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GEF Country Portfolio Evaluation: South Africa (1994–2007)

OCTOBER 2008

Evaluation Office
GLOBAL ENVIRONMENT FACILITY

Global Environment Facility
Evaluation Office

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October 2008

(The main findings and recommendations of this evaluation were presented to the GEF Council in April 2008.)

Evaluation Report No. 43

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ISBN-10: 1-933992-13-1
ISBN-13: 978-1-933992-13-6

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Editing and design: Nita Congress
Printing: Master Print, Inc.
Cover photo: Cape Town, South Africa, photo by Cronin-Paine family

Evaluation Report No. 43

A FREE PUBLICATION

Contents

Abbreviations ..... **vi**
Foreword ..... **vii**
Acknowledgments ..... **viii**

1. Main Conclusions and Recommendations **1**
1.1 Background 1
1.2 Conclusions 2
1.3 Recommendations 11
Notes 13

2. Evaluation Framework **14**
2.1 Background on GEF CPEs 14
2.2 Objectives of the South Africa Evaluation 14
2.3 Methodology 16
2.4 Limitations of the Evaluation 17
Notes 19

3. Context of the Evaluation **20**
3.1 General Description 20
3.2 Status of Environmental Resources in Key GEF Focal Areas 25
3.3 Environmental Legal, Operational, and Policy Framework 36
3.4 The GEF and the South African Focal Point Mechanism 45
Notes 46

4. The GEF Portfolio in South Africa **48**
4.1 Difficulties with Portfolio Data at the Country Level 48
4.2 Projects in the GEF South Africa National Portfolio 48
4.3 Allocations by Focal Area 50
4.4 Project Status 50
4.5 Allocations by GEF Agency 50
4.6 GEF Funding by Executing Agency 51
4.7 The SGP and the CEPF 51

4.8 Regional and Global Projects 52
Notes 53

5. Results of GEF Support to South Africa 54
5.1 Biodiversity 54
5.2 Land Degradation 63
5.3 International Waters 64
5.4 Climate Change 67
5.5 Multifocal Area Projects 73
5.6 Other Focal Areas 75
Notes 76

6. Relevance of GEF Support to South Africa 77
6.1 The GEF Portfolio and South Africa's Sustainable Development Agenda and Environmental Priorities 78
6.2 Relevance of GEF Allocations by Focal Area to Environmental Priorities and Frameworks 87
6.3 Relevance to the GEF Mandate 95
6.4 Relevance of the RAF Index to Country Priorities 98
6.5 Relevance to GEF Agency Strategies and Frameworks 99
Notes 99

7. Efficiency of GEF-Supported Activities in South Africa 100
7.1 Time, Effort, and Financial Resources Required for Project Processing 100
7.2 Roles and Relationships 106
7.3 Learning 107
7.4 GEF Focal Point Mechanism 108
7.5 Emerging Issues Concerning the RAF 112
Note 112

Annexes
A. Terms of Reference 113
B. Evaluation Matrix 123
C. Interviewees 129
D. Sites Visited 131
E. Workshop Participants 132
F. GEF Portfolio in South Africa, 1994–2008 133
G. Framework for Analysis of Results 139
H. Country Response 140
I. Global Environment Benefit Assessment Analysis and Environmental Legal Framework Analysis ..... ON CD-ROM
J. Project Review Protocol ..... ON CD-ROM
K. Summary of Project Results ..... ON CD-ROM

L. List of Small Grants Programme Projects ..... ON CD-ROM
M. Scope of Regional/Global Projects in Which South Africa Participates ..... ON CD-ROM

Bibliography 144

Boxes

6.1 NBSAP: Overarching Strategy 88

Figures

3.1 Biomes of South Africa, Lesotho, and Swaziland 26
3.2 Primary Sources of Energy in South Africa, 2000 29
3.3 Distribution of Land Degradation in South Africa 32
4.1 Distribution of GEF Funding to GEF Agencies across GEF Phases 49
4.2 GEF Approvals of South Africa Projects by Agency and Replenishment Period 51
6.1 Cofinancing of GEF Projects in South Africa by Focal Area and Source, 1994–2007 86
7.1 GEF Activity Cycle 103

Tables

3.1 General Profile for South Africa 20
3.2 Changes in Key Indicators 21
3.3 South Africa's Environmental Sustainability Profile: Status and Trends 23
3.4 Status of South African Ecosystems 26
3.5 Status of Species in South Africa 27
3.6 Habitat Transformation and Protection of Biomes in Formal Protected Areas in South Africa .. 27
3.7 Status of POPs in South Africa before 2002 33
3.8 International Conventions by Focal Area and Year Ratified 44
4.1 RAF Allocation and Use as of February 25, 2008 49
4.2 GEF Funding by Focal Area, 1994 through GEF-4 50
4.3 National Projects by Status and Focal Area 50
4.4 GEF Support to National Projects by Focal Area and Agency 50
4.5 GEF Funding of National Executing Agencies 51
4.6 SGP Allocations by Phase as of February 2008 52
4.7 Number of Regional and Global Projects in Which South Africa Participates, by Focal Area 53
6.1 Correlation of the GEF Portfolio with the Draft SFSD's Five Critical Pathways 79
6.2 Cofinancing Ratios by Modality, Focal Area, and GEF Replenishment Period 87
7.1 Project Preparation Costs as Percentage of GEF Grant 101
7.2 National Project Fee by Agency and Project, for Projects Approved Since 2000 102
7.3 Duration of Activity Cycle for GEF-Supported FSPs in South Africa 104
7.4 Duration of Activity Cycle for GEF-Supported MSPs in South Africa 104
7.5 Planned and Actual Durations of FSPs, MSPs, and Enabling Activities in South Africa 105

Abbreviations

ABI	Agulhas Biodiversity Initiative
BCLME	Benguela Current Large Marine Ecosystem
CAPE	Cape Action for People and the Environment
CEO	Chief Executive Officer
CEPF	Critical Ecosystems Partnership Fund
CFC	chlorofluorocarbons
CO2	carbon dioxide
COP	conference of the parties
CPE	country portfolio evaluation
DEAT	Department of Environmental Affairs and Tourism
DList	Distance Learning and Information Sharing Tool for Benguela Coastal Areas
DME	Department of Minerals and Energy
ExA	Executing Agency
FSP	full-size project
GDP	gross domestic product
GEF	Global Environment Facility
GHG	greenhouse gas
IA	Implementing Agency
INC	initial national communication
LME	large marine ecosystem
MSP	medium-size project
MTPF	medium-term priority framework
NBSAP	National Biodiversity Strategy and Action Plan
NCSA	National Capacity Self-Assessment
NGO	nongovernmental organization
NEPAD	New Partnership for Africa's Development
NIP	national implementation plan
ODA	official development assistance
PDF	project development facility
POP	persistent organic pollutant
PPG	project preparation grant
R	South African rand
RAF	Resource Allocation Framework
REMT	Renewable Energy Market Transformation
SADC	Southern African Development Community
SANBI	South African National Biodiversity Institute
SANParks	South African National Parks
SFSD	strategic framework for sustainable development
SGP	Small Grants Programme
UNCBD	UN Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WSSD	World Summit on Sustainable Development

Foreword

This report is the sixth in a series of country portfolio evaluations produced by the Evaluation Office of the Global Environment Facility (GEF). Using the country as the unit of analysis, these evaluations examine the totality of GEF support across all GEF Agencies and programs. The overall objectives for undertaking such studies are (1) to evaluate how GEF-supported activities fit into national strategies and priorities as well as within the global environmental mandate of the GEF and (2) to assess the results of GEF-supported activities and how these activities are implemented.

Country portfolio evaluations are conducted independently by the Evaluation Office in partnership, when possible, with other GEF Agency evaluation offices, the national government, and nongovernmental organizations.

This evaluation was part of a series of country portfolio evaluations examining GEF support in Sub-Saharan Africa. Among several considerations, South Africa was selected because of the country's historically large and diverse portfolio, which includes 11 completed projects with potentially important results, and a government developed medium-term priority framework for GEF support. South Africa will also receive a large allocation in the Resource Allocation Framework based on its important global biodiversity and dependency on fossil fuels.

The evaluation found that, at a country level, GEF support to South Africa has produced significant results and global benefits in biodiversity and in the South Africa component of international waters projects, potential catalytic effects in climate change projects, but limited results in the other focal areas. Additionally, GEF support has been consistent with its global mandate.

Despite these successes, the long-term sustainability of the global benefits and local benefits achieved is uncertain. Although systemic and individual capacity was built and is relatively strong in biodiversity and international waters, there are gaps in the country's organizational capacity to sustain the gains embedded in key mandated institutions. Capacity gaps identified are the skills of a range of key players and mandated departments, poor policy coordination and coherence, a weak enabling regulatory and fiscal environment, and other market barriers. The evaluation recommends the establishment of a foundation for more flexible country-based portfolio management in order to strengthen country ownership, accountability, sustainability, relevance, and efficiency.

The first Annual Country Portfolio Evaluation Report presented the findings and recommendations of the evaluations in Benin, Madagascar, and South Africa to the GEF Council. The Annual Report was discussed on April 22, 2008 and it is published separately (Evaluation Report No. 44).

The summary of the South Africa portfolio evaluation was made available to the Council as an information document. Throughout the Council discussions during the April 2008 meeting, reference was made to the findings of the specific country portfolio evaluations in Benin, Madagascar, and South Africa, which was a very positive sign that the evaluations were bringing information to the Council that was relevant to its discussions on other subjects.

The findings of the evaluation were discussed in Pretoria with a wide range of national stakeholders on March 5, 2008. I would like to thank all participants for the interest shown in the evaluation and their support of the Evaluation Office. The feedback received was highly constructive, and the comments have been incorporated in this evaluation report The government of South Africa has responded to the evaluation and its response is in an annex to this report.

Rob van den Berg
Director, Evaluation Office

Acknowledgments

This report was prepared by a team led by Claudio Volonté, Chief Evaluation Officer of the GEF Evaluation Office. The team's lead consultants were Gemma Paine-Cronin and Marlene Laros; Timothy Ranja of the GEF Evaluation Office served as research assistant.

Representatives of the South Africa Department of Environment and Tourism—Zaheer Fakir and his team, including Noluthando Vithi and Merlyn Van Voore, and their colleagues—provided full cooperation and participated actively in the evaluation. The Evaluation Office is particularly thankful to them for facilitating access to GEF stakeholders. The team is grateful for the field mission support provided by staff from the United Nations Development Programme and the World Bank. The team also acknowledges Jemima Harlley of the World Bank Office, South Africa, for helping to organize the national stakeholders' workshop.

A draft document was presented in Pretoria on March 5, 2008, to national stakeholders, including representatives of the national government, GEF Agencies, nongovernmental organizations, and other civil society partners. The feedback received was highly constructive, and the comments have been incorporated in this evaluation report. The Evaluation Office remains fully responsible for the contents of the report.

1. Main Conclusions and Recommendations

1.1 Background

South Africa's participation in the Global Environment Facility (GEF) started after the GEF pilot phase, when South Africa submitted its instrument of participation in 1994 and once its international isolation had been broken. Since then, South Africa has been an active participant in the GEF, not only through 26 national projects (totaling about $81.27 million), but also as a leader in the GEF Council and in supporting the third GEF Assembly in August 2006. About 65 percent of the GEF funding has gone to support projects in the biodiversity focal area, 30 percent to climate change, and the rest to persistent organic pollutants (POPs) and the Small Grants Programme (SGP). There are no national land degradation or international waters projects, although South Africa participates in some regional and global projects in these areas. In fact, South Africa has participated in 22 regional and 7 global projects supporting objectives across all focal areas.

Based on the overall purpose of the GEF country portfolio evaluations (CPEs) and their terms of reference, the evaluation of GEF support to South Africa has the following specific objectives:

- Independently **evaluate the relevance and efficiency of GEF support** in the country from several points of view: national environmental frameworks and decision-making processes, the GEF mandate and achievement of global environmental benefits, and GEF policies and procedures
- **Assess the effectiveness and results** of completed and ongoing projects in each relevant focal area
- **Provide feedback and knowledge sharing** to (1) the GEF Council in its decision-making process to allocate resources and develop policies and strategies, (2) the country on its participation in the GEF, and (3) the different agencies and organizations involved in the preparation and implementation of GEF support

Among several considerations, South Africa was selected for this year's CPE because of the country's historically large and diverse portfolio, which includes 11 completed projects with potentially important results and a government-developed *GEF Medium-Term Priority Framework* (DEAT 2001) for GEF support. South Africa will also receive a large allocation under the Resource Allocation Framework (RAF) based on its important global biodiversity and dependency on fossil fuels.

An evaluation team consisting of staff of the GEF Evaluation Office and two consultants based in South Africa conducted the South Africa CPE between October 2007 and March 2008.

1.2 Conclusions

Results and Effectiveness

Conclusion 1: GEF support to biodiversity in South Africa has resulted in significant impacts.

GEF investment in the biodiversity focal area has resulted in significant global benefits by increasing the formal protection of two globally important ecosystems and recognized biodiversity hotspots—the Cape Floristic Region and the Succulent Karoo. It has also contributed to strengthening biodiversity conservation systems and management in South Africa.

The National Biodiversity Strategy and Action Plan (NBSAP), which was the product of an enabling activity of the GEF portfolio, provided a nationally owned and strategic basis for the subsequent GEF investment in biodiversity. As a result, GEF support has focused on identified priorities for improving the coverage (size and representativeness) of South Africa's terrestrial and marine protected area networks and on piloting approaches to mainstreaming biodiversity in productive landscapes and sectors, valuing and paying for ecosystem services, and using natural resources sustainably. It is the latter two, however, that require further systematic focus in terms of ensuring that biodiversity conservation initiatives are strategically targeted to optimize and demonstrate an impact on improved sustainability of ecological services and sustainable development.

There have been significant catalytic effects on biodiversity conservation policy, strategy, and management practice. Replication effects are evident within and beyond the portfolio where project design and good practice have been developed and replicated. Key areas include the development of bioregional approaches, systematic conservation planning, protected area planning and management systems, and biodiversity mainstreaming. These influences are evident in two acts: the National Environmental Management: Biodiversity Act and the National Environmental Management: Protected Areas Act.

The success of GEF biodiversity support has been founded mostly on existing highly developed capacity within South Africa, notably the South African National Parks (SANParks) and the South African Biodiversity Institute (SANBI) as agents for the Department of Environmental Affairs and Tourism (DEAT). The expertise and support provided through GEF Agencies, particularly the United Nations Development Programme (UNDP) and the World Bank, have also been important.

Conclusion 2: GEF support to marine international waters projects has resulted in the strengthening of South Africa's commitments to global and regional cooperation to reduce overexploitation of fish stocks and land- and sea-based pollution in the region.

GEF support has resulted in South Africa's involvement in agreements for coordinated regional and international management of marine resources and has provided a robust scientific platform and cooperative networks for coherent regional response and action. As a result of the international waters projects, South Africa helped shape and is now a signatory to the International Maritime Organization Convention on Ballast Water. In addition, South Africa has made significant progress toward establishing capacity to formally regulate International Maritime Organization requirements and to support the region's efforts to do the same. The Benguela Current Commission and the strategic action plan provide a platform for cooperative management of a highly productive and economically significant large marine ecosystem (LME).

Key replication effects in design and approaches are evident in other LME initiatives, such as the Agulhas-Somali Current LME. The Benguela Current Large Marine Ecosystem (BCLME) has catalyzed the harmonization of policy and management across the region—for example, enabling an ecosystems approach to fisheries management.

The international waters interventions have significantly improved the scientific basis for regional prioritization of cooperative interventions in managing marine resources and land-based activities affecting these resources.

As yet, there are no direct and significant benefits for freshwater international water resources, although a number of regional biodiversity projects, for example, the Maloti-Drakensberg Transfrontier Project, may contribute to such results. A regional project for the Orange-Senqu Basin has recently been initiated.

Conclusion 3: There have been limited direct impacts on greenhouse gas emissions from the climate change portfolio, but some catalytic and replication effects are expected.

The *Initial National Communication under the United Nations Framework Convention on Climate Change* (DEAT 2003a) has been and is likely to be significant in shaping ongoing action; debate; and future climate change policy, strategy, and planning decisions. This was accomplished by providing baseline data, including a greenhouse gas (GHG) inventory and vulnerability assessments, and an analysis of options for mitigation and adaptation. The initial national communication (INC) has influenced DEAT's *National Climate Change Response Strategy for South Africa* (2004a) and the Department of Minerals and Energy's (DME's) *Energy Efficiency Strategy for the Republic of South Africa* (2005) and *White Paper on Renewable Energy* (2003).

The climate change portfolio is probably one of the most complex and difficult in the South African context. The country's existing climate change strategy has not yet established concrete prioritized plans for climate change response that could direct project selection. At the time this report was published, completion of a concrete strategy was likely by the end of 2008.

All climate change projects up to the end of the third operational phase of the GEF (GEF-3, 2003–06) targeted the mitigation of GHG emissions by increasing the contribution of renewable energy, with the exception of the INC. A transport project—Sustainable Public Transport and Sport: a 2010 Opportunity—has been endorsed for GEF-4 (2006–10), and an energy efficiency project focusing on appliance labeling has been conceptualized, but is not listed as a project endorsed for GEF-4 on the GEF Web site.[1]

Only one completed project has any data on actual reductions of carbon dioxide (CO_2) emissions, and this is relatively small: 5.1 kilotons of CO_2 equivalent. The ongoing projects have not yet estimated their reductions on CO_2, mainly because they are just beginning implementation.

Given South Africa's context and the renewable energy projects involved, the value of almost all the projects will not be in their direct impact on reducing GHG emissions, but in their catalytic and replication effects. These include the contribution they make through testing and demonstrating technology, removing market barriers, and improving the enabling environment in terms of policy, regulatory, budgetary, and strategy frameworks needed to support technology changes.

The two completed renewable energy projects were effective pilots in that they systematically tested viability and demonstrated that solar cookers (Pilot Production and Commercial

Dissemination of Solar Cookers) and solar thermal energy (Concentrating Solar Power for Africa) were not likely to be viable for renewable energy in the South African context. The Solar Water Heaters for Low-Income Housing in Peri-Urban Areas project identified the cost and other conditions necessary for the viability of the industry.

