour (8PTN NEA1) (€ 62,000 allocated)

In addition, there are a number of technical assistance interventions supporting the NAO - (8PTN NEA8; 9PTN NEA1, and 9PTN NEA4) (Total assistance to technical cooperation interventions: approximately € 1.02 million)

**EDF 10:**

Discussions will be held with the TAO (in Curacao) and the deputy TAOs on the other islands, on the preparation of the EDF 10.

**Other budget lines:**

Discussions will also be held with the University of the NEA on their involvement with the FP7 research programme EUCARINET

**Aruba:**

Contacts have been made with the Department of Economic Affairs in Aruba (the TAO) as well as with the Representative of the Aruban Minister Plenipotentiary in The Hague concerning the field visit and the timing of the field visit.

The field visit covered the following projects:

**EDF 8 and 9:**

- Arikok national park (8PTN ARU3, 8PTN ARU4, 8PTN ARU 5, 9PTN ARU 2). (approx € 7. 4 million allocated).
- National Museum (9PTN ARU 1). (€ 4.4 million allocated).

**EDF 10:**

Discussions will be held with the TAO and other relevant institutions on the preparation of the EDF 10.

**Other Budget lines:**

European Investment Bank has allocated funds to Aruba. The details as regards: amounts, sectors and contacts are being researched.

Based on the range of projects being implemented, the field visit focused on:

- Experiences with budget support, which is the preferred mode of support by both the EU as well as the OCTs (NEA and Aruba) but where, after a number of abortive attempts, interventions reverted to project support.
- The role of the Regional Delegation - how often do officials from the regional Delegation visit? What support is provided at distance from the regional Delegation?
- Capacity issues to handle EU support - are there sufficient staff available? Do they have the capacity to handle EU regulations? Do EU regulations demand more time vis-à-vis, for example, support from the Member State?
- Migration issues related both to in-migration from neighbouring ACP states; as well as migration of nationals to the Member State. Issue of "illegal immigration".
- The relationship with the member State
- Relationship between Netherlands and British OCTs in the Region on issues of common importance - such as disaster preparedness, etc. How is this cooperation organised?
- Involvement of Non-State actors in the EDF preparation process - especially the preparation of EDF 10.
- Environment, climate change and disaster preparedness - this includes waste management and urban infrastructure, natural resources management (Arikok National Park), as well as the regional programmes. This will include project visits where appropriate.
- "European values" and "same family concept" seen in relation to the OCT status and impending constitutional changes; including links with the MS - and coordination between OCT-MS-EU/EC. Areas where the MS asserts its constitutional right to take decisions on behalf of the OCT.
- Links between EDF and other EC programmes: the Regional Programme; the FP7 Research Programme, EIB interventions.
- Preparation of EDF 10.
- Transport, tourism and culture: Saba harbour; Queen Emma Bridge, Curacao; national museum, Aruba;

The project and EQ focus covered:

- Environment, waste disposal and waste management, and disaster risk reduction.
- In addition the field visit will incorporate elements of transport (EQ 3) and vocational training (EQ 4).
- Attention will also be paid to other relevant EU/EC interventions: e.g. the FP7 research budget line, and EIB interventions.
- The field visit will explore the relationship OCT, MS and EU/EC, (European core values, membership of the same family, and the 3Cs) in the context of the constitutional changes taking place in the Netherlands Antilles.
- In order to follow up on issues related to coordination, complementarity and coherence between OCT-MS and EC, meetings will also be held with MS representatives on the islands. Names and contacts have been provided through the MS representative of the RG.

**Regional Delegation and Mayotte**

Field visits, not including travel days include: 3 days Mauritius and 5 days Mayotte, between 13-22 October.

The dates for the field visit were confirmed by the OCTs and the delegations. The technical assistance unit on Mayotte (UTG - Unité Technique de Gestion) was very helpful in organising the field programme in Mayotte.

**Regional Delegation (Mauritius):**

The field visit was initiated with meetings with the regional Delegation and regional organisations based on Mauritius and relevant regional programmes run out of Mauritius. This includes the EDF-supported regional plant protection programme (PRPV) which focused on invasive species and which was implemented by the IOC (Indian Ocean Commission).

Meetings were arranged with the MS representation in Mayotte in the context of both the role of Mayotte in the region, as well as the role of the MS in regional programming. An important element for discussion will be the position and potential role of Mayotte in the ESA/IO RSP/RIP and the participation of Mayotte in regional environment, disaster preparedness and climate change activities.

The position of Mayotte within the region and the participation of Mayotte in regional programmes will be discussed, as well as the foreseen move of Mayotte from OCT to Outermost region status in a context where there is still a claim on Mayotte by the Comoros.

**Mayotte.**

The SPD focus in Mayotte during EDF 8 and 9 has been on the environment sector - including urban, rural and coastal zone, centred on the protection of Mayotte's unique lagoon. In addition, the issue of Mayotte's position within the region (territorial claim by Comoros, centre of in-migration and on-migration; and focus on moving to outermost region status) was discussed with the relevant authorities in Mayotte and MS representatives.

An important point of contact will be the technical assistance capacity based in Mayotte (Unité Technique de Gestion - 9PTF MY3).

The field visit covered the following projects:

**EDF 8 and 9:**

Technical Assistance Support project (9PTF MY2) (€3.6 million)

Environmental projects:

– Solid Waste and Sewerage (8PTF MY7; 8PTF MY8; 8PTF MY11;) (Approximately €280, 000 allocated)
– Marine aquaculture (8PTF MY12; 9PTF MY1); (approx. € 513,000 allocated)
– Sustainable development (9PTF MY3); (approx. €2.05 million allocated)

**EDF 10**

The EDF 10 programming exercise has been undertaken and is in the process of being finalised. Discussions were help on the planning and programming process.

