

GEF Council Meeting
November 13 – 15, 2012
Washington, D.C.

Agenda Item 11

MANAGEMENT RESPONSE TO THE ANNUAL IMPACT REPORT 2012

1. The Secretariat and Agencies welcome the sixth *GEF Annual Report on Impact 2012* prepared by the GEF's Evaluation Office. The report provides the conclusions and recommendations of the *Impact Evaluation of GEF Support to the South China Sea and Adjacent Waters* as well as an update on activities being carried out by the Evaluation Office related to impact evaluations. The management response focuses on the main conclusions and recommendations stemming from the *South China Sea* evaluation.
2. The Secretariat and Agencies appreciate having had the opportunity to attend the workshop that the Evaluation Office organized to discuss the preliminary findings from the *South China Sea Evaluation* (SCS Evaluation). Naturally, there are some nuances in the full evaluation that cannot be fully captured in the summary included in the *Annual Report on Impact*. Nevertheless, there are many important lessons that have been drawn from the SCS Evaluation that the Secretariat and Agencies will integrate into future programing and implementation in the region.
3. The Secretariat and Agencies welcome **Conclusions 1, 2 and 3**, which indicate the considerable achievement of GEF support to the South China Sea and adjacent areas. In the majority of the cases where comparative data could be obtained, GEF has supported initiatives that reduced environmental stress and improved or maintained socioeconomic conditions. The Secretariat is pleased with the conclusions that GEF support has made important contributions to addressing regional transboundary issues in the SCS.
4. The Secretariat and Agencies agree with **Conclusion 4** that in the SCS "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." The Secretariat and Agencies are aware of the constraints and are taking onboard lessons learned from the GEF support given to date. This is reflected in the current design of projects going forward for approval.
5. The Secretariat and Agencies take note of **Conclusion 5** that "GEF projects in the SCS and adjacent areas have major deficiencies in the accessibility, use for management, and reporting of environmental monitoring data." The Secretariat would like to note that according to the SCS Evaluation a large majority of projects have collected data as planned. The Secretariat regrets that not all the data was made available to the evaluation team in a timely manner, and will work with Agencies to take a closer look at this issue for IW projects in the SCS and adjacent areas.
6. The Secretariat and Agencies agree with **Recommendation 1** that GEF support in the SCS should draw more fully on the GEF partnership "to mainstream transboundary concerns within countries and existing regional organizations."
7. The Secretariat and Agencies agree with **Recommendation 2** to give more attention to supporting countries to work together to address concerns related to regional environmental goods and services.

8. The Secretariat and Agencies are also aware of the issues highlighted by **Recommendation 3** to “more clearly define the role and linkages of regional mechanism/s 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.” One of the purposes of the program: *Reducing Pollution and Rebuilding Degraded Marine Resources in the East Asian Seas through Implementation of Intergovernmental Agreements and Catalyzed Investments* (UNDP) that is proposed for the current work program (November 2012) is to establish GEF’s exit strategy from supporting the Partnerships in Environmental Management for the Seas of East Asia (PEMSEA). The program will strengthen PEMSEA’s ability to put in place innovative financing mechanisms “for sustaining the operation of intergovernmental and multi-sector partnership arrangement at the regional, subregional/LME levels.” The planned co-finance ratio for the costs of regional services is substantial at 1:15 (grant to co-finance). In terms of the sustainability of PEMSEA, PEMSEA has provided the following response: “Since 2008, national governments, local governments and non-country partners have contributed USD69.7 million in-kind and in-cash co-financing for the operation of PEMSEA and the implementation of the SDS-SEA.”

9. The Secretariat agrees with **Recommendation 4** that UNDP needs to ensure that the social risks of the projects it finances in the SCS are identified and addressed. UNDP has provided the following in relation to this recommendation: “we would like to inform you that we have in place an Environmental and Social Screening Procedure for UNDP Projects. As part of the annual Project Implementation Reviews (PIRs), social and environmental issues are monitored and mitigation and alleviation measures are reported to the GEF.”

10. The Secretariat and Agencies appreciate **Recommendation 5** that “A more robust programmatic approach should be developed for GEF IW support to the SCS and adjacent areas.” Subsequent to the implementation of the projects in the SCS, the GEF has recognized the importance of a programmatic approach in the region and has made several changes in how programming is undertaken. This includes a medium-sized project (MSP) for the recently approved World Bank programmatic approach in the SCS with the mandate to coordinate the program.¹ In addition to measures taken within specific programmatic approaches and projects, we are supporting robust dialogues through the Inter-Agency Focal Area Task Forces which are chaired by the GEF Secretariat as a forum for further collaboration and cooperation. It should also be noted, that in the case of the SCS regional project, there was no attempt prior to the approval of these projects to think of strategic partnerships, programmatic approaches or similar constructs.

11. The Secretariat and Agencies take note of **Recommendation 6** that “Impact monitoring and related reporting systems supported by GEF should be consistent with local capacities and priorities. They should also be flexible to accommodate the more user-friendly and affordable technologies that are rapidly emerging.”

12. The Secretariat and Agencies also take note of **Recommendation 7** that “Impact M&E data and information should be made available to the GEF Evaluation Office in a timely and

¹ *Scaling up partnership investment’s for Sustainable Development of the LME of East Asia and their Coasts* (approved November 2011)

transparent manner.” The Secretariat and Agencies agree to the importance of making data and information available in a timely and transparent manner. It should be recognized, though, that there may be challenges in accessing data and information from projects that are already completed. While executing entities in many cases do continue the M&E functions, there is no guarantee that the type of data collected after project closure is able to disaggregate impact from previous GEF investments versus other resources that may have come in afterwards.

13. The Secretariat as stated in **Recommendation 8** will consider the findings from the SCS evaluation when developing the GEF-6 IW strategies.