The evidence of impact on renewable energy markets is mixed for completed projects or those whose implementation is well under way. Almost all projects reported that the ongoing lack of an enabling environment and continuing market barriers are likely to threaten the extent to which renewable energy is successful in mitigating GHG emissions. However, the situation has changed significantly since the time of those reports. Recent developments linked to the energy shortage suggest a strong likelihood that an enabling environment conducive to renewable energy will be established relatively soon, especially in relation to cost barriers that could improve the feasibility of renewable energy. Yet the energy shortage also has the potential to divert attention and resources from exploring long-term renewable options in the search for relatively quick measures to increase available power.

Clear evidence exists of potential replication effects from GEF support in climate change related to the increasing market for solar water heaters based on the standards, codes of practice, training, and other enabling conditions that have been developed. The power utility Eskom is building on the GEF project in an extensive program to install 1 million solar water heaters, and a relatively large city in the Eastern Cape Province plans to install solar water heaters in all houses; however, the model probably needs more work, as the installation industry is reportedly reluctant to sign up for the Eskom program and is skeptical about its feasibility.

No evidence exists of increased resilience of sectors and communities to adverse impacts of climate change. The climate change portfolio does not include any adaptation projects, but some effects are likely through GEF biodiversity projects and in SGP projects. GEF support for adaptation has only recently been available and is still limited.

There have been no direct results in increased energy efficiency.

Conclusion 4: Results in other focal areas are limited.

Multifocal areas. Learning derived from Best Environmental Practice in the Hosting of the World Summit on Sustainable Development (WSSD)—the project that is designed to "green" this international summit—is to be used in planning for the 2010 World Cup that South Africa will host. The National Capacity Self-Assessment (NCSA) has not yet been completed; this framework could have provided a foundation for strategic decision making on capacity building in the GEF portfolio and other relevant donor agreements, as well as South Africa's identification of the key enabling conditions necessary to ensure effectiveness and sustainability of results.

Small Grants Programme. Evidence of results from the 36 SGP projects is limited because of a lack of effective support from the local UNDP office, as well as from the central management team in New York. This led to interruptions in management and implementation, during which several projects were left without support. The potential of the SGP has not been fully realized, specifically in exploring how best to build links between the environmental, social, and economic dimensions of sustainable development.

Persistent organic pollutants. The National Implementation Plan (NIP) for this focal area

has been somewhat delayed, but is now close to completion. It will potentially provide a strategic and informed basis for analysis, prioritization, and action and for identifying projects for GEF support in terms of the Stockholm Convention on Persistent Organic Pollutants.

Land degradation. There are no national projects approved in this focal area, although it was introduced within the GEF in 2002 and funding became available in 2004. Somewhat differing views exist on why no projects have been approved since this window was opened in GEF-3 and when about $6 million reportedly had become available for South Africa. The TerrAfrica program for land degradation was established during GEF-4, which included an allocation for South Africa, but according to the GEF Secretariat, South Africa did not prepare a project proposal in time. South Africa has expressed skepticism about the TerrAfrica program, because of the inclusion of loans and the limited support available for land degradation. However, the South African component of regional projects, such as the Desert Margins Programme and others, are likely to have affected land degradation.

Ozone. There are no results in the ozone focal area, and South Africa is not eligible for GEF funding in this area.

Conclusion 5: The long-term sustainability of the global and local benefits achieved is uncertain.

Systemic and individual capacity was built and is relatively strong in the biodiversity and international waters focal areas, but gaps exist in organizational capacity to sustain the gains embedded in key mandated institutions. Furthermore, the long-term sustainability of the global and local biodiversity benefits achieved will largely depend on the

- extent to which capacity for sustaining these gains is improved and embedded within the mandated biodiversity conservation and other key agencies;
- contribution biodiversity conservation makes and is seen to make to overall long-term sustainable development, including its proven direct and indirect social and economic benefits.

Although the latter is not regarded as the core mandate of the GEF, in the context of South Africa, securing and sustaining global biodiversity benefits is directly tied to the eradication of poverty. Although approaches to the duration of the biodiversity portfolio have changed, improved definition and targeting of the social and economic development contribution of GEF support would improve the effectiveness of the portfolio as a whole.

Individual capacity has been developed through projects in the climate change focal area, but limited institutional or systemic capacity has been created despite its identification as a potentially decisive risk. Although the GEF projects could not be expected to address all capacity gaps, this issue poses significant barriers to the sustainability of any results if not addressed. Capacity gaps identified occur in the skills of a range of actors, capacity of mandated departments, policy coordination and coherence, enabling regulatory and fiscal environment, and other market barriers. However, others are currently in the offing in some areas, specifically in terms of tariff structures and the fiscal and regulatory environment.

The NCSA could have provided a systematic basis for identifying and prioritizing capacity gaps that might limit the effectiveness or threaten the sustainability of results, and for how to address them and by whom.

The general sustainability of results is further qualified by the overall decline in the state of the environment in South Africa, as reported by DEAT (2006b) and by the scope and complexity of the challenges to achieving sustainable development inherited from South Africa's apartheid past. DEAT (2006a) notes that environmental gains are bound up with the progress of social and economic development in ways that pose specific dilemmas for South Africa and tie the sustainability of environmental benefits to the eradication of poverty.

In summary, at the country level, GEF support to South Africa has produced significant results and global benefits in the biodiversity projects and in the South African components of international waters projects, potentially catalytic effects in the climate change projects, and limited results in the other focal areas.

As the GEF national portfolio is a set of projects, rather than a planned program, it is difficult to judge the impact of the portfolio as a whole, as no set of expected results exists against which to assess it. The marked concentration of the national portfolio in the biodiversity focal area does not appear to have been the result of planned programming.

A factor limiting reportable results is the relatively small number of completed projects (representing only 20 percent of GEF support. The overwhelming majority of these fall into the biodiversity focal area, which is therefore able to show more impact. A number of projects in the climate change focal area—the next most significant in the portfolio—have been seriously delayed in implementation.

The results of the enabling activities across the portfolio mirror this pattern with strong levels of effective achievement in the biodiversity focal area, resulting in strategy and concrete frameworks for prioritization and planning. Although significant results were achieved in the INC in the climate change focal area, this did not culminate in a concrete strategy and plan. The two other enabling activities—the NIP for POPs and the NCSA—are not yet complete.

Individual and systemic capacity development has been relatively strong in most ongoing or completed projects, but institutional capacity building has been less effective. Gaps in capacity and an adequately enabling environment in key areas render the sustainability of results uncertain.

Relevance

Conclusion 6: GEF support has addressed national priorities, particularly in the biodiversity projects and South African components of international waters projects, but less clearly for climate change.

Biodiversity

The biodiversity interventions have been directly relevant to South Africa's agenda; however, socioeconomic relevance and benefits, sustainable use, and integration with other relevant mandates (sustainable land management and water resource management) remain key challenges for the portfolio and for implementation of the NBSAP. South Africa's priorities lie in sustainable and integrated natural resource management which factors in the need for social and economic development, complements it, and builds toward sustainable development.

Climate Change

South Africa's climate change strategy and action plan is still evolving and, although a broad response strategy has been developed, South Africa does not yet have a concrete strategy and action plan in the area of climate change to guide GEF support. The INC to the United Nations Framework

Convention on Climate Change (UNFCCC) was extremely relevant in this context and provided the first reliable baseline data, including a GHG inventory and vulnerability assessments, and systematic analysis of the potential and risks of various options. However, projects up to the end of GEF-3 focused exclusively on mitigation rather than adaptation measures, and on renewable energy rather than energy efficiency; this focus is not clearly aligned with the analysis of the needs, challenges, and options in several government documents which highlight needs for urgent action in adaptation and energy efficiency.[2]

The exclusion of off-grid energy generation from support in the GEF-4 framework does not align with recent developments in the South African context—namely, increased interest in solar power as an alternative energy source, as noted above. The focus and design of the renewable energy projects are somewhat uneven in terms of the prioritization of sources with the strongest potential and commercial feasibility, and in terms of the design of projects in ways that would generate reliable information on economic and technical feasibility.

In the absence of a concrete national climate change plan, none of the project designs is able to adequately take into account the central challenge that South Africa will not be able to tackle poverty effectively without an inevitable increase in energy generation and increased access to economic benefits. The maximizing of global benefits and national needs and priorities do not clearly align with each other.

International Waters

GEF support has made a relevant contribution to addressing South Africa's most significant challenges in the marine environment: fishery impacts and management, pollution (land based and offshore), mining (coastal and offshore), impacts of coastal developments, and climate change. Furthermore, the investment has enabled South Africa to strengthen partnerships with its neighbors in transboundary marine resource management, specifically in the area of marine research.

Conclusion 7: The GEF portfolio at a country level is relevant to South Africa's draft sustainable development framework and the South Africa GEF medium-term priority framework in the broadest sense, but the balance of support to different focal areas raises questions.

There is no clear basis for determining the relevance of GEF support to South Africa's sustainable development agenda, needs, and priorities at the country level. For the period under review, South Africa did not have an agreed sustainable development strategy or a concrete program guiding its interaction with the GEF. The South Africa-GEF medium-term priority framework (MTPF) for 2001–03 did not prioritize among or within focal areas, but outlined a broad set of priority issues in each of them. Once the GEF framework was established, it was used to test whether projects were aligned with the broad set of priorities identified for all focal areas, but the composition of the overall portfolio does not appear to have been the result of deliberate strategy.

Furthermore, gaps exist both within focal areas and across the GEF portfolio as a whole, as outlined in conclusions 3 and 4 above on results; these gaps appear to result partly from the structure of the GEF framework itself and partly from the lack of a proactive promotion of projects in these areas from South Africa. The significant concentration of projects in biodiversity does not appear to be based on a clear decision to concentrate on this focal area in terms of the portfolio as a whole and accessing of GEF support. However, it does reflect the GEF global strategy, in which the

biodiversity focal area is usually about 40 percent of total allocations.

In terms of South Africa's sustainable development agenda, a number of the project documents mentioned the need to create jobs or contribute to livelihoods. This is often noted as an added bonus rather than as recognition of the absolute interdependence in South Africa of a specific set of social, economic, and environmental factors, although this has improved in the design of recent biodiversity projects. Insufficient attention appears to be given to the imperatives for social and economic development in the contextual analyses and design of most of the projects. Designs do not adequately recognize the fact that environmental sustainability is closely tied to how successfully South Africa addresses poverty and inequality, on the one hand, and overconsumption, on the other; nor do they recognize that the zero-growth scenario relevant in developed countries is not relevant in South Africa.

There has been limited focus on improving efficiency of resource use; yet this is clearly necessary if South Africa is to achieve the needed social and economic development objectives without pursuing the current unsustainable resource- and waste-intensive path, although this is changing in recent projects.

The potential impact of the portfolio is probably less likely to exist in the actual delivery of measurable results in GHG emissions reduced or hectares of biodiversity secured. More important will be supporting and assisting South Africa in addressing the challenges of sustainable development through projects with the potential for significantly strengthening institutional or systemic capacity; replication; catalysis of further action and change; or developing, sharing, or transferring important technical experience and knowledge. The current portfolio and project design suggest that design could be more relevant in terms of South Africa's needs and context.

The SGP has significant potential for identifying opportunities for catalytic and replication effects in terms of promoting sustainable livelihoods and generating environmental benefits. However, it has had serious implementation problems up to the global level related to inadequate support and unfilled management vacancies, has received limited resource allocation, and has completed few projects.

Conclusion 8: Country ownership of the GEF portfolio varies from focal area to focal area, but overall ownership of the portfolio needs strengthening.

Country ownership is understood in a variety of ways:

- **Who developed projects, and were they signed off by the relevant person?** The evaluation concludes that South Africans developed the vast majority of projects.
- **The national executing agency has the required capacity to manage the project.** Although initially weak, its capacity has improved, but is still somewhat uneven.
- **The agency with the public mandate is committed to sustaining it.** This has been uneven.
- **The project is embedded in medium-term plans and budgets relevant to the associated focal areas and global convention, and commitment to ensure the required capacity and enabling environment will be established.** Necessary for sustainability, this has been achieved to a large extent in the biodiversity focal area.

The South African government has provided a significant amount of cofinancing that is higher than

average in the GEF and an indication of country ownership; it has also involved the contribution of significant amounts of time, attention, and other resources. This cofinancing, together with other resources coming from South Africa to support the GEF, makes it all the more important to ensure that the GEF portfolio is driven by a country strategy that aligns global convention requirements and South Africa's needs and priorities within a clear and concrete program.

The absence—except in the biodiversity focal area—of clear and concrete strategies and plans, ideally nested within an integrated and concrete strategy for sustainable development and outlining how South Africa will respond to the global conventions, is an obstacle to effective country ownership. Country ownership is strongest in the biodiversity focal area in which the national plans and GEF portfolio are closely aligned and national mandated agencies have executed most projects so that synergies and relevance can be entrenched as far as possible.

Conclusion 9: GEF support to South Africa is relevant to the GEF mandate, principles, and objectives in each focal area, but this varies according to focal area.

GEF support has been targeted at the areas of greatest potential global benefit in biodiversity and the South African component of the international waters focal area, which follows the GEF mandate in these two areas.

Gaps and weak areas in the portfolio may represent missed opportunities to achieve benefits, such as land degradation, the SGP, and POPs. In terms of the latter, it will only be possible to identify how significant the problem in South Africa is once the NIP and associated inventory have been completed. Many DEAT officials interviewed regard the small allocation and fixed programmatic approach to land degradation, in particular through TerrAfrica, as a barrier to maximizing global benefits linked with action to halt desertification and land degradation.

The allocation of resources within the climate change focal area has probably meant that potential global benefits have not been maximized. Although the wind, solar, and transport projects are clearly relevant, the targeting and design of a few projects have not been optimal, and gaps exist in the portfolio. For example, energy efficiency benefits in GHG emission reduction could have been achieved relatively cost-effectively (although the standards and labeling project will improve this if it is approved). A significant proportion of GEF funding is in solar energy, assessed in these projects to be the strongest renewable option in South Africa; because it is off-grid, solar energy is no longer relevant to GEF-4 strategic programs as these explicitly exclude off-grid solar energy projects.

Efficiency

Conclusion 10: The GEF is seen as overly complicated and inefficient in ways that negatively affect the extent to which the portfolio is country driven.

The South Africa CPE confirms the findings of previous evaluations conducted by the Evaluation Office. Stakeholders consider the GEF processes and procedures overly complicated and inefficient. A key frustration expressed by project proponents and implementers is that they often must comply with the provisions of three separate entities (those of the national agency, the GEF Agency, and the GEF itself), resulting in significant transaction costs but adding limited value to the process and results.

Long time delays in project processes often erode the energy and interest mobilized during project design. Such energy and interest are often harder to regenerate later and negatively affect the extent to which the eventual project is driven by the country or by contracted consultants. The average time taken between GEF pipeline entry and start-up is, respectively, 3.7 and 1.8 years for full-size and medium-size projects (FSPs and MSPs). This is longer than in Costa Rica and the Philippines. All but two MSPs required extensions of about two years (extending the projects to more than three years), which may indicate that projects set unrealistic end dates. This may in turn negatively affect the extent to which they are institutionalized, potentially limiting sustainability.

Although the national executing agencies are drivers of the projects, it is the GEF Agencies that ultimately translate the projects into "GEF-able" proposals. In the process, country ownership and needs may be modified in translation. This is largely inevitable, unless the GEF systems are changed to integrate clearer, more stable, and transparent requirements that are standardized across GEF Agencies and unless wider local capacity is built to do effective project design.

Another important issue regarding efficiency is that the roles of the GEF Agencies and the national focal points (the GEF political and operational focal points, as well as those from the global conventions) are generally unclear to stakeholders and indicate the need for improved specification and communication. The lack of clarity of roles and responsibilities of the GEF Agencies is also reflected in the fact that national executing agencies, the local SGP, and the focal point do not know what they should expect from the 10 percent agency fee received from the GEF Council (based on project grant approval).

Conclusion 11: The focal point mechanism should have played a more effective role in providing strategic guidance and information and in facilitating learning and synergies.

The work of the focal point mechanism has been hampered by the absence of clear focal area strategies and plans for South Africa's response to the global conventions, except for biodiversity, as well as absence of a concrete national strategy for sustainable development. Although the MTPF approved by the South African cabinet provided a clearer outline of the issues and their alignment with the concerns of the relevant conventions, it did not establish an agreed program and framework of priorities. This has affected the relevance of the portfolio and prospects for replicating and sustaining interventions.

A staff shortage contributed to limiting the focal point's ability to ensure strategic coherence and effective stakeholder access to decision making. A recent increase in staffing, a newsletter, and other initiatives are intended to improve this.

The focal point itself and many stakeholders interviewed indicated that the role of sharing information and disseminating learning had been a particularly weak area. A significant contributing factor is that projects and GEF Agencies have not routinely included the focal point in the monitoring and evaluation of projects or circulation of narrative and financial reports and evaluations. This has improved, and reports are now circulated to the focal point.

DEAT and UNDP initiated a process to develop a comprehensive, long-term, country-driven programmatic approach to the GEF portfolio, but this was suspended with institution of the RAF.

1.3 Recommendations

Recommendations to the GEF Council

Recommendation 1: GEF strategies and programs should recognize and respond to existing integrated regional and national analyses and strategies for meeting the requirements of the conventions, and/or support their development where relevant.

National and regional plan links to the requirements of the global conventions provide a potentially strong foundation for shaping GEF strategies and resource allocations. In addition, these plans are most likely to secure optimal global environmental benefits while ensuring that programs are relevant to national and regional contexts.

The positive experience with international waters projects provides valuable lessons and indicates how important a regional approach is to tackling many environmental issues successfully. Considerable experience from working in a regional context has been established, and many regions have developed environmental regional agreements. Regional allocations could be made on the basis of regional analyses and strategies, thus avoiding the potential negative effect of the current country focus of the RAF.

Based on the specific case of South Africa, the framework and allocation of GEF support should be reviewed to maximize global benefits and optimize relevance to the country context in terms of

- increased support to land degradation through flexible mechanisms that do not involve grants blended with loans and can be tailored to country contexts and needs;
- inclusion of support for off-grid renewable energy in the climate change focal area;
- increased support for adaptation;
- increased focus in biodiversity on the key challenges of sustainable use and sustaining ecosystem services and benefits in the context of sustainable land management (addressing land degradation and rehabilitation of ecosystems);
- budget allocations for SGP management and operations that take into account the country context and the specific nature of the program: the need for increased allowance for travel and meetings to provide the support required by community projects, as well as facilitate a representative civil society board that may be geographically dispersed.