The field visit covered the following elements:

- Experiences with budget support which is the preferred mode of support by the EU) but where the option chosen by Mayotte, to date, has been project support; changing to Budget Support for EDF 10.
- The role of the EU Technical Assistance Support unit with its full-time presence in Mayotte, and the short-term missions accessed through this Unit.
- The role of the Regional Delegation - how often do officials from the regional Delegation visit? What support is provided at distance from the regional Delegation?
- Capacity issues to handle EU support - are there sufficient staff available? Do they have the capacity to handle EU regulations? Do EU regulations demand more time vis-à-vis, for example, support from the Member State?
- Migration issues related both to in-migration from neighbouring ACP states; as well as migration of nationals to the Member State. Issue of "illegal immigration".
- The relationship with the Member State, particularly related to Mayotte's move from OCT to outermost territory.
- The relationship with the other OCTs in the Region and the role of the Member State on issues of common importance - such as disaster preparedness, etc. How is this cooperation organised? This concerns Mayotte and the TAAF (Terres australes et antarctiques françaises) particularly as related to the:
    - Economic Exclusion zones, fisheries, marine biodiversity and other environmental issues)
    - Involvement of Non-State actors in the EDF preparation process - especially the preparation of EDF 10.
- Environment, climate change and disaster preparedness - particularly the fact that the projects implemented under EDFs 8 and 9 mostly fall within the category "environmental", as well as the difficulties of involving Mayotte in regional and trans-boundary programmes as a result of the on-going sovereignty dispute with the Comoros. This will include project visits where appropriate.

- "European values" and "same family concept" seen in relation to the OCT status and the movement in Mayotte from OCT to Outermost Region status; including links with the MS and coordination between OCT-MS-EU/EC, areas where the MS asserts its constitutional right to take decisions on behalf of the OCT.
- Links between EDF and other EC programmes, particularly regional issues and representation on regional fora.
- Preparation of EDF 10, including change of sector focus to transport; involvement of non-state actors in the preparation; capacity of government officials in the preparation of EDF 10.

### 2.2.2. Mark Watson: Montserrat and Falkland Islands

Mark Watson undertook field studies in Montserrat and the Falkland Islands related to the focus areas mentioned in the above overview and the corresponding EU-supported projects as well as the general part of the field study guide. The field studies started on Wednesday 22nd September, returning on 11th October. This permitted a short start-up mission to be made to Jamaica, in the context of the Jamaica Country Evaluation, also for the EU, for which Mark Watson is the Team leader. Timing and costs were apportioned between the two evaluations.

The issues that needed to be raised with the Regional Delegation in Barbados were covered by the visit of Dolf Noppen to Barbados.

**EU-Delegation visits**

- Barbados for Montserrat where Dolf Noppen raised the following questions:

1) The evolution of support from post-volcano reconstruction to budget support used in line with a development plan to support diversification of the economy; Reports of increasing delays:
2) The dynamics between the Commission and the Member States Insights about similarities and differences in management (e.g. the degree of de-concentration);
3) Frequency of visits by the Delegation to Montserrat. How is this changing over time? Could more have been done to facilitate visits?
4) Observations about the speed of response by Montserrat officials - when delays have occurred what were the root causes?
5) Additionality - was the EC funds displacing funding from the member state?
6) Montserrat's participation in regional initiatives.

In addition to what the interlocutors wished to bring up, in both OTs, the general interview guide was applied. In addition, the following specific issues were raised, while using the information already provided through the desk phase OCT-survey.

**Montserrat Technical Content and Meetings**

The development strategy for Montserrat has been a response to the volcanic eruption, which destroyed a significant proportion of the island, including Plymouth, the capital. The eruption led to a suspension of the **7th EDF** funds between 1996 and 1998, and these were redirected towards building a new airport at Gerald's.

Subsequently, under the **8th EDF**, the Government of Montserrat and EC based their co-operation on a survival strategy with the following priorities:

- Resettlement of displaced people;
- Human resource development;
- Transport and infrastructure;
- Development of core economic activities to ensure economic and political survival of the territory;

Within this framework, the overall objective pursued through co-operation under this Indicative Programme was resettlement of displaced people.

The **focus** of the evaluation of 8th EDF interventions was on the effectiveness of this cooperation – did it achieve its ambitions, and what lesson-learning can be reached for other post-disaster recovery programmes.

Under the **9th EDF**, the focus evolved to concentrate on economic sustainability through "Trade in Services". This was designed to support the tourism sector through related infrastructure development, private sector development and ICT development.

In order to assess how successful this has been, the main elements of the strategy supported by the EC were to be assessed. This focused both on inputs, outputs and outcomes of the strategy. It also assessed the migration to budget support from project modalities.

The **10th EDF** support, also to the provided through budget support will be linked to Montserrat's Sustainable Development Plan. The programming phase of the 10th EDF support was to be reviewed.

