

Evaluation of DFID's programme in the Caribbean 2000-2005

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“DFID has made an effective contribution to the region’s development while dealing with the challenge of programme downscaling”

Executive Summary

1. This evaluation examines the performance of DFID's regional programme in the Caribbean from 2000 to 2005. It covers two separate country programmes in Guyana and Jamaica, as well as bilateral and regional assistance to fifteen smaller Anglophone countries within the region. The evaluation has three main objectives: (i) how relevant was DFID's strategy in the Caribbean (within an emerging regional approach, and declining resources); (ii) how well was the strategy implemented through the programme portfolio; and, (iii) what has the programme achieved?

Context

2. Caribbean citizens do not generally suffer from food insecurity, chronic disease or lack of basic services. They do however face challenges of inequality, social exclusion and economic vulnerability - problems exacerbated by HIV/AIDS, serious crime and illicit drugs. Many Caribbean states are small and highly indebted, with a narrow export base and an eroding preferential trade system. Grant financing is important as concessional aid and debt relief are not readily available, especially as countries reach middle income status.

3. During the evaluation period, DFID's engagement underwent a significant shift in terms of reducing aid resources and a withdrawal from the Eastern Caribbean sub-region. This move is reflected in the 2004 Regional Assistance Plan (RAP), which provides the rationale for DFID's support to the region. While DFID's direct programme aid declined by over 25% (from £37 million in 2000/1 to £24 million in 2005/6), DFID resources channelled through multilateral agencies have grown. The Caribbean Development Bank (CDB) received £17 million in 2001, and a further £24 million in 2005. Plus, the imputed regional value of DFID's

contribution to the European Community (EC) was £35 million for 2004-07. Over the evaluation period, DFID opened two country offices in Guyana and Jamaica, and closed one in Belize. The regional office is in Barbados, although there DFID has no bilateral development programme. Country plans were published for Guyana in 1998 and for Jamaica in 2001 and 2005; these two programmes account for around 60% of direct programme spend.

Findings

4. The evaluation is based on two main criteria for assessing the Caribbean programme: *relevance* (of strategy, relationships, and portfolio); and, *effectiveness* (results, influence, development outcomes).

5. **Relevance:** From 2000-2005 the regional programme has had a number of strategy documents, with a change in direction driven by resource constraints and a corporate shift away from the Caribbean. In particular, the RAP 2004 guides this transition by narrowing DFID's profile into three areas: (i) trade and competitiveness, (ii) public sector reform and economic management, and, (iii) security and HIV/AIDS. The RAP provides a better strategic focus, although the actual programme remained ambitious given the decline in staff and financial resources. There is also a lack of coherence between the RAP and the national strategies for Guyana and Jamaica, each of which reflects different national priorities.

6. Overall, DFID's operations have become more harmonised with active (and sometimes a lead) involvement in relevant aid fora in Guyana and Jamaica. There are also good examples of cross-Whitehall working, notably in security reform in Jamaica and working with other DFID departments to improve EC performance. Influencing strategies are only just beginning to take effect, with improving EC performance towards the end of the period and

significant results particularly in sugar transition assistance. Gains in EC performance have included reducing rigid mechanisms, plus raising poverty relevance across programming and analytical work. The evaluation nevertheless argues that DFIDC, in conjunction with headquarters, might have engaged even earlier on this issue – and more strongly.

7. **Effectiveness:** Overall, DFID has made an effective contribution to the region's development while also dealing with the challenge of programme downscaling. At the broad programme level, there are some significant achievements particularly in support to regional processes (trade and public sector reform); country programmes that have tackled sensitive areas and worked well with other arms of UK government; the use of flexible and opportunistic actions in emergency aid and debt relief; plus work to improve multilateral effectiveness (EC's sugar support; CDB's basic needs projects). DFIDC's regional presence permitted valuable engagement in post-hurricane Ivan relief and the Dominica fiscal crisis. It is however difficult to gauge overall performance, as the different strategies do not provide an overall objective framework to measure DFID's expected achievements.