Recommendation 2: Improve the basis for monitoring and evaluating GEF support.

The objectives in each focal area should form a clearer chain of results in terms of global, regional, and country benefits, as well as the overall purpose of the GEF. The GEF Secretariat should facilitate improved reporting and basic recordkeeping for the country portfolio. Implementation of enabling activities should on completion be monitored and evaluated to provide an opportunity for comment and peer review by independent specialists based on the requirements and guidelines provided by the global conventions. Countries should be involved in selecting the independent specialists and have discretion to apply or not apply the evaluation recommendations, as is the case with any external evaluation. Improved alignment should exist among conventions, frameworks, and priorities emerging from conference of parties' decisions and the GEF framework and strategies to enable a more coherent country and regional response and an improved basis for aggregation and assessment of results.

Recommendation 3: Establish a basis for more flexible country-based portfolio management to strengthen country ownership, accountability, sustainability, relevance, and efficiency.

Recommended elements are to

- recognize the capacity of countries to manage their own portfolios and give as much responsibility to focal point mechanisms as possible;
- enable greater discretion for within-country allocations, when an overall agreed country strategy exists;
- find ways to reduce transaction costs for the recipients such as
  - adoption of country-based governance, accountability, financial management and procurement systems, formats, and requirements when these meet required standards and enable the GEF Agencies to meet their own responsibilities as such (the experience of UNDP with national implementation could be an example),
  - standardize, simplify, and stabilize requirements, formats, and procedures, so recipients can become familiar with one basic interface.

Recommendation 4: Specify and communicate GEF Agency roles and responsibilities.

The roles and responsibilities of the GEF Agencies should be clarified, in particular, to indicate what level of support should be expected for project development and implementation and in terms of the deliverables from the agency fee. One area of particular interest to national GEF stakeholders in South Africa is that the GEF Agencies should be required to report on project progress to the focal point. In the case of the SGP, UNDP should establish and communicate minimum requirements for the management of this program.

Recommendations to the South African Government

Recommendation 5: Establish a strategic basis for directing the portfolio and for the selection, design, and implementation of GEF projects and monitoring and evaluating of what is achieved.

Issues to be considered include the following:

- Ensure that the strategies, plans, and budgets to achieve the requirements of the global conventions are completed and contextualized within South Africa's sustainable development framework.
- Use the NCSA enabling activity to identify capacity required to implement the strategy and plans for meeting the requirements of each convention and to establish plans and budgets to act on the priority capacity needs identified.
- Have the plans related to the conventions and the NCSA form the foundation for strategic decisions on what, if anything, GEF support should be used for across and within focal areas.
- Have regular reports on progress in achieving the strategies and plans related to each convention that identify the contribution of the GEF portfolio (if any) to the achievement of targets and objectives, contextualizing the results in relation to the conventions and avoiding duplication in reporting.

Recommendation 6: Take decisive action to strengthen the SGP.

As found in the GEF Evaluation Office evaluation of the global SGP (GEF EO 2008b), this program can potentially strengthen the capacity of civil society to make an important contribution to generating global environmental benefits in South Africa. In particular, the SGP and civil society could pioneer integrated community-driven

approaches, but civil society needs support to take this role on effectively. The focal point should work with UNDP to identify what kind of enabling environment the SGP and its stakeholders would require to play this role effectively and how best to establish this. The focal point should also ensure that UNDP provides adequate administration and support for the SGP.

Recommendation 7: Strengthen the focal point mechanism.

Approaches to consider include the following:

- The focal point mechanism should involve the global convention focal points more formally and specifically in shaping the GEF portfolio in each focal area and selecting GEF projects. Convention focal points should facilitate project selection based on strategies and plans related to each convention.
- To improve the effectiveness and efficiency of the GEF, the focal point should establish effective accountability, reporting, and communication channels among the focal points (political, operational, and convention, as relevant), GEF Agencies, and South African treasury.
- The monitoring and reporting system should be based on the expected results of the integrated strategy for GEF support and proactively identify opportunities for sharing experience and learning or establishing synergy among national projects or with regional and global projects.
- Current communication initiatives to ensure easily accessed information on and widespread understanding of the GEF mechanism and the country frameworks guiding South Africa's response should be finalized as soon as possible and cover how the focal point and selection process work and can be accessed; the current portfolio, status of projects, and key emerging learning; and the project cycle, decision making, and reporting.

Recommendation 8: Improve the sustainability of the gains made through GEF support.

Where GEF support is focused on scaling up activities to secure benefits (and not intended to be purely catalytic), South Africa should ensure that plans exist to embed capacity within mandated institutions to sustain the gains made. However, when GEF support is meant as a catalytic or pilot intervention, it is important to ensure that project development and research design and a strong monitoring and evaluation framework adequately enable learning. Attention should be given to ensure that all decisions on the portfolio, the spread of projects in focal areas, and project design and evaluation frameworks adequately take into account all dimensions of sustainability, including social and economic.

Notes

1. The energy efficiency project, initiated in 2004, was removed with other pipelined projects at the end of GEF-3 and has not yet been registered on the official GEF Web page for South Africa within the RAF-allocated projects, although it seems to be in the pipeline for the second part of the RAF (after July 2008).
2. These documents include white papers on energy policy, renewable energy, and an Energy Efficiency Strategy (DME 1998, 2003, 2005); the INC (DEAT 2003a); and the National Climate Change Response Strategy (DEAT 2004a).

2. Evaluation Framework

This chapter presents the background information, objectives, and methodology related to and used in the GEF country portfolio evaluations.

2.1 Background on GEF CPEs

The GEF Council requested that the GEF Evaluation Office conduct evaluations of the GEF portfolio at the country level—that is, GEF country portfolio evaluations. The overall purpose is twofold:

- To evaluate how GEF-supported activities fit into national strategies and priorities, as well as within the global environmental mandate of the GEF
- To provide the Council with additional information on the results of GEF-supported activities and how these activities are implemented

Countries are selected for portfolio evaluation from among 160 GEF-eligible countries, based on a stratified randomized selection and a set of strategic criteria. So far the Evaluation Office has conducted three CPEs: Costa Rica (pilot case in 2006), the Philippines, and Samoa (both in 2007). In 2007, the Evaluation Office began four CPEs in Africa: Benin, Cameroon, Madagascar, and South Africa. The findings and recommendations from these four CPEs were synthesized in a single report and presented to the Council at its April 2008 meeting (GEF EO 2008a). The synthesis report allowed the Office to assess and report on experiences and common issues across different types of countries. South Africa was selected, among several considerations, because of the country's historically large and diverse portfolio, which includes 11 completed projects with potentially important results, and the government-developed MTPF for GEF support. South Africa will also receive a large allocation under the RAF, based on the country's important global biodiversity and dependence on fossil fuels.

2.2 Objectives of the South Africa Evaluation

Based on the overall purpose of the CPEs, the evaluation for South Africa has the following specific objectives (annex A presents the terms of reference for the South Africa CPE):

- Independently evaluate the **relevance and efficiency** of GEF support in the country from several points of view: national environmental frameworks and decision-making processes; the GEF mandate and achievement of global environmental benefits; and GEF policies and procedures
- Assess the **effectiveness and results** of completed and ongoing projects in each relevant focal area
- Provide **feedback and knowledge sharing** to (1) the GEF Council in its decision-making

process on allocating resources and developing policies and strategies, (2) the country on its participation in the GEF, and (3) the different agencies and organizations involved in preparation and implementation of GEF support

The CPE will also be used to provide information and evidence to other evaluations conducted by the GEF Evaluation Office, specifically the midterm review of the RAF.[1] The CPE will address the performance of the GEF portfolio, in terms of relevance, efficiency, and effectiveness, and the contributing factors to this performance. The CPEs do not have an objective of evaluating or rating the performance of the GEF Agencies, partners, or national governments. The evaluation will analyze the performance of individual projects as part of the overall GEF portfolio, but without rating such projects.

Key Evaluation Questions

Chapters 5, 6, and 7 deal with the three main areas of the evaluation—respectively, the results and effectiveness, relevance, and efficiency of GEF support. Each chapter begins by listing certain key questions that guided the CPE. An evaluation matrix (see annex B) supports each question. The matrix contains a tentative list of indicators or basic data, potential sources of information, and methodology components; the evaluation team developed it further during the evaluation process. As a basis, the evaluation used the indicators in GEF project documents, as well as indicators of each of the focal areas and the RAF and any appropriate national sustainable development and environmental indicators. Weaknesses in monitoring and evaluation at the project and GEF program levels have been an issue in past evaluations and posed challenges to the assessment. Not all the information is quantitative.

Scope of the Evaluation

The main focus of the evaluation is projects implemented within the boundaries of South Africa, that is, **national projects**. The national components of the global programs—the SGP and Critical Ecosystems Partnership Fund (CEPF)—although themselves representing a portfolio of projects, have been treated as single projects with subcomponents. (Chapter 4 outlines the national portfolio and the projects considered in the report.) The GEF has provided about $81.27 million for 26 national projects, including the 36 SGP projects, from 1994 to February 2008.

In addition, the evaluation reviewed **four regional projects and one global project** in which South Africa participates, selected because they are part of the international waters program (this focal area has no national projects) and are completed or near completion. South Africa has participated in about 22 regional and 7 global projects in all. (Chapter 4 also outlines GEF support to the regional and global projects in which South Africa participates.) A full assessment of their aggregate relevance, results, and efficiency was beyond the scope of this CPE.

Proposals under preparation—for example, in pipelines—are not explicitly part of the evaluation, although those that have received approval by the GEF Chief Executive Officer (CEO) and for which the GEF has made a financial commitment within the RAF are listed and discussed, as appropriate. These include support to a global biodiversity project, one project preparation grant (PPG), and one project development facility (PDF) block A.

The GEF portfolio assessed in this evaluation is therefore the aggregate of the national projects plus the five selected international waters regional/global projects.

The stage of the project has determined the focus, as shown in table A.3.

The context in which the projects were developed and approved and are being implemented constitutes a focus of the evaluation. Chapter 3 highlights and annex I provides overviews of the three main contextual areas.[2]

- **Potential for securing global environmental benefits in each focal area.** This situational analysis provides a basis for assessing whether the maximum potential national and global benefits have been secured.
- **Relevant national policy, legislative, strategy, planning, and institutional frameworks.** This provides a basis for assessing the relevance of the portfolio to national frameworks and priorities.
- **GEF policies, principles, programs, and strategies.** These are in preparation for assessing the relevance of the portfolio to the GEF.

The evaluation is not intended to comprehensively cover the country's response to the different global conventions, because this response goes beyond the GEF. This evaluation only considers GEF support, whereas the country will usually have a wider set of responses to the conventions that do not include the GEF.

2.3 Methodology

The South African CPE was conducted between October 2007 and March 2008 by staff of the GEF Evaluation Office and two consultants based in South Africa; they made up the evaluation team, and were led by a task manager from the GEF Evaluation Office. The methodology included a series of components using a combination of qualitative and quantitative methods and tools. The qualitative aspects of the evaluation are based on the following sources of information:

- **At the project level**, project documents, project implementation reports, terminal evaluations or closure reports, and reports from monitoring visits
- **At the country level**, documents relevant to the broad national sustainable development and environmental agenda, priorities, and strategies; specific policy, strategies, and action plans relevant to focal areas; GEF-supported strategies and action plans relevant to the global conventions; and national environmental indicators
- **At the GEF Agency level**, country assistance strategies and frameworks and their evaluations and reviews, specifically from the World Bank and UNDP
- Evaluative evidence **at the country level** from GEF Evaluation Office evaluations, such as the Joint Evaluation of the GEF Activity Cycle and Modalities, the overall performance studies, or from national evaluations
- **Statistics and scientific sources**, especially for national environmental indicators
- **Interviews with GEF stakeholders,** including DEAT as the focal point, other relevant government departments, national executing agencies (including SANBI, SANParks, and the CEPF); nongovernmental organizations (NGOs), both local and international with a presence in South Africa; presently active GEF Agencies; and the SGP (annex C lists those interviewed)
- A limited number of **field visits** to project sites, including limited interviews with GEF beneficiaries at the community level where possible (annex D lists these field visits)

- Information from the **national consultation workshop** held to enable comment and discussion on the draft report before it was finalized, as well as written comments

The quantitative analysis used indicators to assess the efficiency of GEF support using projects as the unit of analysis (that is, time and cost of preparing and implementing projects and so on). The evaluation team used standardized tools and protocols for the CPEs and adapted these to the South African context. These tools included

- a project matrix outlining the information relevant to the evaluation and expected sources (see annex B);
- two project review protocols (see annex J) to conduct the desk and field reviews of GEF national and regional projects;
- an interview guide for interviews with different stakeholders.

Projects were selected for visits based on whether they had been completed and on their geographic clustering (which made a visit to a number of projects in a particular geographic area within limited time frames a possibility).

The process and outputs of the evaluation are outlined in the terms of reference for the evaluation (see annex A). The three main phases of the evaluation were to

- conduct the evaluation, including at least one visit by GEF Evaluation Office representatives;
- visit the GEF Evaluation Office to present a draft report at a consultation workshop with major stakeholders (held March 5, 2008 (annex E lists the participants);
- prepare a final report incorporating any comments, which was then presented to the GEF Council and the recipient government.

2.4 Limitations of the Evaluation

Country portfolio evaluations are challenging, as the GEF does not operate by establishing country programs that specify expected achievements through programmatic objectives, indicators, and targets. In general, CPEs entail some degree of retrofitting of frameworks to be able to judge the relevance of the aggregated results of a diverse portfolio of projects. South Africa did develop the MTPF, a broad framework to guide the GEF portfolio between 2001 and 2003 that was also applied beyond that year. Although the MTPF provided a useful outline of issues and needs in each focal area, it did not provide a prioritized framework across or within the focal areas or a clear statement of expected results of the portfolio as a whole or in each focal area. Nevertheless, it served as a basic frame for the evaluation and was used, along with the other relevant policy, strategy, and planning frameworks outlined in chapter 3 and presented in more detail in annex I, as a basis for assessing the results and relevance of the portfolio to South Africa's context.

It is generally accepted in the evaluation field that the value of the process and the outcome of evaluations directly depend on the extent to which key stakeholders believe that the evaluation is necessary and will be useful. These dimensions are usually explored in an analysis of "evaluability." When initially approached by the GEF Evaluation Office, the GEF focal point indicated that "evaluation fatigue" exists in South Africa. Indeed, several evaluations that involve GEF support are now ongoing in South Africa, conducted by different organizations (post-completion evaluation of the Cape Peninsula Trust Fund by the World Bank, evaluation of the United Nations Development Framework by evaluation offices of UN agencies, and an assessment of the Paris Declaration by UN agencies). Coordination among these evaluations

has not been as successful as anticipated, as they occurred at different times with different deadlines. It is hoped that this will not negatively affect the value and use of the findings and recommendations for South Africa.

Attribution is another area of complexity. GEF support within any area is one contribution among others and provided through partnerships with many institutions. The CPE does not attempt to attribute development or even environmental results directly to the GEF, but assesses the contribution of GEF support to overall achievements.

The assessment of results is focused, where possible, at the level of outcomes and impacts rather than outputs. Project-level results are measured against the overall expected impact and outcomes from each project. Expected impacts at the focal area level are assessed in the context of GEF objectives and indicators of global environmental benefits. Outcomes at the focal area level are primarily assessed in relation to catalytic and replication effects, institutional sustainability and capacity building, and awareness (see annexes B and K). This report provides information compiled primarily from project documents, reports, and evaluations, supplemented by interviews and a limited number of field visits.

Evaluating the impacts of GEF-funded initiatives is not straightforward (in fact, this is a notoriously complex area for all projects, environmental or otherwise). Many projects do not clearly or appropriately specify the expected impact and sometimes even the outcomes of projects. Often the type of information provided by project reports and terminal evaluations is limited to outcomes or even just outputs and does not contain an evaluation of impacts. The project documents do not always provide clear, consistent formulations of objectives, indicators, and targets or baselines from which progress can be assessed. The absence of information on project impacts is also attributed to the time frames of evaluation cycles; evaluations are usually conducted before measurable impacts can be expected. As this evaluation was restricted to secondary sources, it did not have scope for conducting primary research to supplement project reports or identify impact and outcomes. The evaluation team depended on documentation supplied by the GEF Agencies that was not always complete and relied on project reports that were sometimes relatively dated, given that the reporting cycle is at best annual. Also, the evaluation team did not have access to a complete set of terminal evaluations for even completed projects (fewer than half of all the projects), because some of the terminal evaluations are under preparation or are not required by GEF procedures (such as for completed enabling activities). Nevertheless, many projects provided some information that was relevant to impacts or outcomes or indicative of the potential for future impact or outcomes.

Results reported come from various sources: some have been established through external evaluation and others are drawn from internal project reports and interviews. As the focus of the evaluation is at the portfolio level and there are 26 national projects, some of which are large composite projects, this evaluation has not been able to do full justice to the achievements of individual projects. However, annex K summarizes the latest available information comparing expected and actual impacts and outcomes on a project-by-project basis. It has also not been possible or useful to enumerate all results of all projects. In the process of selection, an attempt has been made to highlight those that have the greatest value in illuminating the achievements of the portfolio or overall impact and outcomes in the focal areas.

The evaluation team has struggled to establish a clear, reliable set of data on projects and project

documentation. The available data, including the list of projects in the GEF portfolio, contained inconsistencies, gaps, and discrepancies. A full set of documents for a few projects was not available, and the information in the documents was not always consistent. For example, start and completion dates for projects, as well as formulations of objectives, varied from document to document or even within documents, and between documents and the GEF database. Documents were often not dated, and ensuring use of the most up-to-date version was difficult.

The evaluation was conducted in a very tight time frame in order to be ready for the GEF Council meeting and during a period that included a summer break and annual strategy and budget review processes in South Africa, as well as other commitments that affected the availability of many key stakeholders. In any event, it was not possible to conduct a comprehensive set of interviews with all the relevant government departments or key stakeholders.

Notes

1. Given the early stage of implementation of the RAF and following the approval of the terms of reference for its midterm review by the GEF Council in November 2007, it is expected that questions will be focused on the design and early implementation of the RAF.