All the requested meetings took place including:

- The Chief Minister;
- The Governor;
- Permanent Secretary (Development), as TAO, in the Ministry of Economic Development.
- Director of Aid and Project Cycle Management
- The Finance team, and those responsible for public finance management (DFID has recently undertaken a Fiduciary Risk Assessment for Montserrat)
- DFID's Representative and Private Sector Development Specialist;
- Public Works Department;
- DFID's Access manager;
- Disaster recovery and management staff;
- Chairman, Montserrat Development Corporation;
- Public Sector Modernisation Programme team;
- Montserrat Tourism Board
- Representatives of the private sector;

**Issues raised:**

i) A review of relationship with the EC, and execution of the programme of support;

ii) Discussions around whether budget support has proved less predictable (in terms of timing) than anticipated. An examination of the causes of the delays?

iii) An understanding of the human resource challenges faced by Montserrat.

iv) Key features of Montserrat's Sustainable Development Plan 2008? What elements of the plan remain un-funded? To what extent has EU support been instrumental in addressing capacity gaps?

v) A review of disaster recovery preparedness;

vi) An understanding of the nature of dialogue between DFID and the EU in their respective support for Montserrat.

**Specific Questions**

TAO:

- Overview of the relationship.
- Discussion based on the EQs, with a particular emphasis on disaster management, efficiency and the quality of engagement with the EU.
- Predictability of funding.
- Challenges in reconciling the different funding cycles of DFID and EU.
- Levels of financial reserves and trends.
- Impact of the international financial crisis and implications for execution of the Plan;
- Multi-year financial predictability and integration of the capital and recurrent budgets
- Meeting the eligibility criteria with respect to PFM
- Budget preparation and execution cycle and adoption of the MTEF.

Director of Aid and Project Cycle Management:

- Review of key experiences of working with the EU.
- Relations with Brussels and the Barbados Delegation.
- Where delays have occurred, perception of the causes and potential remedies
- Milestones in execution of the EU programmes;
- Supporting documentation and evidence;
- Visibility of the EU.

Finance team:

- DFID's Fiduciary Assessment findings and recommendations;
- Whether Montserrat chooses to target budget support in any way?
- Budget and accounts review (how significant is the EU budget support as a proportion of the Government's budget;
- Evidence of additionality of EU support
- Public sector procurement.

The Governor and Chief Minister (Met jointly):

The Governor has responsibility for overseeing Foreign Affairs, Security, Justice and the Police. In addition, the Governor has an important role chairing the Executive Council (Ex-Co).

- Has EU support been constructive in strengthening the management and governance of Montserrat?
- Has the form of support been appropriate?
- What lesson-learning is possible?
- Observations on the degree of ownership of the Montserrat Sustainable Development Plan? Key issues arising?
- Whilst EU support has not focused on sectors under the direct responsibility of the Governor, given support for tourism (Trade-in-Services) and problems with crime on some Caribbean Islands this will be reviewed.

DFID's On-Island representative:

- Opportunities and challenges;
- Review of past and current funding by DFID;
- Mix of instruments used and their appropriateness;
- Fiduciary Risk Assessment findings;
- Use of TA and public sector modernisation programme

Public Works Department:

- Discussions regarding the Little Bay redevelopment;
- Quality of work undertaken;
- Procurement arrangements;

Disaster recovery and management staff:

- Current state of disaster planning;
- Extent of EU engagement.

Private sector development staff:

- Views on quality of support;
- Is the 9th EDF funding of Trade-in Services achieving its objectives?

Public sector modernisation programme team:

- Status of public sector modernisation;
- Views on state of PFM, audit and risk management processes;
- Contribution of the EU;
- Key challenges.

Montserrat Tourism Board:

- Visitor numbers before and after the airport opened;

- Positioning of the tourism strengthening initiatives;
- Contribution of the EU;
- Other tourism issues (transport and access reliability, changes in the Caribbean regional market, Little Bay redevelopment

Representatives of the private sector:

- Views of the private sector on the above;
- Visibility of the EU;
- Appropriateness of support provided
- Little Bay redevelopment.

**Falkland Islands**

The visit to the Falkland Islands was be via the weekly Lan Chile flight from Santiago. This prescribed the visit duration and permitted a working week on-island.

Falklands received STABEX funds. Utilisation of these resources was slow. The reasons for this were investigated.

The export sector is the area with significant growth potential and the only area of economic development capable of generating the targeted 3% real economic growth per annum. The key export opportunities were identified as being:

i) Greater involvement of Falkland Islands businesses in the exploitation of fisheries resources in Falkland Islands and nearby waters;

ii) Increased value-added activities associated with fisheries resource such as warehousing, seafood processing, maritime service industries and related port operations;

iii) Accelerated diversification of the "Camp" (farm) economy away from a dependence on wool to engaging in new activities such as meat production, especially organic production, marine farming and tourism.

The Falkland Islands Government constructed an abattoir in support of this (although this requires an on-going subsidy as it is loss-making). This abattoir was visited to establish its impact and issues concerning the livestock sub-sector. Since funding was in the form of budget support, and due to delays in receiving funds, the Government reported that it pre-funded activities, with the EDF funds back-filling once funds had been received. It was envisaged in the SPD that 9th EDF funds would supplement Government expenditure on trade development initiatives. This development assistance is a natural progression of previous development assistance using STABEX funds.

Under the 10$^{th}$ EDF the Falklands has been allocated a broadly similar amount as under the 9$^{th}$ EDF and programming is underway.

**The focus of the evaluation was on:**

- Reviewing how successful the adoption of budget support has been in terms of management of Falkland's public investment programme;
- Identification of the implications of isolation (and drawing parallels to St Helena and Tristan da Cunha);

- Reviewing issues of representation and direct management by Brussels of the South Atlantic Territories.

Meetings were held with:

- The Chief Executive;
- TAO and the former TAO;
- The Acting Governor;
- The Director of Public Works;
- Montserrat Development Corporation
- Senior Finance staff (including the Chief Auditor);
- The Departments of Agriculture;
- Fisheries;
- The Chamber of Commerce.