8. At a sector level, bilateral projects initiated before (or at the start of) the evaluation period in Guyana, Jamaica and the Eastern Caribbean have produced clear benefits (such as in education, natural resources, trade and privatisation). Education and social policy provide examples of innovative approaches, though many of the results and outcomes have yet to be measured. The real challenge here is to move from relatively concentrated pilots to broad sector interventions to achieve sustainable reforms and service delivery improvements. For HIV/AIDS, there is evidence of increased awareness among regional decision-makers and of a gradual reduction in levels of stigma and discrimination. In security and public service reform, DFID's engagement has helped provide a modest alleviation of security problems in some quarters – though it is too early to judge the long-term benefits. Despite these initial improvements, the pace of reform has been slow and sustainable changes have yet to be realised.

9. DFIDC has worked effectively with the governments of Guyana and Jamaica, but adopted a reduced role in the Organisation of Eastern Caribbean States (OECS) Secretariat following the shift to a regional platform. Engagement with civil society has not been at the forefront of the Caribbean programme – with prospects for collaboration difficult given civil society's fragmented and weak nature.

10. After project financing, debt forgiveness is the second largest instrument in value terms, and one

that deserves greater recognition as a key policy tool in the region's strategies and evaluations. At £67 million, debt relief accounts for one third of the UK's bilateral assistance over the evaluation period, and is important given the highly indebted nature of most regional economies. DFID's assistance with debt rescheduling, particularly in Dominica and Grenada, has been widely recognised as very effective. Technical assistance (TA), including advisor secondments to the EC and CDB, has also been an effective tool – supporting security reforms, and piloting social policy initiatives.

Lessons

11. The evaluation highlights several strengths of DFIDC's approach: The regional team has managed the programme realignment well, and the setting-up of country offices have added value and strengthened DFID's ability to harmonise and play a catalytic role within government-led frameworks. DFIDC has demonstrated how to effectively use small amounts of finance to leverage reforms and perform a catalytic role (as observed for Jaspev, JUPP, and HIV/AIDS support to Champions for Change). DFIDC has also been willing to sustain engagement in some programmes that are complex and require long-term engagement (e.g. public sector reform, water and security).

12. There have been weaknesses too. DFIDC's disengagement from some sectors and bilateral partners has led to missed opportunities to achieve sustained outcomes and mainstreaming (e.g. education in the OECS and Jamaica; environmental work in the Windward Islands). There has also been a weak identification of measurable outcomes at the strategic level – something that has led to a lack of analysis/reporting of overall results. Communication could be improved with some partners insufficiently aware of DFID's approach, and the lessons/successes from its programmes. There has also been insufficient attention to mainstreaming issues including the environment and gender. HIV/AIDS is being addressed with increasing effectiveness, but is not yet mainstreamed across the programme.

13. The Caribbean programme provides lessons on ways to engage with smaller countries and in regions characterised by diversity. Key lessons include:

- *A regional approach can prove relevant in middle income countries where aid flows have declined but where DFID has a valued role because of both its historical connections and its comparative advantage (such as improving multilateral effectiveness or disaster management).*
- *DFID is most effective when its support for weak regional organisations is combined with assistance at country level in order to build*

synergies. This has proved the case with public sector reform for example, where regional support has been complemented by specific TA at country level.

- **DFID also can be a valued partner for its technical capacity and experience in coordination and harmonization**, and not necessarily due to funding.
- DFID should **disengage from sectors in a more careful or extended way** so that valuable lessons are not lost, and sustainability is sufficiently addressed.
- Well-placed **seconded advisors are a useful tool** and have maximum impact when specific influencing objectives are clear, where the placement timeframe is sufficient to gain understanding and trust, and where a partnership philosophy supersedes an influencing agenda.
- **DFID's focus on a multilateral and regional level engagement has generally proved sound** as it maximises its ability to influence in a situation where it cannot be present in many smaller national settings. But DFID's effectiveness in addressing poverty may as a result be more indirect, risky and hostage to slowly emerging regional institutional platforms.
- **Sharing expertise/resources cross-Whitehall to reduce crime and insecurity can deliver some success**, but engagement must be long-term, targets realistic and results rigorously evaluated.