2. Annexes A through H are presented in this document; annexes I through M are available in an electronic version only.

3. Context of the Evaluation

Relevance is one of the three key dimensions of the GEF portfolio assessed in this evaluation. The first section of this chapter provides the general context of the evaluation. The second summarizes annex I, a contextual analysis assessing the current state of the environment in each GEF focal area. This analysis formed the basis for review of the relevance of the South African GEF portfolio—that is, the extent to which the portfolio is relevant to the context and to maximizing potential global benefits. The third section summarizes a review conducted of South Africa's policy, legislative, strategy, and planning frameworks as a basis for assessing the relevance of the GEF portfolio to South Africa's environmental priorities in general and as reflected in the frameworks in each focal area. A more systematic analysis is included as annex I. The fourth section briefly discusses the GEF South African focal point mechanism.

3.1 General Description

South Africa is a middle-income country with a per capita gross domestic product (GDP) of about 35,970 South African rands (R) or $5,321 and an overall GDP of R 1,725.828 billion or $255.3 billion in 2006 and a population estimated at about 47 million (South Africa 2007b).[1] Table 3.1 presents a general profile of the country. Any attempt to characterize the country must be supplemented by a detailed understanding of the large disparities in access to secure and stable livelihoods, land, jobs, and other resources and in the distribution of population, wealth, skills, and opportunities.

Table 3.1

General Profile for South Africa

Indicator	Value
Surface area	1.2 million square kilometers
Population growth rate	0.9% (2005 estimate)
Distribution by race	• Black, 79.4% • Mixed race, 8.8% • Indian-Asian, 2.5% • White, 9.3%
Distribution by gender	• Male, 49.2% • Female, 50.8%
Population distribution by province	• Eastern Cape, 15.0% • Free State, 6.3% • Gauteng, 19.2% • KwaZulu-Natal, 20.6% • Limpopo, 12.0% • Mpumalanga, 6.9% • Northern Cape, 1.9% • North West, 8.2% • Western Cape, 9.9%
Major sectors, 2004 (percent of GDP)	• Finance, real estate, and services (20%) • Wholesale, retail, hotels, and restaurants (14%) • Transport and communications (10%) • Manufacturing (20%) • Mining (7%) • Agriculture (3%)
Social grants	3.2% of GDP (distributed to 12 million people)

Source: EU–South Africa 2006.

This context is essential to any understanding of the nature, scale, and scope of the challenges of sustainable development in South Africa. This section provides an overview of this context and then describes opportunities and challenges for the environment and South Africa's key role in regional initiatives.

By the end of the apartheid era, South Africa had an economy in crisis and one of the highest levels of inequality in the world. The persistence of this legacy is evident in South Africa's ranking as 116th most unequal, in terms of the Gini coefficient, of 126 countries for which data were available in UNDP's 2006 *Human Development Report* (Winkler and Marquard 2007). South Africa also rates relatively low in terms of the UNDP's Human Development Index (UNDP 2007b)—121st of 177 countries—and the Gender Development Index; in terms of GDP per capita, South Africa ranks 56th.

Since 1994 economic growth has been positive: expenditure on social grants in the 2005–06 budget year amounted to R 55 billion (EU–South Africa 2006), and significant gains have been made in redressing the legacy of South Africa's apartheid past.[2] Table 3.2 indicates the gains made, but also the scale of the challenge entailed by the continuing

Table 3.2

Changes in Key Indicators

Indicator	Value, 1990s/early 2000s	Value, mid-2000s
Population size	40.5 million (1996)	48.5 million (2007)
School attendance by population aged 5–24	63% (1996)	74% (2007)
Adult literacy rate	69.6%, males; 67.2%, females (1995)	74.2%, males; 72.1%, females (2005)
Population with no schooling	19% (1996)	10% (2007)
GDP growth	3.2% (1994)	5.0% (2006)
Per capita GDP growth	1.1% (1994)	3.6% (2006)
Unemployment[a]	29.4%; 40.6% (2001)	25.5%; 37.3% (2006)
Per capita income: poorest 10% (% total income)	R 534 (0.6%) (1993)	R 734 (0.6%) (2006)
Per capita income: richest 10% (% total income)	R 48,412 (54.8%) (1993)	R 70,114 (55.9%) (2006)
Gini coefficient	0.672 (1993)	0.685 (2006)
Population living below R 3,000 per year	50.1% (1993)	43.2% (2006)
Life expectancy (and for females)	54.6 years (2001)	50, males; 48.4, females (2007)
Households in formal dwellings	64.4% (1996)	70.5% (2007)
Households with access to flush toilets	49.1% (1996)	55.1% (2007)
Electricity for lighting	lighting: 58%; cooking: 47%; heating: 45% (1996)	lighting: 80%; cooking: 67%; heating: 59% (2007)
HIV prevalence in antenatal surveys	7.6% (1994)	30.2% (2005)
Malaria cases	4,693 (1991)	12,322 (2006)
Motor vehicles registered	4.9 million (1994)	6.5 million (2004), 25% increase; 6.9 million (2005), 29% increase
Economic contribution of tourism	31.3% (2000)	55.8% (2005)
Surface area protected for biodiversity	5.9% (1994–95)	6.2% (2003)

Sources: South Africa 2007a and 2007e.

a. The first value is the number of people seeking employment who could not find any work in the previous two weeks (narrow definition); the second value includes people who have been discouraged from seeking employment (broad definition).

sharp disparities along racial and gender lines that are still strongly evident and must be factored into any sustainable development agenda.

Opportunities and Challenges for the Environment

Historically, the imperatives for social and economic development were often seen to be in opposition to concerns regarding the state of the environment. The demand for access to land, resources, and services for South Africa's majority were often characterized as "threats" to environmental conservation, whereas concern for the environment was often perceived by the majority as a preoccupation of a white elite involved in conservation for conservation's sake. Although both of these positions continue to have some support, South Africa's current policy reflects a commitment to and understanding of sustainable development that emphasizes all three dimensions: social, economic, and environmental. Table 3.3 presents an environmental snapshot of South Africa drawn from DEAT (2006b), which presents an integrated picture of the state of the environment and environmental sustainability trends through a range of indicators.

South Africa, SADC, and NEPAD

South Africa plays a key role in regional initiatives aligned with the objectives of the international conventions through the Southern African Development Community (SADC), the New Partnership for African Development (NEPAD), and the African Union, such as the Southern African Botanical Diversity Network, State of the Environment Reporting Programme, and the SADC Protocol on Shared Water Course Systems.

NEPAD's stated objectives are to accelerate growth and sustainable development, eradicate widespread and severe poverty, and halt the marginalization of Africa in the globalization process. Its principles include sustainable use of natural resources and the environment. NEPAD includes a strategy for sustainable environmental management and highlights biodiversity, desertification, and climate change as key issues in its environmental initiative plan (DEAT-UNDP 2004).

Regional initiatives highlighted in DEAT's strategic framework for sustainable development (SFSD) include the following (DEAT 2006a):

- NEPAD's environment action plan, peer review mechanism, short-term action plan, and health strategy;
- Numerous SADC strategies, protocols, and plans, such as the Protocol on Wildlife Conservation and Law Enforcement, the Protocol on Fisheries, the Subregional Action Programme to Combat Desertification, the SADC Regional Indicative Strategic Development Plan, and the SADC Common Agenda;
- A host of sector- or locality-specific agreements and strategies:
  - Tripartite Interim Agreement between the Republic of Mozambique and the Republic of South Africa and the Kingdom of Swaziland for Co-operation on the Protection and Sustainable Utilisation of the Water Resources of the Incomati and Maputo Watercourses,
  - Two conventions and associated protocols on Cooperation in the Protection and Development of the Marine and Coastal Environment of the West, East, and Central African Regions,
  - African Union Maputo Declaration on Agriculture and Food Security,
  - Agriculture Strategy for the Millennium Africa Programme,
  - Regional Biodiversity Strategy and Action Plan.

Table 3.3

South Africa's Environmental Sustainability Profile: Status and Trends

Factor	Status/trends
Agricultural practices	
Food production per person	**Decreasing** since 1975, notably for maize, the major crop
Food productivity per unit land area	**Increasing**, pointing to increased fertilizer use and technology
Conservation tillage	**Increasing**, 500,000 hectares in 1975 to 1.5 million hectares in 2005
Air quality	
Air quality in general	**Decreasing**, with high sulfur dioxide and particulate matter ($PM10^{a}$) levels
Health problems attributable to air pollution	**Increasing** at an estimated 20% in the next decade
Vehicle exhaust emissions	**Increasing**, with various pollutants predicted to increase by 27% by 2007 and up to 44% by 2011 (from 2002 levels) if emission controls are not in place
Biodiversity	
Biodiversity loss	**Increasing**, almost 10% of birds and frogs and 20% of mammals threatened
Ecosystem health	**Declining** in general, with aquatic ecosystems in worst condition
Programs to rehabilitate ecosystems	**Increasing**, including budget increase for invasive alien plant clearing program from R 25 million in 1995–96 to R 442 million in 2003–04
Climate change	
GHG emissions	**Increasing**, CO_2 concentration increasing by 0.6% per year
GHG emissions from road transport	**Increasing** significantly, with a 38% increase between 1990 and 1994
GHG emissions per person	**Disproportionately high**, owing to reliance on coal and high energy intensity of the economy
Coastal development	
Uncontrolled coastal development	**Increasing**, leading to habitat change and degradation
Blue Flag beaches[b]	**Increasing**, showing a commitment to coastal management
Energy consumption and efficiency	
Energy consumption	**Increased** by 23% since 1992
Energy efficiency	**Low**, but slight improvement in recent years
Environmental governance	
Role of South Africa in international environmental governance	**Increasing**, for example, hosting the World Summit on Sustainable Development in 2002, 5th World Parks Congress in 2003, and 27th Antarctic Treaty Consultative Meeting in 2004
Access to environmental information	**Improving**, but many citizens not aware of their environmental rights
Enforcement of environmental management legislation	**Improving**, but dedicated attention still needed
Environmental data	**Improving** quality and scope, but many gaps remain
Freshwater resources	
Use of available water resources	**Increasing**, most exploitable sources tapped, and freshwater flows decreasing
Water quality	**Variable**, with overall deterioration
Health of river ecosystems	**Declining**, with effluent pollution continuing to encourage invasive alien species
Spread of alien invasive plants	**Increasing** (faster than clearing programs can clear)

(continued)

Table 3.3

South Africa's Environmental Sustainability Profile: Status and Trends (continued)

Factor	Status/trends
Land degradation	
Extent of land degradation	**Uncertain** whether increased since 1999 because of lack of data
Land use	
Availability of arable land	**Declined** in 1990s because of the expansion of settlements and other activities
Land restitution	**Increasing**, but majority of successful land claims are in the urban areas
Marine biodiversity and fish stocks	
Threats to marine biodiversity	All threats, including extractive use, pollution, and mining expected to **increase** in the next 10 years
Populations of abalone and line fish	Continuing to **decline** dramatically
Species listed as endangered or vulnerable	**Increasing**, for example, bird species affected by longline fishing
Sardine fishery	**Recovering** after near collapse in late 1960s, currently healthy
Ozone depletion	
Use of ozone-depleting substances	**Decreased** significantly since 1990
Persistent organic pollutants	
Concentrations	**Unknown** and needs to be quantified
Poverty and human development	
Human Poverty Index	**Increased** from 16.4% in 1995 to 31.7% in 2002, reflecting an increase of 1.7 million people living on less than a dollar a day
Human Development Index	**Decreased** after 1995, although increased investment in education
Renewable energy	
Use of renewable energy	**Increasing** slowly, mainly solar water heating, experimental wind farms, some landfill gas projects, and testing of wave energy
Urbanization and housing	
Urban sprawl	**Increasing**, 58% of population living in urban areas, up from 53% in 1996
Informal settlements	**Expanding** rapidly, around urban centers and periurban areas
Housing backlogs	**Increasing**, from 1.5 million units in 1994 to 3 million units in 2000
Use of natural resources	
Natural resources that support livelihoods	**Rapidly declining**, because of overexploitation, particularly in forests, grasslands, KwaZulu-Natal coastal belt, and Cape Floristic Region
Levels of abalone poaching	**Increasing** dramatically since 2000, threatening sustainability of fishery
Overall state of the environment: international indicators	
Ecological footprint per person	**Higher** than the global average; increased by 2% between 1991 and 2001
Environmental Sustainability Index	**Declining** to an overall rank of 93 of 146 countries in 2005

Source: DEAT 2006b.

a. PM10 is particulate matter 10 micrometers or under in size.

b. Blue Flag Awards is a European-based campaign that measures beach quality against strict environmental, tourist and safety standards.

South Africa's role in the region through these and other initiatives is substantial. A recent analysis by the World Bank notes that South Africa

> contributes 40 percent of Sub-Saharan Africa's GDP—its nine largest cities alone account for about 24 percent of Africa's GDP. Growth spillovers to the rest of the continent are exceptionally large by international standards: an additional percentage point of South African growth is associated with 0.5 to 0.75 percent GDP growth increases in the rest of Africa, independent of common regional shocks (World Bank and DME 2007, p. 29).

The same report notes that South Africa "accounted for 45% of the total power produced in all of Africa" (p. 29).

The UN (2007) reviews progress on the environment, indicating that subregional environmental action plans are in development and a number of senior environmental experts will be appointed who will integrate environmental issues into the development programs of the different regional economic communities. It notes

> implementation of the "climate change adaptation in Africa" research and capacity-building programme, supported by the NEPAD secretariat, and financed by the Department for International Development of the United Kingdom and the Canadian International Development Research Centre. The programme has just entered the implementation phase, with 12 projects addressing various capacity-development issues relating to climate change (UN 2007, pp. 8–9).

3.2 Status of Environmental Resources in Key GEF Focal Areas

Biodiversity

South Africa is considered the third most biologically diverse country in the world, and is one of 17 identified "megadiverse" countries. The country includes three internationally recognized biodiversity hotspots: the Cape Floristic Region, Succulent Karoo (which, along with the Horn of Africa, shared with Namibia, is one of two arid biodiversity hotspots in the world), and the Maputaland-Pondoland-Albany center of endemism (shared with Mozambique and Swaziland).[3] South Africa is the only country in the world to include one of the six floristic kingdoms of the world—the Cape Floristic Kingdom—entirely within its boundaries.

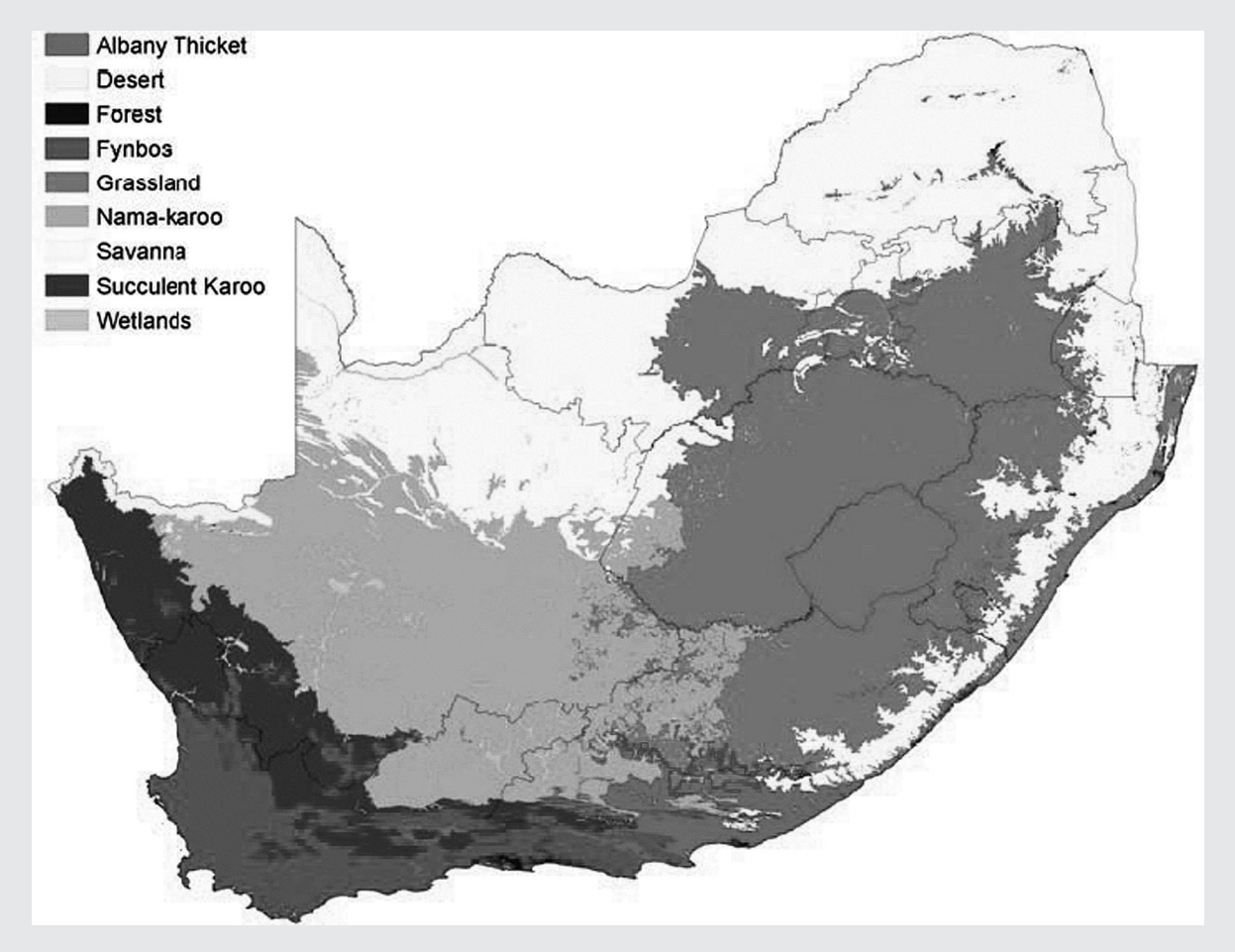
South Africa occupies only 2 percent of the world's surface area, but is home to nearly 10 percent of the world's plant species (about 24,000), about 7 percent of the world's vertebrate species, 6 percent of mammal species, 8 percent of avifaunal species, 5 percent of reptile species, and 5.5 percent of the world's known insect species. In terms of the number of endemic species of mammals, birds, reptiles, and amphibians, South Africa ranks as the fifth richest country in Africa and the 24th richest in the world. Marine biological diversity is also high; more than 11,000 species are found in South African waters (about 15 percent of marine species globally), of which more than 25 percent (or 3,496 species) are endemic (UNCBD Secretariat 2008).