The TAO:

- Review programmes to date;
- Review STABEX and use of budget support funds;
- Quality of dialogue with Brussels;
- Timelines of EU support (programming etc);
- A review of files concerning EU cooperation.
- The Acting Governor
- Constitutional reform and arrangements for the Public Accounts Committee;
- review public sector management issues;
- The relationship with the EU, as perceived by the Governor and Ex-CO.

Director of Finance and (separately) the Chief Accountant:

- A review of progress in strengthening public finance management
- A review of key issues arising from the EC funded PFM assessment reports;
- An assessment of the effectiveness and value for money of the sole sourcing procurement arrangements.

Public Works Department

- Infrastructure funded under STABEX and the 9th EDF (e.g. sea ramps, wind turbines for Camp, Falklands main wind turbines);
- Procurement including sole sourcing open book contracting with Morrison's.

Departments of Agriculture and Fisheries:

- To gain a deeper understanding of management of the agriculture and fisheries sectors;
- To review the impact of isolation on the Falkland Islands economy and prospects, and the relevance in terms of EU support in the past (and potentially in the future);

- To review the subsidies to the agriculture sector and in particular to the abattoir;
- To understand trade links to European Member States, particularly Spain regarding the fisheries sector.

Chamber of Commerce:

- Perception of the management of the economy by Government;
- Any views on EU contributions;
- Visibility of the EU support.

The main structure of interviews followed that of Montserrat, although Falklands does not receive support from DFID so this will be omitted.

Site visits were made to projects where there is a link to EU funding including the abattoir. A particular focus was on procurement, given that due to its small economy, competitive tendering is in most cases, not possible.

### 2.2.3. Gunnar Olesen: Brussels-based services and Greenland

The Greenland representations in Brussels and Copenhagen, the Danish MFA and DG-MARE were interviewed during the desk phase.

The field visit took place 27 September-1 October, preceded by a preparatory visit to the concerned EU Brussels-based services on 16 September. The interviews took place in Nuuk.

The main purposes of the visit were:

- To explore the importance of the EU-Greenland Fisheries Agreement and Protocol, in particular how the funds set aside for the sustainable development of fisheries have been used.
- To cover the relevant parts of the general interview guide, as reflected in the below specific interview guides. (For all questions, the information contained in the recent *Mid-term review assessment of the EU-Greenland cooperation strategy and its programming*, was used as a basis and questions already answered here were not repeated)

**EU-services visited**:

The preparatory interviews with representatives of the DGs AIDCO, DEV and MARE covered the following issues:

DGs: AIDCO and DEV:

- The possible implications of the different funding framework for Greenland as compared with the other OCTs (EDF)
- Comments to the information, assessment and recommendations contained in the recent *Mid-term review assessment of the EU-Greenland cooperation strategy and its programming*, in particular in relation to the performance of the Greenland education and vocational training sector related to the EU support, as well as their preliminary comments to the EU follow-up to the recommendations of this Report.
- The additionality of the EU sector support in relation to the MS support and the coordination, complementarity and added value between the EU and the MS support to Greenland in general

- The use of the Greenland funding possibilities from EU thematic budget lines and programmes
- EU visibility in Greenland

DG-MARE

- Information about and comments to the implementation of the EU-Greenland Fisheries Agreement and Protocol, in general
- Information about and comments to how the funds set aside for the sustainable development of fisheries have been used, in particular.
- The future prospects for the Fisheries Agreement and Protocol
- The coordination, complimentarity and added value between the EU and the MS support to Greenland in the Fisheries sector.

**Field visit**

In addition to the relevant issues in the general part of the field study guide, incl. the coordination, complimentarity and added value between the EU and the MS support, EU visibility and the Greenland funding possibilities from EU thematic budget lines and programs, the field visit was to provide answers related to the following issues:

1. Regarding the EU support to education and vocational training (€ 25 mil. annually, 2006-prices), the recent *Mid-term review assessment of the EU-Greenland cooperation strategy and its programming* will be related to evaluation question 4 to the extent applicable and relevant in the evaluation context.
2. In line with remarks at RGM 30 July, the outcomes of the Fisheries Agreement and Protocol (implying an annual transfer of approximately €18,8 mil. of which part is earmarked for the sustainable development of fisheries) between EU, Denmark and Greenland will be sought identified regarding their implications for:
    - Economic diversification in Greenland
    - Environmental and sustainability considerations
3. The possible added value from Greenland being associated with the EU as an OCT and from Greenland's membership of the OCTA
4. The implications of EU trade preference system for Greenland's economy and Greenland views on the ongoing and future development of the trade preference system.

The following interviews were held in Nuuk, here presented with the issues raised:

Representatives of the Greenland Government and Parliament, viewpoints on:

- The overall development of the Greenland-EU relations
- The coordination, complementarity and added value between the EU and the MS support to Greenland in general
- The implementation of the EU-Greenland Fisheries Agreement and Protocol, including its possible implications for sustainable fisheries and economic diversification in Greenland
- The trade preference system for Greenland in the light of the tendencies towards erosion of trade preference system and other issues raised by Greenland

- Possible implications of the exploitation of the fish resources in the Greenland exclusive economic zones for the EU-Greenland-relation
- Greenland funding possibilities from EU thematic budget lines and programs
- The nature and importance of Greenland's participation in the OCTA
- Comments on the idea of OCT-centres of excellence
- Perceived importance of EU core values
- EU visibility in Greenland

The Government of Greenland, departments for Fisheries and the Environment:

- Information about and comments to the implementation of the EU-Greenland Fisheries Agreement and Protocol, in general
- Questions related to
    - The timeliness of the EU-support;
    - Possible institutional capacity challenges in dealing with the support and
    - Ownership related to budget support.
- Information about and comments to how the funds set aside for the sustainable development of fisheries have been used, in particular.
    - The possible implications for sustainable fisheries in Greenland
    - The future prospects for the Fisheries Agreement and Protocol
- The nature of the coordination, complementarity and added value between the EU and the MS support to Greenland in the Fisheries sector.