Recommendations

14. Based upon the lessons found, it is recommended that DFID:

- **Seeks to narrow the next RAP's focus** to match DFID's advantages and corporate priorities, the known poverty gaps, and anticipated capacity and funds; and explains better the transition to the new RAP and how ongoing programmes will be continued or phased out.
- **Give the EC much higher priority**, given the size of the EC aid budget, and the UK's presence as the main member state. This will require work to improve EC disbursement performance, poverty focus and harmonisation.
- **Consider moving the regional office location to Guyana** in order to emphasise DFID's focus on poverty. If this occurred, the Jamaica programme might be run independently or with looser regional oversight. In any case, the Jamaica and Guyana country offices should build better linkages and take responsibility for regional issues.
- **Include more overt risk mitigation measures**, particularly in relation to environmental issues and

climate change, crime and drugs, and trade. Ensure that such measures are addressed through the strategy and/or by other partners.

- **Engage further with civil society organisations** to assist in key programme areas where they have added value, and also to check on real poverty outcomes.
- **Maintain the strong focus on HIV/AIDS**, making sure that the substantial amounts of money available are used effectively. Further build awareness of HIV/AIDS through regional dialogue and greater involvement of sectors such as labour and education, particularly at the country level.
- **Match staff skills and experience to future strategic needs and ways of working**. This would mean emphasising staff recruitment or training in influencing skills, working with multilaterals (especially the EC), debt and economic management, and security and governance.
- Finally, **improve monitoring and evaluation** through: (i) A rapid but triangulated scoring system to assess performance of small projects (under £1m); (ii) Set more realistic objectives for some reform programmes; (iii) Undertake (and publish) a periodic synthesis of results; (iv) Build indicators for mainstreaming results into log-frames; and, (v) Attach a performance framework to the next RAP that draws these points together for the programme as a whole.

DFIDC Management Response

15. DFIDC welcomes this evaluation and would like to thank all partners, members of the independent evaluation team and DFIDC staff past and present for the time and effort they devoted to the process. This report has been particularly timely as we have just drafted the new Regional Assistance Plan for the Caribbean (RAP-C), 2007–2010. The evaluation provided us with lessons and recommendations as to the way forward which we have used in communicating our proposed direction. Indeed, we delivered a presentation on the evaluation at the beginning of each of our draft RAP consultation sessions in the Caribbean and UK. The evaluation vindicated the move that we took between 2000 and 2005 away from national programmes to a regional perspective and we will build on this in the new RAP-C. We recommend that all DFID programmes consider routinely undertaking an evaluation shortly before the start of a new planning cycle as an integral part of our planning processes.

16. We recognise that this was the first time an evaluation had been undertaken of a regional programme and the complex evaluation challenge this posed. We are pleased that the team reported positively that DFIDC, with diminishing resources,

has been able to: maintain its influence with key partners; be dependable and flexible; be harmonised with others; and provide high quality TA and advice. We also accept our main weaknesses as highlighted in the report, specifically: the lack of identification of measurable outcomes; insufficient mainstreaming of DFID's global cross-cutting issues (e.g. gender, HIV/AIDS); a lack of coherence between the regional and bilateral programmes; and, having moved to working at regional level, not developing ways to demonstrate impact at country level. We have set ourselves the goal of addressing all these issues in the new RAP-C. For example, we are responding to the issue of a lack of coherence between the regional and bilateral programmes, by moving to a single plan document and performance framework for all that we will do in the region.

17. The evaluation report also highlighted the need for DFIDC to be more realistic about the number of objectives it could hope to achieve with decreasing staff numbers. Again, the new RAP-C will have a

narrower focus and fewer objectives. The M&E framework will be a key part of the new plan. It will have action plans for the three programme areas: Regional, Guyana, and Jamaica. We will also be looking at how we better align our advisory resources behind our priority objectives, and developing a companion communications strategy to ensure that our focus and direction are well understood by partners and civil society.

18. We take note of the findings that the European Commission and the Caribbean Development Bank are the key multilateral partners for DFIDC in the region, and our focus on working with both will be strengthened in the new RAP-C. We will continue working with and through others on aid effectiveness and harmonisation issues. We recognise the importance of sustained and long-term inputs to the Caribbean region, and note the report identifies our ability to deliver these as part of our comparative advantage.

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