Status of Ecosystems

Biomes found in South Africa are desert, fynbos, Succulent Karoo, Nama Karoo, grassland, savanna, Albany thicket, and forest (see figure 3.1). Based on an analysis of 440 ecosystem types mapped at a scale of 1:250,000, Driver and others (2005) found that 34 percent of South Africa's terrestrial ecosystems are threatened (see table 3.4). South Africa's Biodiversity Intactness Index is 80 percent, compared with 84 percent for Southern Africa.[4] The grassland, fynbos, and forest biomes have the lowest rating on this index within South Africa, underscoring the biodiversity assessment's finding that these biomes have the highest numbers of threatened ecosystems.

Figure 3.1

Biomes of South Africa, Lesotho, and Swaziland



Source: Driver and others 2004.

Table 3.4

Status of South African Ecosystems
Percent

Ecosystem	Critically endan-gered	Endan-gered	Vulner-able	Total threat-ened
Terrestrial	5	13	16	**34**
River[a]	44	27	11	**82**
Estuary groups	23	39	15	**77**
Marine biozones	12	15	38	**65**

Source: DEAT 2006b.

a. Main rivers only.

South Africa's river ecosystems are relatively worse off than terrestrial ecosystems, as South Africa is a water-scarce country and freshwater systems are heavily used. Eighty-two percent of South Africa's 120 river ecosystem types or "signatures" (classified according to a national typology) are threatened, and 44 percent are critically endangered. A national database of wetland ecosystems is currently being compiled; however, an estimated 50 percent of South Africa's wetlands have already been destroyed, while 77 percent of estuary groups are considered threatened.

South Africa's marine ecosystems straddle three oceans—the Atlantic, Indian, and Southern—including an exceptional range of habitats, from cool-water kelp forests to tropical coral reefs. Sixty-five percent of South Africa's 34 marine biozones are threatened; 12 percent are critically endangered.

Status of Biodiversity at the Taxa and Species Levels

Table 3.5 provides a summary of the overall status for the taxonomic groups.

Table 3.5

Status of Species in South Africa

Taxonomic group	Ende-mism (%)	Critically endangered	Endan-gered	Vulner-able
		Number of species		
Mammals	16	4	9	27
Birds	8	5	11	42
Amphibians	56	4	5	2
Reptiles	36	1	6	12
Freshwater fish	—	7	6	9
Marine fish	13	5	2	11
Plants	60	175	216	814

Source: DEAT 2006b.

Protection Status of Biodiversity in South Africa

Although 5.4 percent of South Africa's land surface area is currently formally conserved through national and provincial protected areas (see table 3.6), the protected area network is not adequately representative; biomes such as grasslands and Succulent Karoo are underconserved. Rivers in particular are poorly conserved and, even where they are included in a protected area, they are not adequately protected. Some coastal and marine biozones are poorly protected. Only 2 of 13 estuarine groups are considered well protected. Although 18 percent of South Africa's coastline falls within marine protected areas, these tend to be located close to the coastline; less than 1 percent of offshore biozones are protected. Marine biozones on the west coast are least protected and most threatened. Some coastal and marine species are under severe pressure because of commercial overexploitation and, in some cases, illegal harvesting. Up to 20 species of commercial and recreational marine fish are considered overexploited or collapsed.

Table 3.6

Habitat Transformation and Protection of Biomes in Formal Protected Areas in South Africa

Biome	Area (square kilometers)	Total area of country (%)	Remaining area (%)	Protected area (%)
Desert	8,548	0.7	93.4	12.5
Succulent Karoo	85,207	6.7	96.5	3.1
Fynbos	84,580	6.7	70.2	11.0
Nama Karoo	250,069	19.7	98.4	0.6
Grassland	373,984	29.5	70.8	1.9
Savanna	412,753	32.6	86.1	8.9
Albany thicket	30,256	2.4	91.9	6.3
Forest	4,730	0.4	94.7	39.6
Wetlands	16,790	1.3	92.1	4.6

Source: DEAT 2006b.

Climate Change

As the climate change projects supported by the GEF are largely focused on mitigation of GHG emissions, this section focuses on relevant status and trends, only briefly covering issues related to South Africa's vulnerability to climate change and key adaptation priorities. Annex I covers all these issues in more detail.

Status: Greenhouse Gas Emissions

The most recent inventory of greenhouse gases for South Africa (1990–94) formed the basis for the INC prepared by the DEAT for the UNFCCC.[5] That inventory found, in brief, that 1990 total GHG emissions of 347,346 gigagrams of CO_2 equivalents increased in 1994 to 379,842 gigagrams. Work is currently under way to design a process and approach for preparation of an updated GHG inventory for South Africa, whose preparation is DEAT's responsibility.

South Africa is by far the largest emitter of GHGs in Africa and one of the most carbon emission–intensive countries in the world: some seven tons of carbon dioxide per capita per year, owing to an energy-intensive economy and high dependence on coal for primary energy (DME 2004). The South African GEF MTPF gives a figure of 10 tons per capita per year.

South Africa's emissions are regarded as disproportionately high. UNDP notes that high-income countries of the Organisation for Economic Co-operation and Development are responsible for the vast majority of emissions: "with 15% of the world's population, they account for almost half of all emissions…emitting 6 times our sustainable carbon budget." However, South Africa's emissions are proportionately higher: "with 0.7% of the world's population, [South Africa] accounts for 1.5% of global emissions…If all countries in the world emited [sic] CO_2 at levels similar to SA's, we would exceed our sustainable carbon budget by approximately 340%" (UNDP 2008).

Highly Uneven Contributions from Different Social Groups

One of the most intense challenges South Africa faces is how to establish greater equality in access to services, secure livelihoods, and a decent quality of life while ensuring sustainability in terms of impact on natural resources. The dramatic inequalities in South African society are mirrored in the differential consumption patterns and impact on the environment in general. South Africa's SFSD notes that, although South Africa's overall "ecological footprint" is double the sustainable level, some sections have a footprint that is 14 times the sustainable level while the footprint of the majority is about half what is regarded as sustainable.[6] The draft SFSD notes, "It is highly unlikely that there are sufficient resources to eradicate poverty by increasing the footprint of the poor if the footprint of the rich remains so large" (DEAT 2006a, p. 20).

Sectors That Are Primary Contributors

The evaluation's contextual analysis established the following:

- Carbon dioxide is the most significant GHG for South Africa: more than 80 percent of total emissions came from the three main GHGs (CO_2, methane, and nitrous oxide) for both 1990 and 1994.
- The main source of CO_2 is the energy sector, which generated 90 percent of total CO_2 emissions in 1990 and 90 percent in 1994 (DEAT 2003a).

Energy

The total primary energy supply to South Africa increased by 9.5 percent from 1993 to 2000. In

2000, coal contributed 79 percent of the total national primary energy supply (see figure 3.2).

Sectoral Usage

The largest energy-consuming sectors were industry, including mining (47 percent), residential (16 percent), and transport (27 percent, of which 97 percent is from petroleum).[7] Although the remaining sectors accounted for less than 10 percent of final energy demand in 2000, 3.5 percent of this is in commercial and public buildings.

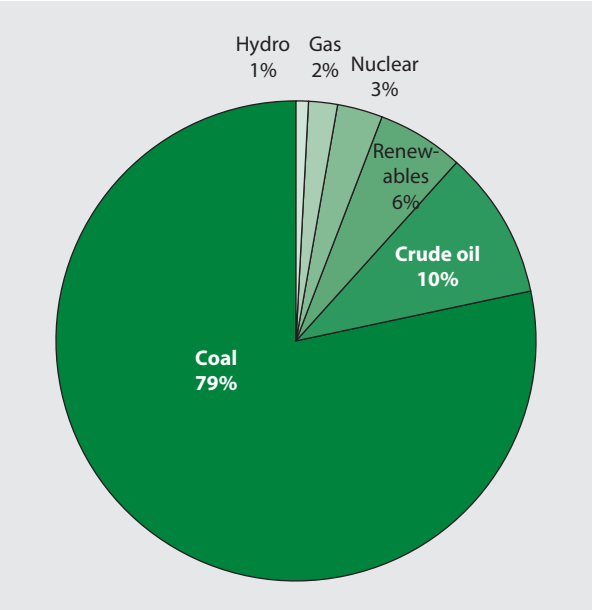
It is useful to highlight one trend here that is further elaborated and contextualized in annex I. The extension of electrical service has resulted in significant increases in electricity as a key household source of power. Household electricity use has increased more for lighting (58 percent in 1996 and 80 percent in 2007) than for cooking (from 47 percent in 1996 to 67 percent in 2007).[8] However, contrary to conventional wisdom, it would appear that the impact of extending electrification to the majority of the population since 1990 (from an estimated 30 percent in 1990 to currently an estimated 75 percent) has had relatively little effect on electricity consumption.

> The result of gaining about three million new (primarily low-income) residential customers between 1990 and 2004 only increased Eskom's sales by 4 percent, whereas growth in Eskom's industrial sales in the same period added 17 percent to energy consumption based on the 1990 total (Winkler and Marquard 2007, p. 6).

Hot water heating represents about 30 percent of all household electricity use.[9] Annex I provides a detailed analysis of the main energy-using sectors.

Figure 3.2

Primary Sources of Energy in South Africa, 2000



Source: DME 2005.

Mitigation Options

A central issue for mitigation options is that "given the challenges of development to meet basic needs, mitigation policies and measures have to be integrated with development goals" (Winkler and Marquard 2007, p. 1). The South African government's policy on renewable energy notes, "emission constraints could have a significant impact on the South African economy and trade" (DME 2003, p. 8).

The analysis of the feasibility, potential cost, practicability, and likely impact of various mitigation options is the subject of ongoing and heated debate. The following discussion is based on the work of the Energy Research Centre at the University of Cape Town, which in turn draws on a wide range of other research. The discussion also reflects some key divergent views where possible and relevant, but cannot cover the full spectrum of research-based analyses and projections.

The Energy Research Centre divides South Africa's mitigation options into three broad categories (Winkler and Marquard 2007), which annex I outlines in more detail:

- Energy efficiency (reduces demand for energy or uses it more efficiently for the same service), which can be implemented in the short term, when cost implications are well understood
- Changing the fuel mix (moving to lower or non-carbon-emitting energy sources), which would require a longer time frame linked to the lifespan of refineries and power stations
- Structural changes to the economy made in the long term, which lower the energy intensity of the economy as a whole by shifting economic activity and investment to less energy-intensive sectors or by taking other measures to reduce the need for energy services, such as changing urban planning practices to reduce transport requirements

The Energy Research Centre points out that, even if the energy efficiency–based options and options for changing the fuel mix outlined in annex I were all implemented, it "would reduce CO_2 emissions likely to occur by 143 Mt (24%), but these would still be 30% higher than the 2000 level" (Winkler and Marquard 2007, p. 19). Only significant changes to the structure of the energy system and, therefore, of the economy, will significantly change this result.

Barriers to Renewable Energy Implementation

Many commentators note that, unlike many developing countries, South Africa does not suffer from lack of technological capacity, skills and expertise, or access to finance (Winkler and Marquard 2007). Instead, the key constraints are

- low energy prices, which are probably the most fundamental constraints to more extensive renewable energy and energy efficiency programs and, although they are set to increase to fund new plant development, are predicted to remain below the marginal cost of production for a number of years, which makes development of a renewables market difficult and does not incentivize efficiency in use;
- technological capacity largely limited to specific areas of energy efficiency and renewable energy technologies;
- constraints arising from current structures of institutions and policy domains;
- lack of consumer awareness on benefits and opportunities of renewable energy;
- centralization of electricity generation, gas supplies, and liquid fuel provision;
- financial, legal, regulatory, and organizational barriers to implementation of renewable energy technologies and the development of markets;
- lack of nondiscriminatory open access to key energy infrastructure, such as the national electricity grid, certain liquid fuels, and gas infrastructure;
- market power of utilities.

Alternative energy is the subject of vigorous debate, and many of the barriers to renewable sources of energy identified are contested. A study conducted in 2005, for example, concludes that an analysis of cost data undertaken "indicates that costs of power from renewables are already less than those from conventional resources in some selected cases" (Banks and Schäffler 2005, p. 54).

Vulnerability to Climate Change

Potential changes to the South African climate in the next 50 years identified in the INC pose significant threats and include

> a warming of between 1°C and 3°C; a potential reduction of approximately 5 to 10% of current rainfall; increased daily maximum temperatures in summer and autumn in the western half of the country; increased incidents of flood and drought; and,

enhanced temperature inversions exacerbating air pollution problems" (DEAT 2003a, p. vi).

These changes are likely to affect most negatively those already made vulnerable by poverty.[10] The South African Country Studies Programme identified the health sector, maize production, plant and animal biodiversity, water resources, and rangelands as areas of highest vulnerability to climate change and proposed suitable adaptation measures to offset adverse consequences. Urban air pollution from low-level sources is also predicted to become a greater problem. See annex I for specific details on the changes predicted in each area.

Land Degradation

Both degradation and desertification are important forms of land transformation and are among South Africa's most critical environmental issues, intricately linked to food security, poverty, urbanization, climate change, and biodiversity.

As much as 91 percent of South Africa consists of dry lands, which together with the unreliability of rainfall and droughts, soil types that are vulnerable to degradation, and unsustainable land-use practices, make them susceptible to degradation and desertification. Overexploitation and unjust land policies have left large tracts (250,000 hectares is a conservative estimate in the National Action Programme to Combat Land Degradation and Alleviate Rural Poverty) of South Africa degraded, especially in the historical communal and commercial farming areas. This poses a serious threat to ecosystem functioning, biodiversity, household food security, and rural livelihoods when 42 percent of the population living in rural areas depends on livelihoods derived from the natural resource base. Global climate change threatens to worsen desertification in some parts of the country, making it even more difficult to feed a rapidly growing population (Hoffman and others 1999). Predictions of trends and impacts from climate change show South Africa to be highly vulnerable to intensified degradation and desertification. Although the importance of desertification and its potential impacts on agriculture, food security, and biodiversity and links to poverty are acknowledged, there have been no comprehensive and replicable national-scale studies of land degradation and desertification trends (DEAT 2006b).

In January 1995, South Africa signed the UN Convention to Combat Desertification (UNCCD), which it ratified on September 30, 1997. As required by the convention, the South African Cabinet developed and approved the National Action Programme to Combat Land Degradation and Alleviate Rural Poverty in 2004. The program recognizes the need to reverse land degradation, both to improve livelihoods and protect biodiversity. To inform the program, Hoffmann and others (1999) undertook a national assessment of land degradation, whose major findings are summarized below. Key to addressing land degradation is ongoing monitoring and assessment; however, the 1999 assessment is difficult to repeat for monitoring purposes. It is therefore not yet possible to develop a clear picture of national trends since 1999, and it is difficult to say with certainty whether the condition of land has improved, deteriorated, or remained the same (DEAT 2006b).

Although only about 13.5 percent of South Africa is arable, about 81 percent of the total land area of South Africa is farmed. Only 70 percent of this area is suitable for grazing. Overgrazing and erosion diminish the carrying capacity of the veld and lead to land degradation (South Africa 2004). Large areas of land are still covered by natural habitat: in 2002, 18 percent of the country's land was transformed and 82 percent was natural.

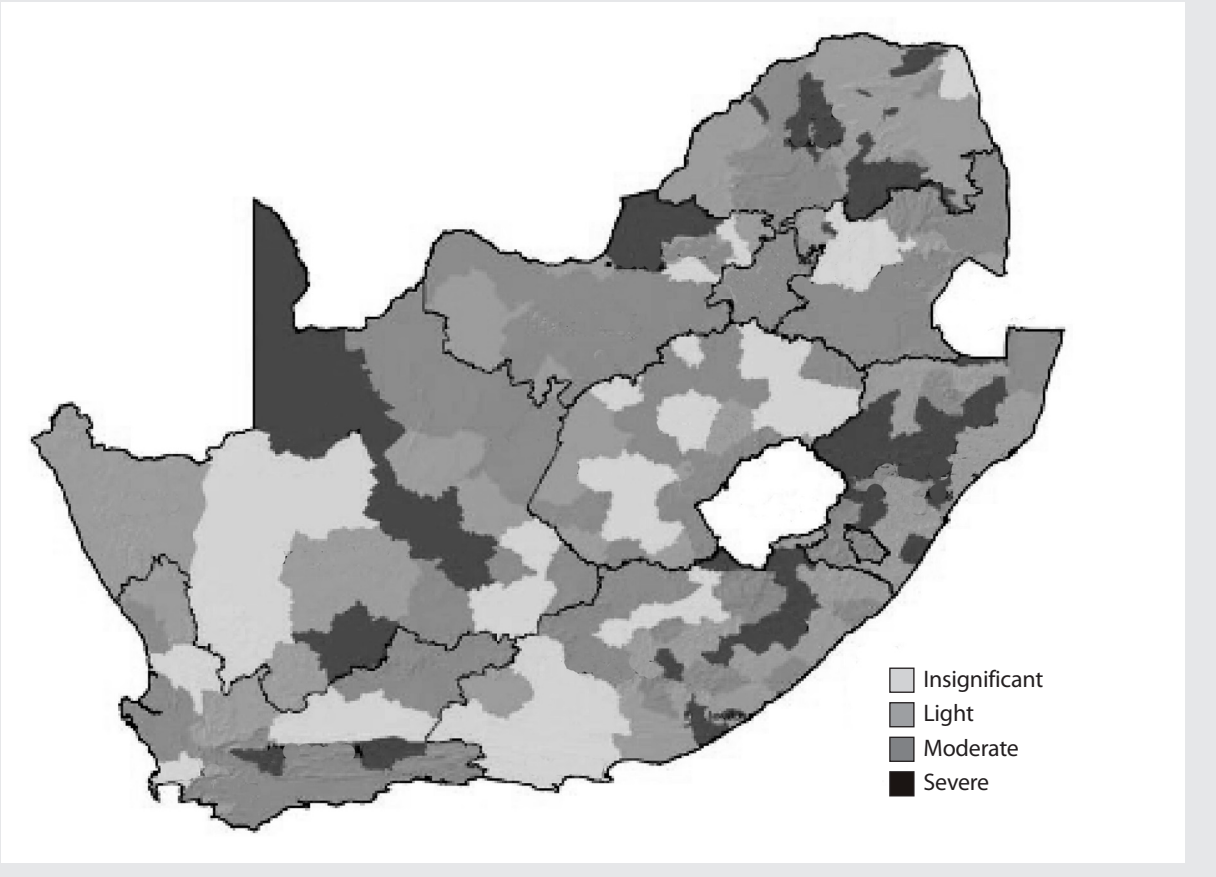
The areas experiencing the most severe degradation (of both soil and vegetation) and desertification are perceived to correspond closely with the distribution of communal rangelands, specifically in the steeply sloping environments adjacent to the escarpment in Limpopo, KwaZulu-Natal, and the Eastern Cape provinces (see figure 3.3).[11] Many communal areas in the Limpopo, North West, Northern Cape, and Mpumalanga provinces are also severely degraded. The commercial farming areas with the most severe degradation are located in the Western and Northern Cape provinces. Wind and water erosion are the major natural causes of soil degradation, whereas change in species composition, loss of plant cover, and bush encroachment are the most frequent forms of vegetation degradation. The three provinces with the lowest combined degradation index are (in decreasing order) the Western Cape, Gauteng, and the Free State provinces.

