

The GEF in the South China Sea and Adjacent Areas



The South China Sea (SCS) is one of the most productive marine areas in the world, but political, economic, and social drivers have created great envi-

ronmental pressures on this ecosystem: overfishing, habitat loss and degradation, and land-based pollution. The Global Environment Facility (GEF) has sought to catalyze cooperation among the countries along the South China Sea so these pressures may be addressed across national borders. Since 1992, the GEF approved funding of \$115 million to address transboundary international waters-related concerns in the region, with total cofinancing of \$689 million.

In 2012, the GEF Independent Evaluation Office completed the Impact Evaluation of GEF Support to the South China Sea and Adjacent Areas to assess the environmental and institutional impacts of 20 years of GEF support addressing marine and coastal concerns in the region. The four main evaluation questions were: (1) Has support been relevant to SCS transboundary environmental threats and priorities? (2) What are the effects of GEF support on country efforts and environmental problems? (3) What are the critical factors that affect the likelihood that support will catalyze broader actions to reduce environmental stress and improve environmental and socioeconomic status? (4) What lessons can be learned that apply to the SCS and elsewhere? The evaluation used a systems approach and covered 34 projects in 7 countries: Cambodia, China, Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

Findings and Conclusions

Although environmental pressures in the SCS continue to increase, the GEF has made important contributions that are relevant to addressing regional transboundary issues. The GEF has increased opportunities for communication and collaboration by supporting networks of scientists,

legal experts, and local government officials across the region. GEF support has helped develop and test a number of management approaches and tools to address SCS priority environmental concerns. Financial mechanisms to implement these approaches have also been introduced with GEF support. Furthermore, the GEF has made significant contributions in building trust by facilitating cooperative agreements between community members and between government agencies at local and national scales. At the regional level, the GEF has facilitated five important inter-governmental arrangements in the SCS.

The GEF has become a critical player in the region by linking initiatives at multiple scales, and providing a channel for other donors and stakeholders to support transboundary concerns. Social network analysis shows that all major SCS regional actors addressing environmental concerns have been partners in GEF initiatives in one way or another. The analysis shows that some actors would have had their reach reduced by as much as 44 percent in the absence of the GEF initiatives. The GEF has become the primary funder of regional coastal and marine initiatives in the SCS in the last 20 years. GEF support was also found to have enabled long-standing organizations in the region to expand the nature and scale of their support in addressing transboundary environmental concerns.

In 21 of 26 cases where comparative data could be obtained, the GEF has supported initiatives that reduced environmental stress, and improved or maintained socioeconomic conditions. The evaluation shows that GEF-supported approaches have generally been effective at the specific sites where they have been implemented, as opposed to the rest of the respective countries and the region, where these approaches have not been widely implemented. In 9 of the 20 completed demonstrations that were sampled, GEF-supported management initiatives not only reduced environmental stress, but were also reported to help foster cooperative relationships, improve

livelihoods, and diversify sources of income as direct results of improvements in environmental status. Despite successful implementation of the demonstrations, the extent of stress reduction has been limited in several sites because of large-scale factors that the demonstrations failed to or could not address. These sites have generally used habitat protection as the main approach, which does not consider the larger context in which the targeted concern exists.

Broader adoption of GEF-supported initiatives is taking place and is critical to fully addressing environmental pressures at the appropriate scales, but faces constraints to further progress. In SCS, 20 sites were completed or were at a stage in which indications of broader adoption could be identified. While there were differences in extent, 18 of these 20 sites reported some form of broader adoption: 13 cases of mainstreaming, 14 cases of replication, and 9 cases of scaling-up. However, broader adoption at the local, national, and regional scales is impeded by the following barriers: (1) conditions for broader adoptions are not always present; (2) systems for managing trade-offs and risks are not always in place; (3) countries are reluctant to support initiatives addressing regional transboundary environmental concerns and global environmental benefits; (4) differences exist in the extent of country support for environmental multilateral mechanisms, and regional environmental mechanisms currently heavily depend on donor funding—including GEF support; and (5) there is low coordination and insufficient management of internal risks within the GEF partnership.

GEF projects in the SCS and adjacent areas have major deficiencies in the accessibility, use for management, and reporting of environmental monitoring data. Environmental monitoring data are being collected in 32 of 40 cases, but only 19 cases had data available, due to information management systems either not being in place or not suited to country conditions. In 9 out of 20 sites that had completed demonstrations, no evidence was found of data being used and reported for management and public accountability. In cases where monitoring data have been used for management or public accountability, the technologies and systems typically already existed in the countries.

Recommendations

On the South China Sea and Adjacent Areas

- GEF support should more fully draw on the GEF partnership to mainstream transboundary concerns within countries and existing regional organizations.
- The GEF should give more attention to supporting countries to work together to address concerns related to regional environmental goods and services.
- The GEF should more clearly define the role and linkages of regional mechanisms in the context of its broader regional strategy, and ensure country and donor commitments to increasing levels of cofinancing to cover the full costs of regional services by the end of the next phase of support.
- The United Nations Development Programme needs to ensure that the social risks of the projects it finances in the SCS are identified and addressed.
- A more robust programmatic approach should be developed for GEF international waters support to the SCS and adjacent areas.

On Monitoring and the Use of Monitoring Data

- Impact monitoring and related reporting systems supported by the GEF should be consistent with local capacities and priorities. They should also be sufficiently flexible to accommodate the more user-friendly and affordable technologies that are rapidly emerging.
- Impact of monitoring and evaluation data and information should be made available to the GEF Independent Evaluation Office in a timely and transparent manner.

On the GEF-6 International Waters Focal Area Strategy

- The findings of this evaluation should be considered in developing the international waters focal area in GEF-6, and, when applicable, the strategies of other focal areas.

The GEF Independent Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF. The full version of *The GEF in the South China Sea and Adjacent Areas* (Evaluation Report No. 75) is available on the GEF Independent Evaluation Office website, www.gefeo.org. For more information, please contact the Office at gefevaluation@thegef.org.