Department for Foreign Affairs:

- The degree and nature of additionality between the EU and the MS support to Greenland
- The coordination, complementarity and added value between the EU and the MS support to Greenland
- Concrete results from Greenland's participation in the OCTA
- Comments on the possible importance of EU core values and on the idea of OCT-centres of excellence
- EU visibility in Greenland

Department for Education & University of Greenland:

- Foreseen Greenland follow-up to the recommendations of the *Mid-term review assessment of the EU-Greenland cooperation strategy and its programming* in relation to education and vocational training.
- The additionality of the EU sector support in relation to the MS support in the education sector.
- Examples of Greenland participation of EU thematic budget lines and programs and incurred experience.
- Examples of Greenland participation in EU study and research-programs and incurred experience

- Questions related to
  - The timeliness of the EU-support;
  - Possible institutional capacity challenges in dealing with the support and
  - Ownership related to budget support.
- EU sector visibility

### 2.2.4. Max Hennion: Regional Delegation, French Polynesia and Wallis & Futuna

Max Hennion undertook field studies in French Polynesia (FP) and Wallis & Futuna (W & F) between 12-30 October. The field visit also covered the EU Nouméa bureau and the Fiji Delegation, where questions related to Sean Burke's field study in New Caledonia were covered.

FP and WF representatives in France and Brussels were met during the desk phase.

**EU-delegations visited**:

Fiji (from 13/10 to 14/10) and Nouméa Sub-office (from 12/10 to 13/10)

Projects covered:

- W&F 8th EDF Wastewater projects (amount unknown) and 9th EDF Infrastructure (port) project – €8.5 m, and related TA (€ 2.75m)
- FP 8 and 9th EDF wastewater projects (€20 m)

General issues raised:

Capacity constraints, ownership re EDF programming procedures, European values, regional integration/trade, mobility constraints for EC procedures

*Persons met and corresponding specific interview guides:*

Fiji Delegation staff in charge of OCTs programming and contract management:

Capacity constraints:

What are the specific capacity constraints of the Pacific OCTs? To what extent improvements were witnessed in providing EDF related TA? Was the cost of those TAs related to the total amount of the EC funded project easily accepted by OCTs? Are those capacity constraints progressively released or are they in-built in OCTs societal fabric? Are improvements sustainable? Is budget support management capacity requirement proportionate with existing capacity? If not, what solutions are foreseen for 10th EDF implementation?

Project management:

What are the main issues faced during 8th and 9th EDF implementation in project management? What is the extent of delays in project implementation? During with phase(s) of the project cycle are they most significant? Which solution proved to be the most efficient in sorting out stumbling blocks? Are long-term and sustainable solutions found at project level? Is budget support option seen as a viable and safe solution to overcome project management issues? Is there any such success story in the Pacific region?

Contractual issues:

What are the main shortcomings in contracting out works or activities in EDF projects? Can they be more related to national/territorial procedures, EC procedures or communication problems between governments (TAO), Delegation (and its sub-office in Nouméa) and the HQ? What are the main consequences of the contractual issues (delay, cost overrun, others)? In which way the budget support option is seen instrumental in this respect?

EDF programming:

What is the respective length for achieving the programming process of 8th, 9th and 10th EDF? What are the major issues faced in the process by the EC staff? Idem on OCTs' side? To what extent guidelines provided by the EC to OCTs for easing the programming phase were useful and relevant? Did they were used by OCTs? Did the fund to hire expertise sufficient and released on time to keep on the initial schedule. If not, why? Why some OCTs came to be more efficient than others in gaining EC approval on their SPD proposal? What could be the way out for solving those programming problems?

EC regional programmes:

What are the case of participation of OCTs in regional programmes in the Pacific region? What are the main shared topics or themes? What are the amounts related to those programmes for each OCT of the region? What are the issues faced in mobilizing OCTs for those regional programmes? Do other regional programmes than those of the EC have comparative advantages? If yes, which are those advantages? Did EC regional programmes help to a significant extent to create some regional integration feeling or a community feeling among OCTs? What are the future prospects of regional programme re OCTs?

*Fiji Delegation staff in charge of regional programmes:*

Capacity constraints for OCTs:

What are the specific capacity constraints of the Pacific OCTs? To what extent improvements were witnessed in providing EDF related TA? Was the cost of those TAs related to the total amount of the EC funded project easily accepted by OCTs? Are those capacity constraints progressively released or are they in-built in OCTs societal fabric? Are improvements sustainable? Is budget support management capacity requirement proportionate with existing capacity? If not, what solutions are foreseen for 10th EDF implementation?

Mobility constraints for OCTs:

Is the distance between Pacific OCTs and the Delegation (and its Nouméa sub-office for French Polynesia) a significant stumbling block for cooperation? What have been the frequency of delegation staff visits to the OCTs? What is the mobility budget and is it sufficient to manage the programming and implementation of EC projects?

Staff constraints:

Is the staff dedicated to OCTs in the Delegation sufficient for managing both programming and implementation? Is there example of delays or difficulties that can be related to this? Is the staff sufficient to manage a SPSP in the future? Are there communication problems with the OCTs? And with the HQ?