POPs

POPs are chemical substances that are toxic, persist in the environment for long periods, and bioaccumulate as they move up through the food chain.[12] POPs pose risks to human health and to the environment. Evidence of long-range transportation of these substances to regions where

Figure 3.3

Distribution of Land Degradation in South Africa



Source: Hoffman and others 1999.

they have never been used or produced, as well as the threats they pose to the environment of the Earth as a whole, spurred the international community to call for urgent global actions to reduce and eliminate releases of these chemicals.

Little or no current data exist on POPs in South Africa, and an inventory has not been established. DEAT's latest state of the environment report (DEAT 2006c, p. 39) notes that the current situation regarding the concentrations of POPs is unknown and recommends that they be quantified to establish existing concentrations of key POPs and updated annually.

During the POPs negotiations in 2000, South Africa negotiated the continued use of DDT for malaria vector control (see table 3.7). DDT had been phased out at the beginning of 1999 and replaced with products containing pyrethroids, but a significant increase in the number of malaria cases and mortalities was observed because of resistance of mosquitoes to pyrethroids. DDT was reintroduced in South Africa because "the extent of [DDT's] usefulness has been demonstrated by a successful malaria-spraying programme in Southern Africa resulting in the saving of millions of lives."[13] This is also seen to be a key adaptation strategy to climate change.

Progress in taking effective remedial action has been painfully slow in the view of the latest state of the environment report, mainly because funds are lacking. In nearly a decade of activity, fewer than 3,000 tons of obsolete pesticides have been destroyed. South Africa is one of 14 countries participating in the first phase of the Africa Stockpiles Program, funded by the GEF, to find sustainable solutions to the problem of obsolete pesticide stockpiles. The scale of the problem and South Africa's lack of reliable information are implicit in the fact that 10 times more obsolete pesticides were found in one of South Africa's nine provinces than had been estimated for the whole of South Africa.[14]

The following industrial activities in South Africa were identified in the project document for the NIP (UNEP and DEAT 2002) as potential sources of polychlorinated dibenzo-p-dioxins, dibenzofurans, and hexachlorobenzene: waste incineration (municipal and industrial), pulp and paper manufacturing, and thermal processes in the metallurgical industry. The NIP was intended to provide a source inventory of these and other sources, but no inventory has yet been completed.

The latest state of the environment report lists a number of POPs that are increasing in significance as pollutants and are likely to require increased attention in the future: POPs such as dioxins and furans, finer particulate fractions, for example, PM2.5 (particulate matter diameter less than 2.5 micrometers in size), and indoor air pollutants that are unrelated to fuel burning for cooking and space heating (for example, formaldehyde and radon).

Table 3.7

Status of POPs in South Africa before 2002

Compound	Registration status
Aldrin	Withdrawn, 1992
Chlordane	Withdrawn for agricultural use, 1970; withdrawn for all uses, 2001
DDT	Withdrawn except for malaria vector control, 1983
Dieldrin	Withdrawn, 1983
Endrin	Withdrawn, 1980
Heptachlor	Withdrawn, 1976
Hexachlorobenzene	Withdrawn, 1983
Mirex	Not used in South Africa
Toxaphene	Not used in South Africa

Source: UNEP and DEAT 2002.

Ozone

The consumption in South Africa of several substances that deplete stratospheric ozone decreased from 1998 to 2002, but there was a dramatic increase in hydrochlorofluorocarbon–124 consumption in 2001 and 2002.[15] South Africa has almost completely phased out the use of ozone-depleting substances such as chlorofluorocarbons (CFCs) and carbon tetrachloride, and it stopped using ozone-depleting CFCs in aerosol spray can propellants as far back as July 1992.

Although South Africa is classified as a developing country, its consumption of CFCs, halons, methyl chloroform, and carbon tetrachloride was equal to that of some developed countries (South Africa 2007d). Its success in phasing out these substances makes it the only developing country in the world to align with the phaseout schedule for developed countries.

A small amount of legal CFCs are imported and exported to fill asthma inhalers, as well as air conditioners and refrigerators manufactured before 1996. The CFC methyl bromide (used as a pesticide in the agricultural sector) is still being imported and used. DEAT is formulating a full phaseout plan, but might need to seek United Nations' assistance, as the replacement products are very expensive.

Air Quality: Key Sources of Emissions

DEAT lists the following as atmospheric sources of pollution that contribute to exceeding air quality limits and an increase in associated emissions: road vehicle exhaust emissions, coal-fired power stations, airport releases, poorly controlled industrial operations, the growth of road transportation, and power generation. Increasing attention is being paid to a number of atmospheric sources, including filling stations, landfill gas emissions, spontaneous combustion emissions from coal discard dumps and open cast mines, wastewater treatment works, emissions from tire burning, and fugitive releases related to commercial agriculture, such as crop and livestock farming.

Emerging Priority Pollutants

A number of pollutants are singled out by the government as important

> due to their widespread exposures and risks. Notable amongst these are inhalable particulates (PM10), nitrogen dioxide, tropospheric ozone, and benzene. PM10 concentrations are elevated across the country with significant exceedances of human health limits. Increasing emphasis is being placed on PM10 by health organizations such as the WHO [World Health Organization]…The spatial extent and frequency of nitrogen dioxide air quality limit exceedance is anticipated to increase due to increased vehicle activity. Ozone concentrations exceed health limits at most sites at which this pollutant is measured. Benzene is a concern as it is a carcinogen and related to vehicle exhaust emissions (DEAT 2006b, p. 229).

International Waters

Marine Resources

South Africa's coastline is 2,798 kilometers from the Orange River in the west, bordering Namibia, to Ponta do Ouro in the east, adjacent to Mozambique. The coastal shelf area is 1,839,582 square kilometers. The western coastal shelf is highly productive, attributable to nutrient-rich water upwelling. The east coast is far less productive, but has high species diversity, including local and Indo-Pacific species. The national fishing zone (excluding the Prince Edward Islands) is 688,926 square kilometers (FAO 2008). South Africa shares responsibility with its neighboring countries in coordinating responses to the sustainable management of the Benguela Current and Agulhas and Somali Current LMEs (UNEP 2006). An estimated 30 percent of the population live within 60 kilometers of the coast; there

are indications that increasing population pressure and overexploitation of coastal and marine resources and environmental degradation are reducing the ability of coastal systems to sustain human activities (South Africa 2007d).

Although the fisheries sector plays a small direct part in the South African economy as a whole, contributing only about 1 percent to GDP, fisheries play a major role in the economy of the Western Cape, which is the center of industrial fisheries and the dominant employer in areas such as Saldanha Bay and St. Helena Bay, valued at R 3 billion per year (DEAT 2006b). In 2002 the total catch for South Africa was 746,808 tons (BCLME Programme 2008). Marine pollution from land-based discharges to sea is ameliorated by a very high-energy coastline, which diffuses wastewater readily within the oceanic waters. Since 1965, 14 major deep-sea outfalls have been constructed, which discharge industrial and sewage wastewater in excess of 600,000 square meters per day. There are also a number of outfalls with shorter pipelines along the coast, some discharging within the surf zone. In total, marine outfalls account for about 86 percent of the total wastewater discharges in South Africa, regulated through a licensing procedure and established quality standards (UN 2002). The primary sources of sea-based pollution are from the shipping industry, including accidental oil spills; deliberate discharge of oily wastes from ships at sea; deliberate discharge of ballast, plastics, and other pollutants released from ships; and ship maintenance activities. South Africa is situated on one of the major global oil tanker routes; an estimated 80 percent of the world's oil tankers pass its coast. This, together with its notoriously rough sea conditions, makes it highly vulnerable to oil spills.

Inland Water Resources

With a water availability of only 1,100 square meters per person per year, South Africa is water stressed. Its average rainfall is about 450 millimeters per year, about half the world average of 860 millimeters per year. The geographic distribution of rainfall is highly variable; the eastern and southern parts of the country receive significantly more rain than the northern and western regions. Water resources are currently allocated to 19 water management areas covering the country. Because of the uneven distribution of water, a significant amount of water transfer needs to take place among these areas, both nationally and internationally. Surface water resources are generally highly developed across the country; about 320 major dams have a total capacity of more than 32,400 million square meters, which is some 66 percent of the total mean annual runoff of about 49,000 square meters per year.[16]

Groundwater is used extensively, particularly in rural and arid areas such as in the greater Orange River catchment, but groundwater resources tend to be limited in South Africa, because much of the underlying geology is hard rock. The most exploitable groundwater occurs in the eastern and northeastern parts of the country and in the Western Cape, where aquifers are concentrated. The latest data indicate that, of a total of 235,000 million square meters stored a year, between 10,000 and 16,000 million square meters a year are available for use in an average rainfall year, and 7,000 million square meters per year in a drought year. Significant constraints on increasing the abstraction of groundwater include inadequate water quality, owing to excessive concentration of chloride, nitrate, and other salts, which are costly to remove. Overabstraction can result in adverse impacts on groundwater-dependent ecosystems, including estuaries, wetlands, and springs (DEAT 2006b).

The irrigation sector has the largest water demand of all water sectors in South Africa: 54 percent of total demand. Industry uses 11 percent and forestry 8 percent. The major areas for demand growth are likely to be the domestic, urban, and industrial sectors. Water demands in South Africa have grown at 4 to 5 percent per year since the 1930s (UN 2002).

South Africa shares several river basins with its neighbors—the Incomati Umbeluzi Maputo (with Mozambique and Swaziland), the Limpopo (with Botswana, Mozambique, and Zimbabwe), and the Orange-Senqu (with Botswana, Lesotho, and Namibia)—covering 896,368 square kilometers of southern Africa's land surface area.

3.3 Environmental Legal, Operational, and Policy Framework

South Africa joined the GEF in 1994, the same year as the first democratic elections were held in South Africa. This, in itself, is a powerful indicator of South Africa's commitment to the environment. "South Africa is emerging from a period of unsustainable and inequitable development, one outcome of which was environmental degradation, which has significant economic and social impacts" (DEAT 2000, p. 12). The task of ensuring a transformation to development that is economically, socially, and environmentally sustainable has required a new way of thinking, as much as a redefinition of policy, the legislative framework, strategy, and the management of implementation. This section summarizes key policy and legislation in each of the GEF focal areas, but emphasizes biodiversity and climate change, as the portfolio is overwhelmingly focused on these two areas. Annex I provides a more detailed overview and analysis.

Draft Sustainable Development Framework

The draft national SFSD notes, "fundamental to understanding sustainable development is recognising the interdependence between the way in which we devise and manage our economic, social and environmental systems" (DEAT 2006a, p. 16). The first two sections of this chapter outlined the scope of the challenge involved in ensuring sustainability, while correcting the distortions in social and economic development that were the legacy of apartheid. This challenge is central.

The core of South Africa's sustainable development agenda and priorities will be to find ways of reducing the footprint of the "advantaged" minority, while ensuring access to rapid social and economic development for the majority, without following the same natural resource–intensive development path typical in the past. Relevant support to South Africa will need to align with this central strategic challenge through initiatives such as those related to improved efficiency in natural resource use, those that promote increased economic and social development through low resource consumption and waste-production paths, and those that ensure a more equitable development trajectory by significantly increasing the availability of decent jobs and promoting sustainable livelihoods for all.

Efforts to promote sustainable social and economic development will need to be supplemented by deliberate action to restore and protect from further degradation and depletion those natural resources on which the poor most depend. This makes measures for adaptation to the negative effects of climate change—and specifically for halting desertification, land degradation, and pollution—of central importance. The draft SFSD does not provide a detailed prioritized plan against which to assess the relevance of the GEF portfolio.

The document identifies the broad agenda and priorities of the SFSD in the following five critical pathways for action:

- Enhancing systems for integrated planning and implementation
- Sustaining ecosystems and using resources sustainably
- Economic development via investing in sustainable infrastructure
- Creating sustainable human settlements
- Responding appropriately to emerging human development, economic, and environmental challenges

The Constitution and Key Cross-Cutting Policy

The Constitution

The Constitution of South Africa (Act No. 108 of 1996) provides the legal basis for allocating powers to different spheres of government. The constitution enshrines a bill of rights and includes specific environmental rights within these.

Since 1994 social and economic policies have largely been informed by three strategies: the "White Paper on Reconstruction and Development" and its program "for integrated and coherent socio-economic progress" (South Africa 1994, p. 71), the macroeconomic *Growth, Employment, and Redistribution Strategy* (South Africa 1996), and the 2006 Accelerated and Shared Growth Initiative. The draft SFSD that is currently open for public discussion is intended to provide a framework for ensuring coherent integrated action and sustainability in the three dimensions: social, environmental, and economic. Annex I provides an overview of these key frameworks.

Environment Policy Overview

The principal relevant instruments of environmental policy administered by DEAT are the 1998 National Environmental Management Act and legislation based on it. The act has been developed as a framework statute within which other key laws are promulgated. It is intended to improve environmental management while facilitating sustainable development, and to improve coordination and governance of environmental issues. All organs of state are obliged to apply the national environmental management principles contained in the act when taking any action that may significantly affect the environment. The act's principles serve as the general framework within which environmental management and implementation plans must be formulated, guiding the interpretation, administration, and implementation of the act and all other laws concerned with the protection or management of the environment.

Biodiversity

South Africa's comprehensive response to the challenge of biodiversity protection has really only taken shape since the 1994 change in government and after South Africa became a signatory to the UN Convention on Biological Diversity (UNCBD) in 1995. South Africa's first report to the UNCBD in 1996 preceded the National Policy for the Sustainable Use of South Africa's Biological Diversity in 1997. This policy—together with the National Environmental Management Policy, the National Environmental Management Act framework law, the National Environmental Management Protected Areas Act (2003, amended in 2005), and the National Environmental Management Biodiversity Act (2004)—has resulted in major law reform in the sector. See annex I for further details of key relevant policy and law in related sectors.

DEAT—together with its key agencies, SANParks and SANBI—is responsible for biodiversity conservation in South Africa. Partners include all of the provincial environmental, development planning, and conservation agencies, as well as the national Departments of Agriculture, Water Affairs and Forestry, Arts and Culture, Science and Technology, and Trade and Industry. The expansion of SANBI's mandate to cover all research, policy, and planning in all ecosystems, together with the enabling laws, policy, and strategy, has provided a level of necessary strategic integration across national departments; among local, provincial, and national spheres of government; and within partnerships with NGOs and the private sector.

The NBSAP—completed in 2005, informed by a range of integrated studies, and including the National Spatial Biodiversity Assessment—presents a 20-year strategy for biodiversity conservation, which is further enabled legally through a national biodiversity framework in terms of the National Environmental Management Biodiversity Act, a draft of which was published in 2007. SANBI is also currently developing a biodiversity monitoring and review framework. The biodiversity assessment provides the scientific basis for informing a range of legislative provisions for the protection of biodiversity, including the regulations for threatened species and ecosystems. Other key relevant regulations in terms of the national biodiversity act include those on bioprospecting and benefit sharing, threatened and protected species, invasive alien species and norms, and standards for publishing bioregional plans. Regulations have also been published for the National Environmental Management Protected Areas Act for the Proper Regulation of Special Nature Reserves, National Parks, and World Heritage Sites.

South Africa has recently compiled a national protected areas expansion strategy, which will prioritize areas for inclusion into the national estate. Since 1995, more than R 240 million has been invested in land purchases to expand protected areas.[17] This expansion program has been linked to programs for poverty relief and job creation. DEAT has set a target of including at least 8 percent of terrestrial land surface area in the formal protected area system (mainly national and provincial parks) by 2010, and 20 percent of the coastline in marine protected areas by 2010.

A number of poverty relief–based programs are aimed at rehabilitating and restoring degraded systems (Working for Wetlands, CoastCare, LandCare) and addressing key threats to biodiversity such as invasive alien plants (Working for Water Programme, Working on Fire). The budgets for these programs, which amounted to R 650 million in 2004–05, is one of the highest in the world relative to GDP.

Critical contextual challenges in biodiversity conservation include rationalizing among spheres and integrating and harmonizing among sectors[18] biodiversity conservation management mandates, as well as securing the ongoing delivery of ecosystem services and conservation of priority habitats outside formal protected areas. South Africa's bioregional programs, which enable biodiversity conservation in productive landscapes, are seen globally as best practice.

Climate Change and Energy Policy

South Africa's response to climate change is founded on the need to address simultaneously the huge and urgent social and economic development imperatives that are the legacy of apartheid, as well as limit GHG emissions and ensure sustainability. This is not an easy task, and the overall policy, legislative, and strategy framework in the area of climate change is still evolving. South Africa does not yet have a concrete climate change

strategy and plan. The Energy Resource Centre notes that "there is still a significant gap between development and sustainable development" and "given the challenges of development to meet basic needs, mitigation policies and measures have to be integrated with development goals" (Winkler and Marquard 2007, p. 23). Some tensions and even contradictions between policies and strategies in these areas persist, especially in relation to industrial and energy policy. The operational framework is also evolving, with significant challenges in terms of ensuring coherence, intergovernmental cooperation and coordination, and allocation of clear mandates. Annex I summarizes some of the key challenges; key legislation is listed below.

- **Initial National Communication.** South Africa signed the UNFCCC in 1993 and ratified it as a non-annex 1 country in 1997, acceding to the Kyoto Protocol in 2002. The INC was submitted to the UNFCCC conference of the parties (COP) 9 in 2003. The INC provides baseline measures in a range of areas and analyses of South Africa's vulnerability, as well as options for adaptation and mitigation of GHGs.
- **National Climate Change Response Strategy for South Africa.** This strategy (DEAT 2004a) outlines an analysis of issues and actions to be taken in developing concrete strategy and action plans and some of the key challenges involved, rather than specific strategic plans for responding to climate change.
- **Constitution and the Reconstruction and Development Program.** In addition to general environmental rights, the constitution states that government must establish a national energy policy to ensure that national energy resources are adequately tapped and delivered to cater to the needs of the nation. Energy should be made available and affordable to all citizens, regardless of geographic location. The production and distribution of energy should be sustainable and improve citizen standard of living.
- **White Paper on the Energy Policy of the Republic of South Africa.** DME (1998) sets out the government's policy on supply and consumption of energy for the 10 years starting in 1998. The paper identifies specific measures to promote energy efficiency, including measures to influence vehicle fuel efficiency and identifies what needs to be done to create an enabling environment for renewable energy.
- **Energy Efficiency Strategy.** This DME policy (2005) is the key policy intended to reduce energy demand. It sets a target for national improvement in energy efficiency of 12 percent by 2015 to be implemented through a series of sectoral strategies. The South African cabinet has not yet endorsed it.
- **White Paper on Renewable Energy.** This policy (DME 2003) sets a target of producing 10,000 gigawatt hours of final energy demand from renewable sources by 2010; this is an average of about 1,000 gigawatt hours per year, which is 0.15 percent of total final energy demand in 2002. To achieve this, the policy sets out a number of strategic, goals, objectives, and deliverables, which include financial and fiscal instruments, legal instruments, technology development, and awareness raising, capacity building, and education.

Annex I provides a more detailed outline of the provisions and implications of these policies and analysis of the options and requirements. It also outlines current initiatives taken by the South African government relevant to climate change and the operational framework and institutions involved.

Policy Coherence, Coordination, and Alignment

DEAT notes that although it has been

> designated as the lead agency for climate change response in South Africa, it is recognized that this is a cross cutting issue that has ramifications for diverse activities in other government departments. A national climate change strategy will thus require that many government departments work together in a coordinated manner, to ensure that response measures are properly directed, acceptable to all and carried out with a national focus (DEAT 2004a, p. v).

As coordination and alignment of policy and implementation across government is a key challenge,[19] various committees have been established to assist DEAT in this task. One such is the National Committee on Climate Change established in the late 1990s, which consists of key government (Agriculture, Science and Technology, Foreign Affairs, Health, Housing, Local and Provincial Government, Minerals and Energy, Trade and Industry, and Transport), business, and nongovernment stakeholders. Other committees include the Government Committee on Climate Change and the National Committee for Ozone Layer Protection. A development process for the national climate change policy was initiated in January 2008.

Pollution, Air Quality, and Waste Management

South Africa has a number of policies and laws relating to the protection and management of the environment or aspects of the environment that directly link to climate change, including DEAT (2000a), DWAF (1997), and the 2005 National Environmental Management: Air Quality Management Act. Other relevant legislation on pollution, air quality, and waste management includes the Air Pollution Prevention Act (1965), Dumping at Sea Control Act (1980), Marine Pollution Act (1981), and National Framework for Air Quality Management (2007).

Land Degradation

South Africa developed the National Action Programme to Combat Land Degradation and Alleviate Rural Poverty, which was approved by the South African cabinet in 2004. The program (1) follows an integrated approach that addresses natural and socioeconomic aspects of the process of land degradation and drought; (2) synergizes the implementation of the three Rio conventions: UNCCD, UNCBD, and UNFCCC; and (3) promotes the use of existing bilateral and multilateral mechanisms and arrangements that mobilize financial resources to affected country parties in combating land degradation and mitigating the effects of drought.

Relevant legal and policy frameworks fall into the broad areas of macro- and microeconomic policy, integrated rural development, land and land reform, environment, agriculture, water, forests, and energy mining and minerals. Effective implementation involves almost every national department. Although the national action program envisaged a natural resource management framework to enable the necessary integration for implementation, this has not transpired. The expectation that the National Spatial Biodiversity Assessment and National Biodiversity Framework would address land degradation in a sufficiently integrated manner has also not been met.[20] Key conflicts in terms of the respective legal mandates among relevant government partners include those between the environment and biodiversity, mining, and agriculture.

South Africa is engaged in a number of regional and international initiatives for sustainable land management. The Land Degradation Assessment Programme is intended to address the required ongoing monitoring and assessment of land degradation.

POPs

The Stockholm Convention on Persistent Organic Pollutants was ratified by South Africa in 2002 and came into force in 2004. South Africa has not yet completed a NIP, as required under article E of the convention, which involves three main activities: undertaking a baseline study, developing a strategy for mitigating emissions, and preparing an accompanying implementation framework. Key national legislation dealing directly or indirectly with hazardous chemical management and, in certain instances, specifically with POPs, includes the Hazardous Substance Act (1973); Fertilizers, Farm Feeds, Agricultural Remedies, and Stock Remedies Act (1947); and the Occupational Health and Safety Act (1993). The key to effective policy in this area will be the development of the NIP, which is under development, so a reliable inventory is made and any policy and strategy are based on sound data. Annex I provides more detail on the legislation and current initiatives in South Africa.

DEAT (2004b) sets out to "obtain [a] measurable decrease (i.e. >10% on 2003 base and GDP) in the generation of Persistent Organic Pollutants (POPs)" (p. 23).

Ozone Depletion

South Africa acceded to the Vienna Convention for the Protection of the Ozone Layer and ratified the Montreal Protocol on Substances that Deplete the Ozone Layer in January 1990; it ratified the London Amendment in May 1992, and ratification of the Copenhagen Amendment is in process. DEAT indicated that South Africa is currently in full compliance with the conditions of the protocol (DEAT 2007). As the designated custodian of the environment in South Africa, DEAT has started the process of developing a national strategy for phasing out ozone-depleting substances and is formulating a full phaseout plan for methyl bromide. The use of ozone-depleting substances has decreased substantially following South Africa's signature and ratification of related amendments (DEAT 2006b). This strategy is still under development.

As some overlap exists between legislation on climate change and POPs with that on ozone, especially on air quality, the outline of legislation will not be repeated here.

International Waters

Marine Resources

The National Marine Fisheries Policy of 1998 formed the basis of the Marine Living Resources Act (1998). Since promulgation of the act's subsequent issuance of medium-term rights in 2003, a new set of policies, including both a general policy as well as sector-specific policies, was released in 2005. In the allocation of rights, strict evaluation criteria were laid down, as well as specific criteria for vessels and management measures, such as the ecosystem approach to fisheries.

Other key legislation pertaining to the marine and coastal environment includes the National Water Act (1998), the National Environmental Management Act (1998), the National Environment Biodiversity Act (2004), and the Integrated Coastal Management Bill (2006). Policy initiatives also address specific needs; for example, the National Policy for Seals and Seabirds is intended to manage the impact of fishing activities on marine and coastal biodiversity.

DEAT is responsible for integrated coastal zone management, marine pollution control and sustainable use, and conservation of marine living resources; these functions are mostly delegated to the Directorate of Marine and Coastal Management. The department has boosted its

compliance unit to counter illegal activities along the 3,000-kilometer coastline, as well as the country's 1,155,000-square-kilometer exclusive economic zone. The department has developed the National Contingency Plan for the Prevention and Combating of Pollution from Ships, in consultation with the South African Maritime Safety Authority and the National Department of Transport. Furthermore, DEAT is making satellite technology obligatory on fishing vessels so that the department can monitor their movements.

DEAT has initiated sustainable coastal livelihood initiatives which are being implemented at the provincial level. The national poverty relief program, CoastCare, engages and trains unemployed people in skills and work associated with coastal management. South Africa is a signatory to nearly 40 international treaties, conventions, and agreements, including the following (South Africa 2007d):

- International Convention for the Prevention of Pollution from Ships
- UNCBD
- United Nations Convention on the Law of the Sea (management of straddling and migratory fish stocks)
- Convention on Prevention of Marine Pollution by Dumping of Wastes and Other Matters (regulating the dumping of waste at sea)
- Convention on the Conservation of Migratory Species of Wild Animals (including seabirds)
- Convention for the Protection, Management, and Development of the Marine and Coastal Environment of the East African Region and Related Protocols (Nairobi Convention)
- Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region and Related Protocol (Abidjan Convention)
- SADC Protocol on Fisheries

South Africa also participates in a number of international commissions, such as the International Commission for the Conservation of Atlantic Tunas, the Commission for the Conservation of Antarctic Marine Living Resources, and the International Whaling Commission. Key GEF-funded international waters initiatives in the region include the following:

- Benguela Current LME Programme
- Benguela Fisheries Interaction Training Programme
- West Indian Ocean Land-Based Activities Project (deals with the protection, prevention, and management of marine pollution from land-based activities)
- Toward an Ecosystem Approach to the Sustainable Use of the Resources of the Agulhas and Somali Currents LME Program
- Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project
- Development and Protection of Coastal and Marine Environment in Sub-Saharan Africa
- Southwest Indian Ocean Fisheries Project

Inland Water Resources

South Africa's national legal framework for water resource management is considered one of the most advanced in the world. The *White Paper on a National Water Policy for South Africa* (DWAF 1997) and the National Water Act of 1998 established the key principles in the management of water resources in South Africa: equity, sustainability, and optimal use (efficiency). They establish the catchment as the unit of management for

water resources and provide for the establishment of water resource management institutions (catchment management agencies). The National Water Act requires that water resource protection imperatives (including conservation and demand management) should be balanced with water resource development imperatives to achieve sustainable use of the resource. The act emphasizes meeting international obligations on shared resources in prioritizing these obligations, together with "the Reserve" (the quantity and quality of water required to meet basic human needs and the need of the river ecosystems) above any other use. The act also provides for transboundary water bodies and management frameworks.

The Department of Water Affairs and Forestry is the responsible national department for decisions on water quality and quantity, management and development of water resources, and provision of water supply and sanitation. Although decision making regarding water resource use and allocation is currently at the national level, a strategy is in place to devolve this responsibility to catchment management agencies. The development of key national strategies—the Water Conservation and Demand Management National Strategy (1999), the National Water Resources Strategy (2004), and the Draft Position Paper for Water Allocation Reform in South Africa (2005)—is further enabling ambitious water management reform in South Africa. Key national partnership programs include the River Health Programme, as well as the Working for Water Programme. At the regional level, the guiding instruments for water resource management are the SADC Regional Water Policy and Regional Water Strategy. The Regional Strategic Action Plan 2 (2005–10) spells out the concrete projects that are implemented in the region. Both the water policy and strategy subscribe to the overarching principle of integrated water resource management (Malzbender and Earle 2007).

The SADC states concluded the SADC Protocol on Shared Watercourse Systems in 1995. Malzbender and Earle (2007) note that the water resource governance framework in the SADC has seen significant changes in the past decade, which has largely been influenced by South Africa's changing role in the region.[21] Cooperation is moving away from bilateral, and toward regional and basinwide, cooperation.

> Basin-wide agreements are being concluded and basin organisations established where all basin states are being represented. A good example is the Orange-Senqu River Basin shared between Botswana, Lesotho, Namibia and South Africa. While the bilateral organisations between Lesotho and South Africa (Lesotho Highlands Water Commission, LHWC) and Namibia and South Africa (Permanent Water Commission, PWC) are still in place, they now have to liaise with the basin-wide Orange-Senqu River Commission (ORASECOM) that was established between the four basin states in 2000. Basin-wide Commissions have also been established for other major rivers in the region, e.g. Limpopo, Okavango and Zambezi (Malzbender and Earle 2007, p. 13)

Relevant International Treaties and Protocols

Table 3.8 lists the key conventions to which South Africa is a party.

Official Development Assistance

Unlike the situation in many developing countries, official development assistance (ODA) makes up a very small percentage of the overall South African government budget. ODA to the country currently amounts to 1.0 to 1.5 percent of its annual budget (South Africa 2003). According to the government's policy framework on official development assistance, ODA in South Africa can play a key role in providing solutions and tools that enable the country to use its own resources more effectively, thereby stimulating development for

Table 3.8

International Conventions by Focal Area and Year Ratified

Conventions by focal area	Year ratified
Biodiversity	
Convention on Wetlands of International Importance	1975
Convention on International Trade in Endangered Species of Wild Fauna and Flora	1975
Convention on the Conservation of Migratory Species of Wild Animals	1991
UN Convention on Biological Diversity	1995
Convention Concerning the Protection of the World Cultural and Natural Heritage	1997
Cartagena Biosafety Protocol	2003
Southern African Developing Countries Protocol on Wildlife Conservation and Law Enforcement in the Southern African Development Community	2003
Climate change	
United Nations Framework Convention on Climate Change	1997
Kyoto Protocol	2002
International waters	
Convention on Prevention of Marine Pollution by Dumping of Wastes and Other Matters	1978
Convention on the Conservation of Antarctic Marine Living Resources	1982
United Nations Law of the Sea Convention	1997
Convention on the Conservation and Management of Fishery Resources in the South East Atlantic Ocean	2001
(Abidjan) Convention for Cooperation in Protection and Development of Marine and Coastal Environment of East and Central African Region and related protocol	2002
Convention for Cooperation in Protection and Development of the Marine and Coastal Environment of the East African Region and related protocol (Nairobi Convention)	2002
UN Law of the Sea Convention: Management and Conservation of Straddling Fish Stocks and Highly Migratory Fish Stocks	2003
Albatrosses and Petrels Agreement	2003
Southern African Developing Countries Protocol on Fisheries	2003
Ozone depletion	
Montreal Protocol: Protection of the Ozone Layer[a] (amendments have yet to be ratified)	1990
Land degradation	
United Nations Convention to Combat Desertification	1997
Persistent organic pollutants	
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal	1994
Stockholm Convention on Persistent Organic Pollutants	2002
Rotterdam Convention on Prior Informed Consent	2002

Sources: GEF, Review of GEF Portfolio in South Africa (www.thegef.org); DEAT 2006b.

Note: Table includes only the major conventions. South Africa is a signatory to other important conventions.

a. South Africa acceded to both the Montreal Protocol and the Vienna Convention in January 1990.

the most disadvantaged sections of the population (South Africa 2007c). ODA therefore should not be regarded primarily as an additional source of finance, which in most cases should be accessible domestically. The report further highlights that the quality of ODA and its ability to spearhead

new and more effective approaches for enhancing service delivery are thus considered much more important than the mere quantity of ODA in South Africa.

According to DEAT (2006b), donor assistance to DEAT constituted less than 4.5 percent of its annual budget in 2004–05, having declined from 20 percent in the 1999–2000 budget; such assistance was estimated to decrease further in the 2007–08 financial year.

3.4 The GEF and the South African Focal Point Mechanism

The GEF provides funding to achieve global environmental benefits in biodiversity, climate change, international waters, depletion of the ozone layer, POPs, and land degradation, according to their respective international agreements.

GEF activities are carried out through the Agencies: the World Bank, UNDP, United Nations Environment Programme (UNEP), all regional banks, the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, and the United Nations Industrial Development Organization. GEF Agencies have direct access to GEF funding through a memorandum of understanding with the GEF.

GEF support modalities include the following:

- Full-size projects (FSPs): funding of more than $1 million
- Medium-size projects (MSPs): funding of less than $1 million
- Small grants: funding of less than $50,000, directed to NGOs and local organizations; small GEF grants are structured into the global Small Grants Programme, administered by UNDP
- Enabling activities, intended to help countries meet their obligations under the various conventions the GEF services
- Project preparation grants (formerly known as project development facility grants), which provide funding for the preparation and development of projects

The GEF officially began with a two-year pilot phase from 1992 to 1994. This was followed by three regular four-year replenishment periods: GEF-1 (1995–98), GEF-2 (1999–2002), and GEF-3 (2003–06). In July 2006, GEF-4 was initiated and will continue until 2010. Through GEF-3, allocations were not made by country. Eligible GEF member countries submitted their requests to the various windows through the different GEF Agencies on a demand basis.

GEF-4 and the RAF

In September 2005 the GEF Council adopted the RAF, a system for allocating GEF resources to recipient countries for the biodiversity and climate change focal areas, to be implemented in GEF-4. Allocations might be made individually (country allocation) or to a group of countries (group allocation), depending on the index assigned to each country based on its potential biodiversity and climate change global benefit and country performance.

The RAF system was set up to allocate resources to countries in a transparent and consistent manner based on global environmental priorities and relevance of country capacity, policies, and practices to successful implementation of GEF projects. Funding allocations during GEF-4 for the international waters, land degradation, POPs, and ozone focal areas are not subject to the RAF and function on a demand basis.

South Africa is one of the few countries with individual allocations for both climate change ($23.90 million) and biodiversity ($22.50 million). The GEF Benefit Index rating for South Africa is 120,649, which represents 1.7 percent of the total index share.

Focal Point

The GEF guidelines for focal points indicate that there should be two focal points: operational and political. In South Africa, both are located within DEAT, but are linked to different job designations. In January 2008, South Africa informed the GEF that the operational focal point would be the chief director for international cooperation, rather than, as previously, the South African representative to the United Nations; the political focal point continues to be the DEAT director general. The political focal point is responsible for GEF governance issues and policies, and the operational focal point is responsible for ensuring effective engagement and coordination at the country level. The focal point is also responsible for all other ODA and must manage a number of bilateral agreements, as well as carry responsibility for South Africa's substantial involvement in international governance in environment. The mechanism is supplemented by the appointment of technical focal points for all focal areas.