*Chief of Delegation:*

Adequacy of EDF programming rules and the development vision of the Pacific OCTs:

Is there example of shortcomings between the programming guidelines and orientations with the development vision and potential of some Pacific OCTs? Is the ground for policy dialogue with OCTs clear and mutually understood? Is the approach of local government with the EDF support (and its amount) related to the underlying expectations of the programming process? Is political instability an issue for EDF programming and implementation? Any example of this?

Relation with France:

Are both programming processes linked and coordinated on both size? Is France intervening in the programming process or other phases of the project cycle? Does the delegation has privileged communication channels with the ministry in Paris? Are the préfets helpful in supporting EC projects implementation? How far can a division of labour be identified in EC relation with France in cooperation with OCTs?

*Chief of the Nouméa sub-office:*

Capacity constraints:

What are the specific capacity constraints of the Pacific OCTs? To what extent improvements were witnessed in providing EDF related TA? Was the cost of those TAs related to the total amount of the EC funded project easily accepted by OCTs? Are those capacity constraints progressively released or are they in-built in OCTs societal fabric? Are improvements sustainable? Is budget support management capacity requirement proportionate with existing capacity? If not, what solutions are foreseen for 10$^{th}$ EDF implementation?

Project management:

What are the main issues faced during 8$^{th}$ and 9$^{th}$ EDF implementation in project management? What is the extent of delays in project implementation? During with phase(s) of the project cycle are they most significant? Which solution proved to be the most efficient in sorting out stumbling blocks? Are long-term and sustainable solutions found at project level? Is the budget support option seen as a viable and safe solution to overcome project management issues? Is there any such success story in the Pacific region?

Contractual issues:

What are the main shortcomings in contracting out works or activities in EDF projects? Can they be more related to national/territorial procedures, EC procedures or communication problems between governments (TAO), Delegation (and its sub-office in Nouméa) and the HQ? What are the main consequences of the contractual issues (delay, cost overrun, others)? In which way the budget support option is seen instrumental in this respect?

EDF programming:

What is the respective length for achieving the programming process of 8$^{th}$, 9$^{th}$ and 10$^{th}$ EDF? What are the major issues faced in the process by the EC staff? Idem on OCTs' side? To what extent guidelines provided by the EC to OCTs for easing the programming phase were useful and relevant? Did they were used by OCTs? Did the fund to hire expertise sufficient and released on time to keep on the initial schedule. If not, why? Why some OCTs came to be more efficient than others in gaining EC approval on their SPD proposal? What could be the way out for solving those programming problems?

EC regional programmes:

What are the case of participation of OCTs in regional programmes in the Pacific region? What are the main shared topics or themes? What are the amounts related to those programmes for each OCT of the region? What are the issues faced in mobilizing OCTs for those regional programmes? Do other regional programmes than EC's ones have comparative advantages? If yes, which are those advantages? Did EC regional programmes help to a significant extent to create some regional integration feeling or a community feeling among OCTs? What are the future prospects of regional programme re OCTs?

EC internal communication gaps:

What are the approval procedures between the sub-office and the Fiji Delegation? Did they imply in some cases significant delays or contradictory orientations? What is the budget for visiting OCTs? What are the relationships with territorial governments? Are they based on a common understanding of the constraints, opportunities and the regulation framework? At which stages does the HQ intervene in the EDF cycles? Does the EC at sub-office, Delegation and HQ staffed proportionately to the OCTs' workload?

**OCTs visited**:

*Wallis and Futuna*: from 15/10 to 18/10

- Projects covered (with EDF, sector, timing and budget indicated):
  - 8th EDF Wastewater projects (amount unknown)
  - 9th EDF Infrastructure (port) project – €8.5 m, and related TA (€ 2.75m)

*French Polynesia*: from 20/10 to 26/10

- Projects covered (with EDF, sector, timing and budget indicated)
  - 8 and 9th EDF wastewater projects (€20 m)

In addition to what the interlocutors may wish to bring up, in both OCTs, the general interview guide will be applied as relevant in the context. In addition, the following specific issues will be raised, while using the information already provided through the desk phase OCT-survey:

Common General issues raised:

Capacity constraints, regional integration/trade, ownership re EDF programming procedures, coordination with France programming, European values

Persons (incl. MS representatives) met and corresponding interview guides:

*Dept in charge of European affairs*

Capacity constraints:

What are the specific capacity constraints of the OCTs? To what extent improvements were witnessed in agreeing on EDF related TA? Was the cost of those TAs related to the total amount of the EC funded project acceptable? Are those capacity constraints progressively released or are they in-built in the OCT societal fabric? Are improvements sustainable? Is budget support management capacity requirement proportionate with existing capacity? If not, what solutions are foreseen for 10th EDF implementation?

Project management:

What are the main issues faced during 8th and 9th EDF implementation in project management? What is the extent of delays in project implementation? During with phase(s) of the project cycle

are they most significant? Which solution proved to be the most efficient in sorting out stumbling blocks? Are long term and sustainable solutions found at project level? Is budget support option seen as a viable and safe solution to overcome project management issues? Is there any such success story in the Pacific region?

Contractual issues:

What are the main shortcomings in contracting out works or activities in EDF projects? Can they be more related to national/territorial procedures, EC procedures or communication problems between governments (TAO), Delegation (and its sub-office in Nouméa) and the HQ? What are the main consequences of the contractual issues (delay, cost overrun, others)? In which way the budget support option is seen instrumental in this respect?

EDF programming:

What is the respective length for achieving the programming process of 8th, 9th and 10th EDF? What are the major issues faced in the process by the OCT staff? To what extent guidelines provided by the EC for easing the programming phase were useful and relevant? Did they were used by OCT services? Did the fund to hire expertise sufficient and released on time to keep on the initial schedule. If not, why? Why other OCTs came to be more efficient than others in gaining EC approval on their SPD proposal? What could be the way out for solving those programming problems?

EC regional programmes:

Did the OCT participate in EC regional programmes? What are the main shared topics or themes? What are the amounts related to those programmes? Why the OCT is not attracted or able to participate to those regional programmes? Do other regional programmes than EC's ones have comparative advantages? If yes, which are those advantages? Did EC regional programmes help to a significant extent to create some regional integration feeling or a community feeling among OCTs? What are the future prospects of regional programme re OCTs?

*Director general of the Conseil General:*

EDF programming:

What is the respective length for achieving the programming process of 8th, 9th and 10th EDF? What are the major issues faced in the process by the OCT staff? To what extent guidelines provided by the EC for easing the programming phase were useful and relevant? Did they were used by OCT services? Did the fund to hire expertise sufficient and released on time to keep on the initial schedule. If not, why? Why other OCTs came to be more efficient than others in gaining EC approval on their SPD proposal? What could be the way out for solving those programming problems?

Adequacy of EDF programming rules and the development vision of the OCT:

Is there examples of shortcoming between the programming guidelines and orientations with the development vision and potential of the OCT? Is the ground for policy dialogue with EC clear and mutually understood? Is the approach of local government with the EDF support (and its amount) related to the underlying expectations of the programming process? Is political instability an issue for EDF programming and implementation? Any example of this?

Relation with France:

Are both programming processes linked and coordinated on both size? Is France intervening in the programming process or other phases of the project cycle? Does the OCT goverment has

privileged communication channels with the ministry in Paris? Are the préfets helpful in supporting EC projects implementation? How far a division of labour can be identified in EC relation with France in cooperation with OCTs?

*Préfet:*

Coordination with EDF programming:

What is the respective length for achieving the programming process of 8th, 9th and 10th EDF? What are the major issues faced in the process by the OCT staff? To what extent guidelines provided by the EC for easing the programming phase were useful and relevant? Did they were used by OCT services? Did the fund to hire expertise sufficient and released on time to keep on the initial schedule. If not, why? Why other OCTs came to be more efficient than others in gaining EC approval on their SPD proposal? What could be the way out for solving those programming problems?

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Contractual issues:

What are the main shortcomings in contracting out works or activities in EDF projects? Can they be more related to national/territorial procedures, EC procedures or communication problems between governments (TAO), Delegation (and its sub-office in Nouméa) and the HQ? What are the main consequences of the contractual issues (delay, cost overrun, others)? In which way the budget support option is seen instrumental in this respect?

*AFD Director:*

Coordination with EDF programming:

Is France financial support coordinated with EC programme? Is a division of labour envisaged?

Adequacy of EDF programming rules and the development vision of the OCT:

Is there examples of shortcoming between the programming guidelines and orientations with the development vision and potential of the OCT? Is the ground for policy dialogue with EC clear and mutually understood? Is the approach of local government with the EDF support (and its amount) related to the underlying expectations of the programming process? Is political instability an issue for EDF programming and implementation? Any example of this?

*President of the Chamber of Commerce:*

Development vision for the OCT:

What is the vision of the OCT's development shared among entrepreneurs? Is this vision related to main orientations of the EDF programming? Is the Chamber associated to EDF programming exercise?

Trade issues:

How would you characterize trade trends in the last five years? For imports, for exports? Is the share of EU and the nearest regional community significantly changed? Are there some change in the shipping routes or in cost factors for productive activities?

Entrepreneurship dynamics:

How would you characterize entrepreneurs and their dynamics? Are they increasingly integrated in the global economy? Do they see globalisation as an opportunity or a threat on the medium and long term?

*Port Manager (Wallis and Futuna):*

Contractual issues:

What are the main shortcomings in contracting out works or activities in EDF projects? Can they be more related to national/territorial procedures, EC procedures or communication problems between governments (TAO), Delegation (and its sub-office in Nouméa) and the HQ? What are the main consequences of the contractual issues (delay, cost overrun, others)? In which way the budget support option is seen instrumental in this respect?

*Dept of urban development and wastewater management:*

Contractual issues:

What are the main shortcomings in contracting out works or activities in EDF projects? Can they be more related to national/territorial procedures, EC procedures or communication problems between governments (TAO), Delegation (and its sub-office in Nouméa) and the HQ? What are the main consequences of the contractual issues (delay, cost overrun, others)? In which way the budget support option is seen instrumental in this respect?

Coordination:

To what extent the EC support was coordinated with other fundings for the project? Is this coordination took place upstream or during the implementation of the project? Did it go towards harmonization or remained at a geographical complementarity level?

*Other foreseen means of gathering project and issue-related information, such as:*

Site visits: port, wastewater projects

*Focus group meetings:*

In Wallis and Futuna: with infrastructure project stakeholders (port manager, members of the chamber of commerce, members of the Conseil Général, mayor)

In French Polynesia: on-site with wastewater projects beneficiaries and the administration

**Overall focus areas**

To what extent French-speaking OCTs have a suitable access to EDF programming and contract management guidelines? Is their understanding and application hindered by administrative culture and management lack of capacity?

What are the main constraints for Pacific OCTs to come to budget support and SPSP?

What are the specific issues met in managing EDF procedures? Did those procedures as well uncertainties about programming schedule allowed the required coordination with other sources of funding?

In delays and changes between plans and executed projects, what should be attributed to lack of capacity and isolation (or other factors)?

What are the driving factors for Pacific OCTs not to involve themselves in EDF funded regional programmes? Are other types of regional initiatives are more successful in involving them and, if so, for what reasons?

Is political instability an issue for EDF programming and managing or, at a higher level, for associating with EU on shared values or style or living?

### 2.2.5. Sean Burke: New Caledonia& EU Sub-Regional Office, Noumea

The field visit to New Caledonia is considered important in that it represents a complete prioritisation of VET by an OCT, and in addition to establishing the effectiveness and impact of EDF support to VET in the territory, it is hoped that some learning may be extracted that may be relevant for other OCTs that in the future may be seeking to significantly increase EDF allocation to human capital development measures. Where it proved possible, other VET projects in other OCTs that are being visited were also included in the field work (e.g. Netherlands Antilles).

The field study to New Caledonia took place from Oct. 17th – Oct. 28th. The total days for the fieldwork mission was 10 days, including travel time.

**EU Sub-Regional Office, Noumea**

The EU visit took place at the beginning of the field trip, on the 19th October, and this visit was done with another expert from the team, Max Hennion, in order to maximise efficiency in use of EC Delegation staff time.

The fieldwork will covered all aspects of the 9th EDF programme of support, given its focus on VET, and other the effectiveness and results of other ongoing or closed projects from previous EDFs will also be considered. The fieldwork plan included:

*Persons to be met:* Head of the European Commission Office in New Caledonia

*Project Coverage:*

*Primary Focus:* Education/Professional training and insertion (9th EDF Budget Support, ongoing, budget € 21,500,000)

*Issues to be raised:*

Given the proximity of the EC sub-regional office to the EU's work in NC, it is anticipated that all aspects of the Field Interview Programme will be covered, including therefore relevance, effectiveness and impact of EU support for VET).

### 2.5.2. New Caledonia Field Visit

*Project Coverage:*

*Primary Focus:* Education/Professional training and insertion (9th EDF Budget Support, ongoing, budget € 21,500,000)

*Secondary Focus:*

PACE-NET (EU FP7-suported INCONET) for regional research collaboration and capacity development

*Issues to be raised:*

In addition to what the interlocutors may wish to bring up, all aspects of the Field Interview Programme will be covered, including therefore relevance, effectiveness and impact of EU support for VET.

Stakeholder organisations and/or projects met included:

- Office of the European Commission in Noumea
- European Affairs Office, Office of the President
- Ministry of Professional Development *(Formation Professionelle*)
- Ministry of Economy *(Economie)*
- Ministry for Mines and Energy (*Mines et Energie)*
- Ministry for the Budget, Taxation & IT Policy
- Ministry for Planning & Development (SAP)
- Representatives from the *Province Sud* Government
- Employment Observatory
- Chamber of Commerce & Industry
- Chamber of Agriculture
- Research organisations (e.g. IRD Noumea Office)
- PACE-NET FP7 IncoNet project

**Overall focus areas**

In addition to the relevant issues in the general part of the field study guide, the field visit provided answers related to the following specific issues:

1. To what extent is EU Support in Vocational Education and Training (VET) aligned with your socio-economic development goals?
   - Relevance to NC development needs
   - Relevance with NC development plans
2. Is there evidence of greater gender equality as a result of the EU sector support to NC?
3. How do you view NC's VET Programme (formation professionelle) performance across the following areas:
   - Course and programme Drop-Out (Erosion) Rates at sector-wide levels.
   - Course Completion Rates at sector-wide levels.
   - Comparisons on Programme Costs per participant against other comparable VET programmes, where possible.

4. To what extent are programme implementation and delivery mechanisms efficient and effective?
5. To what extent have VET programmes /projects used ICT in their delivery?
6. Are implementation mechanisms for VET interventions are contributing to sustainable capacity development in NC's education and training sector? If yes, how?
7. Has EU support for NC VET focus contributing to ICT skills development?
8. What is your assessment of the quality of VET offers in NC (for VET intervention providers self-assessment, course participant views)
9. Has EU support had a positive impact on the employment prospects of OCT citizens? If yes, in what ways? E.g.:
   - Evidence of increased work and career prospects for school leavers that have undergone VET
   - Evidence of an increase in employment levels of school leavers that have undergone VET courses (relative to employment levels of school leavers that do not take VET courses)
10. To what extent, if any, has EU support contributed to increasing employment options in NC's labour market?
    - Contributing to increased total employment opportunities
    - Contributing to improving the match between demand and supply (for both public and private sector)
11. Is there any evidence to suggest that EU support for VET has contributed to increases in the productive contribution of VET participants already in employment?
12. To what extent, if any, has EU support led to a reduction of youth employment? (Or restriction of the rise of youth employment)?
13. To what extent, if any, is EU Support is contributing to reducing OCT brain drain? (or constraining the increase in same?)
14. Has EU VET support is contributing to increased economic development of OCT priority sectors? If yes, which sectors, and how?
15. To what extent has EU VET support contributed to increasing the economic diversification of NC's economic base?
16. To what extent has EU VET support contributed to (or shows potential to contribute to) the development of OCTs as 'centres of experience and expertise' in their respective regions?

**Fieldwork logistics & itinerary:** The fieldwork was centred primarily in the Noumea and the Greater Noumea region. Site visits to projects and stakeholders on other parts of the main island *(Grande Terre)* was included and a site-visit to one of the other islands (Iles Loyauté).