The MTPF, developed by DEAT to guide its engagement with the GEF, outlined the anticipated role of the focal point and the mechanisms related to it as follows:

> Presently all GEF projects requiring the endorsement of the Operational Focal Point are subjected to a governmental screening process through the Committee for Environmental Coordination (CEC). The CEC is an interdepartmental mechanism, responsible for promoting the integration and coordination of environmental functions by the relevant organs of State and comprises of the Director-Generals of National Government Departments, Provincial Heads of Department (Environment) and representatives of local governments. The process of channelling all GEF projects through the CEC enables broad based governmental opinions to be canvassed, particularly from the Provincial, municipal and local council levels, and decisions made in a participatory and transparent manner. This in turn ensures that global environmental management objectives are nested properly within the national sustainable development agenda, to enhance the basis of national ownership, and the impacts and sustainability of interventions. Furthermore it affords the Focal Point an opportunity to identify synergies with existing initiatives, as well as obtain inputs from various quarters that may add value to projects. This process is clearly important to enhance project sustainability and impact and will be continued and gradually strengthened as projects within the various programmes are pipelined (DEAT 2001, p. 18).

Notes

1. An exchange rate of R 6.8 = $1 was used throughout the report, except where otherwise noted; the 2006 GDP figure cited here was obtained using a mid-2006 exchange rate of R 6.76 = $1.
2. Social grants provide support and protection for vulnerable groups, addressing different types of potential exclusion, such as grants for senior citizens or people with disabilities, or for child support.
3. Hotspots are areas with especially high concentrations of biodiversity that are under serious threat.
4. The Biodiversity Intactness Index, an overall indicator of the state of terrestrial biodiversity, was proposed by Scholes and Biggs (2005).
5. This section draws directly or indirectly from DEAT (2003a) and the DEAT Web site (www.environment.gov.za/ClimateChange2005/National_Greenhouse_Gas_Inventory.htm).
6. "Footprinting" is an accounting tool that measures how much biologically productive land is required to support the living standards of an individual, city, or country. This includes the land required to produce the physical resources consumed, absorb the wastes generated, and sequester CO_2 emissions associated with energy demand (DEAT 2006a).

7. This section is drawn from DME (2005) and is based on data from 2000.

8. This discussion is drawn from South Africa (2007d).

9. Interview with Harald Winkler, Energy Research Centre, University of Cape Town.

10. This section is mainly based on DEAT (2004a).

11. Regarding soil and vegetation degradation, Hoffman and others (1999) present the status of land degradation in "spatializing" three indexes: soil degradation index, veld degradation index, and combined index of soil and veld degradation.

12. The majority of this section is drawn from DEAT (2006b), except where references indicate otherwise.

13. As per a statement to the media by the South African Delegation to the Initial National Communication 5 on POPs in Pretoria.

14. Interview with Thandi Gxaba, senior environmental specialist, and Eugenia Marinova, World Bank country officer.

15. This overview is drawn from DEAT (2006b).

16. This includes about 4,800 million square meters a year draining from Lesotho into South Africa and a further 500 million square meters a year draining from Swaziland to South Africa.

17. About 20 percent of funds come from DEAT, 25 percent from donors, and 55 percent from the SANParks conservation efforts.

18. Conflicts in policy, law, and mandates exist among agencies tasked with environmental management, in particular, biodiversity, mining, and agriculture.

19. One example of this challenge is the recently introduced Developmental Electricity Pricing Programme by the Department of Trade and Industry, under which below-price electricity tariffs are negotiated with potential international investors in new energy-intensive projects. The aim is to encourage investors who "would in the absence of [the program] not invest in the Republic," by guaranteeing lower electricity prices (Winkler and Marquard 2007, pp. 10–11).

20. Personal communication from Leseho Sello, DEAT.

21. The protocol has subsequently been revised to reflect the principles of the 1997 UN Convention on the Law of the Non-Navigational Uses of International Watercourses.

4. The GEF Portfolio in South Africa

This chapter presents an overview of GEF support to South Africa in terms of the financial resources and number of projects, by type of project, GEF focal area, GEF Agency and/or national executing agency, and GEF phase.

4.1 Difficulties with Portfolio Data at the Country Level

Determining the actual allocation of GEF funding to any recipient country is not a trivial exercise, but it is particularly difficult in a country with a substantial portfolio, as in South Africa. Databases are not consistent across the GEF Secretariat, Evaluation Office, and even GEF Agencies. Several types of project grants exist, which have changed over time. The projects that are easier to review are the national projects. GEF funding for these projects includes PDFs (now called PPGs), the grant for project implementation (GEF grant), and the fee given to the GEF Agency to supervise the project (this fee did not exist until 2000, and since then it has changed from 9 to 10 percent of the GEF grant). Another group is regional and global projects, for which the cost of national implementation is not readily available and is very difficult to isolate. (GEF grants are allocated for the entire project, not necessarily by country, although in GEF-4 the grants for regional and global projects under the RAF are built with specific country contributions.) However, a group of global programs, such as the SGP and CEPF, has clear national allocations, although they are allocated according to phases that do not coincide with the GEF operational phases and are not allocated globally according to particular focal areas, but rather are multifocal. In addition, with the introduction of the RAF, allocations for biodiversity and climate change projects are clearer, even in cases of regional and global projects, because the country must agree on an amount from its RAF allocation.

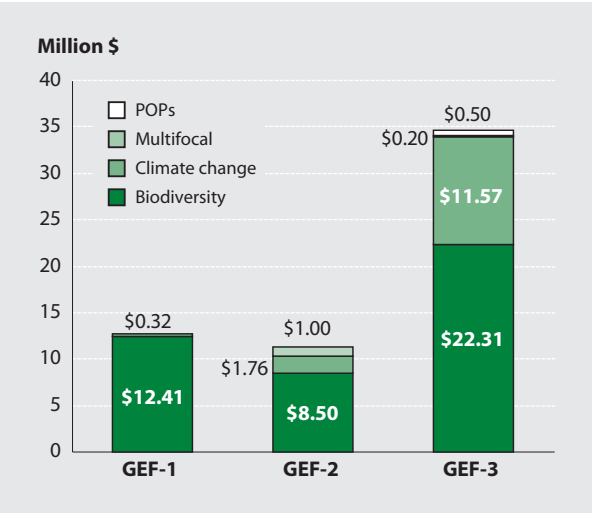
Given all these caveats, this evaluation estimates, as of the end of February 2008, that South Africa has received about $81.27 million for national projects (including one PPG and a PDF block A grant), the national components of the SGP and CEPF, and a component of a global project approved in GEF-4. GEF Agency fees are not included in this figure.

4.2 Projects in the GEF South Africa National Portfolio

Presenting information on the portfolio according to number of projects is sometimes confusing, because projects vary from small investments for an enabling activity to large full-size projects. GEF support to national projects in South Africa is shown in annex F. Figure 4.1 provides an overview of the support given by focal area during the different GEF phases. This figure does not include funding for the SGP or CEPF or projects in the pipeline; GEF-4 is discussed below.

Figure 4.1

Distribution of GEF Funding to GEF Agencies across GEF Phases



South Africa's first GEF project, the Cape Peninsula Biodiversity Conservation Project, was approved in November 1997 with GEF funding of more than $12 million. This has been the biggest project funded by the GEF in South Africa so far and accounts for almost 15 percent of total funding. The only other projects approved in this period were enabling activities for the Preparation of the Initial National Communication Related to the UNFCCC and the First National Report to the Convention on Biodiversity.

GEF-1 started a pattern that was to persist for the next two phases—a concentration of GEF support in the biodiversity and climate change focal areas, although biodiversity has been by far the larger of the two—about $53 million compared with $25 million (in GEF-1 to GEF-4, as shown in tables 4.3 and 4.4). Several of the completed projects reviewed by this evaluation were approved during GEF-2. During GEF-3, some of the major biodiversity projects under implementation in South Africa were approved, such as the Cape Action for People and the Environment (CAPE), Greater Addo Elephant National Park Project, and Conservation and Sustainable Use of Biodiversity on the South African Wild Coast projects.

The allocation under the RAF for biodiversity and climate change is one of the largest in the world for a single country. Table 4.1 presents the allocation for biodiversity and climate change, as well as the funding that has been used and project information forms that have been cleared, but not yet approved as projects. Three projects have been approved so far in GEF-4: one under climate change—the Sustainable Public Transport and Sport: A 2010 Opportunity ($11.2 million)—and two for biodiversity—the National Grasslands Biodiversity Program ($8.65 million) and the South African contribution to the Conservation and Management of Pollinators for Sustainable Agriculture through Ecosystem Approach project ($0.62 million, although not yet under implementation). In addition, the SGP has received two contributions for biodiversity and climate change projects (both $240,000), and one PPG has been approved for the St. Lucia Wetland Park ($0.31 million). No projects in the focal areas outside the RAF are documented as approved in this phase.

Table 4.1

RAF Allocation and Use as of February 25, 2008
Million $

Allocation/use	Biodiversity	Climate change
GEF-4 indicative allocation	22.50	23.90
Allocation used		
Grants	9.71	11.00
Agency fee	0.86	1.01
Project identification forms cleared by CEO awaiting approval		
Proposed grant	9.00	0.00
Proposed agency fee	0.90	0.00
Allocations remaining to be programmed	2.03	11.89

Source: GEF Web site (www.thegef.org).

4.3 Allocations by Focal Area

Biodiversity and climate change are the largest focal areas, according to both funding and number of projects. Biodiversity accounts for 65 percent of all national projects, whereas climate change accounts for 31 percent. POPs and multifocal include mostly enabling activities. The absence of international waters projects reflects the nature of these projects, which are usually regional or global in nature. Table 4.2 presents the amount of GEF funding by focal area.

Table 4.2

GEF Funding by Focal Area, 1994 through GEF-4

Focal area	Million $	% of total
Biodiversity	52.80	65
Climate change	24.85	31
International waters	0.00	0
POPs	0.50	1
Multifocal	1.20	1
SGP	1.92	2
Total	**81.27**	**100**

4.4 Project Status

Only about 20 percent of the funding allocated to South Africa from 1994 until today has been allocated to projects that are completed (see table 4.3). Most of the rest of the funding is for projects that are either ongoing or will start implementation soon. The majority of the completed projects are in the biodiversity focal area, while the larger proportion of climate change projects are still under implementation.

Table 4.3

National Projects by Status and Focal Area
Million $

Focal area	Completed	Ongoing	Pipeline	Total
Biodiversity	15.06	37.40	0.34	**52.80**
Climate change	1.35	23.50	0	**24.85**
POPs	0	0.50	0	**0.50**
Multifocal	1.00	2.12	0	**3.12**
Total	**17.41**	**63.52**	**0.34**	**81.27**

4.5 Allocations by GEF Agency

UNDP and the World Bank are the main Implementing Agencies of the GEF in South Africa, and they share about the same allocation according to funding (46 percent for UNDP and 39 percent for the World Bank). In the only jointly implemented project, CAPE Biodiversity Conservation and Sustainable Development, actual funding is mostly implemented by the World Bank. UNEP has been primarily responsible for enabling activities, although in GEF-4, South Africa has contributed $620,000 from its RAF contribution to the global biodiversity project on pollinators implemented by UNEP. Both UNDP and the World Bank have significant responsibility in both biodiversity and climate change focal areas; only UNDP is involved in multifocal area projects (see table 4.4).

Table 4.4

GEF Support to National Projects by Focal Area and Agency
Million $

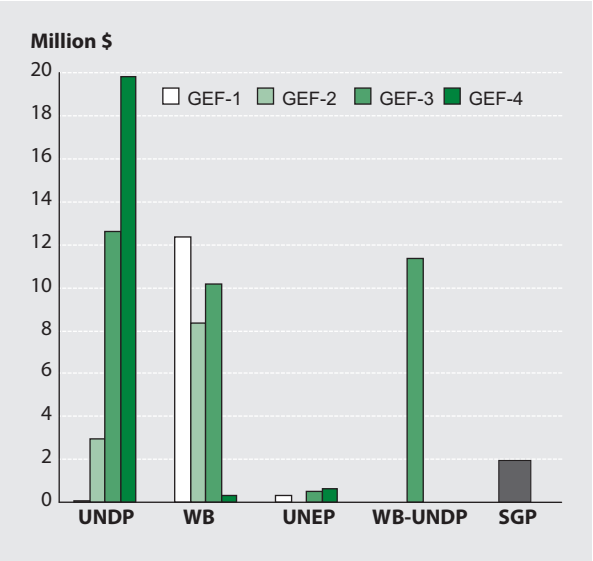
Focal area	UNDP	UNEP	WB	WB-UNDP	SGP
Biodiversity	19.19	0.62	21.67	11.32	
Climate change	15.02	0.32	9.51		
POPs		0.50			
Multifocal	1.20				
Total	**35.41**	**1.44**	**31.18**	**11.32**	**1.92**

Note: WB = World Bank.

Figure 4.2 shows the approvals by time and Agency. The World Bank was the dominant Agency in both GEF-1 and GEF-2; UNDP and UNEP played only a marginal role. The balance has changed

Figure 4.2

GEF Approvals of South Africa Projects by Agency and Replenishment Period



Note: WB = World Bank; data for the SGP is for all four replenishment periods.

Table 4.5

GEF Funding of National Executing Agencies

Agency	Million $
DEAT	8.31
DME	9.82
Eskom	0.23
Guateng Province	1.00
International Finance Corporation	3.28
National Department of Transport	11.20
Richtersveld Municipality	0.90
SANBI	21.37
SANParks	22.20
St. Lucia Wetland Park Authority	0.31
United Nations Office for Project Services	1.92
Universities of Cape Town and Port Elizabeth	0.74
Total	**81.28**

Note: Comments received on the draft of the current report indicate that an agreement has been made to channel the funding for the Wild Coast Project ($6.839 million) directly to the Eastern Cape Parks Board and not through DEAT.

over time; the role of the World Bank has diminished, especially in GEF-4, and that of UNDP has increased more than six times between GEF-2 and GEF-4. The amount allocated to the World Bank will increase once the St. Lucia Wetland Parks project (allocation of $9 million) is approved.

4.6 GEF Funding by Executing Agency

National executing agencies are the national entities that take responsibility for executing GEF-supported projects. SANBI and SANParks together account for about $48 million of the total (see table 4.5), which is more than half of all funding from the GEF and by far the majority of funding for biodiversity. In climate change, two institutions—DME and the National Department of Transport—have received most of the funding.

The majority of GEF funding (almost 90 percent) has been channeled through national government entities; very small amounts have been allocated directly to the provincial and municipal levels or to academic or research institutions. No NGOs have received GEF support directly (other than through the SGP and CEPF, which have mostly being implemented through NGOs and community-based organizations).

4.7 The SGP and the CEPF

Small Grants Programme

The SGP was launched globally in 1992 to complement the GEF's other grants by supporting activities of NGOs and community-based organizations in developing countries that are aligned with objectives of the global conventions in each of the GEF focal areas, while generating sustainable livelihoods.[1] Funded by the GEF as a corporate program, the SGP is implemented by UNDP on behalf of the GEF partnership and is executed by the United Nations Office for Project

Services. The maximum grant amount per project is $50,000, channeled directly to the recipient organizations.

Formally initiated in South Africa in 2001, the SGP actually began to operate in 2003. Since then management issues have led to several breaks in SGP implementation. The program lacked a national coordinator for a year; in mid-2007, a new coordinator was appointed, but resigned in February 2008. A new strategy is under discussion. Information about allocations to the national program and projects supported (status, amounts, and focal areas) is not consistent across the SGP system, particularly when comparing the SGP global Web site (which has a window for South Africa) with information gathered at the local level.[2] The evaluation team obtained information from the SGP Web site as of December 2007; at the February 2008 consultation workshop, the SGP national program provided the evaluation team with new data, but some inconsistencies could not be resolved. Whenever appropriate, the data presented here are further explained with the more recently received information.

Table 4.6 presents the allocations to the SGP in South Africa according to SGP phases. Allocations to phase 4 include $480,000 from the South African RAF for biodiversity and climate change (half for each) and $252,000 of funding for the other focal areas not included in the RAF.

Table 4.6

SGP Allocations by Phase as of February 2008

SGP Phase	Total allocation ($)
Phase 2 (1998–2004)	705,389
Phase 3 (2005–2007)	479,954
Phase 4 (2008–)	732,000
Total	**1,917,343**

The SGP global Web site as of December 2007 provided information on 36 projects (this information is uploaded by the national program and revised by the global SGP). The latest information provided by the national program directly to the evaluation team included five additional projects, bringing the total to 41, although it is not clear why they were not included in the global database. According to this new information, most projects are either completed (about half) or under implementation, which also differs from information on the Web site, which lists 15 of the 36 projects as not yet active. Annex L lists SGP projects as reflected on the Web site. Roughly equal amounts (about 40 percent) of the funding have been allocated to biodiversity and climate change projects.

Critical Ecosystems Partnership Fund

The World Bank, the French and Japanese governments, the MacArthur Foundation, the GEF, and Conservation International launched the CEPF in 2000 to initiate a global program to address threats to the Earth's biodiversity hotspots. The CEPF investment in South Africa, implemented through Conservation International, is seen as part of the GEF biodiversity focal area investment in the country. The CEPF investment has focused on the Cape Floristic Region (CAPE) and the Succulent Karoo (Succulent Karoo Ecosystem Programme); the CEPF has supported these bioregional strategies by committing funds for projects in the civil society, research, and government sectors. In terms of investment, $6,133,169 and $5,788,689 are the total amounts of committed grants for the Cape Floristic Region and Succulent Karoo, respectively.[3]

4.8 Regional and Global Projects

South Africa has also received support from the GEF through regional and global projects (listed in annex F). An assessment based only on the

number of projects is somewhat distorting, but regardless of size, the biodiversity and international waters focal areas clearly have the greatest number of regional and global projects (see table 4.7). Five international waters projects were selected for review in this evaluation.

Table 4.7

Number of Regional and Global Projects in Which South Africa Participates, by Focal Area

Focal areas	Regional projects	Global projects
Biodiversity	8	3
Climate change	0	2
International waters	8	2
Land degradation	3	0
POPs	1	0
Multifocal	2	0
Total	**22**	**7**

Annex M presents the focus of regional and global projects. This summary indicates a heavy emphasis on capacity building, legislative reforms, and assistance to governments on implementing the conventions, especially on biodiversity. No regional climate change projects have a South African component, and the global projects have mainly been aimed at market reform. As outlined in chapter 3, regional cooperation is a key policy in the South African development agenda.

Notes

1. The information presented here is taken from the SGP Web site.
2. Two reasons were highlighted for this: when the new coordinator took his position, he had to recreate the database, because the existing one was not maintained and there seemed to be problems with the global Web site, including in uploading information.
3. Personal communication from Sarah Frazee, Conservation International.

5. Results of GEF Support to South Africa

This chapter examines the following questions on global environmental impacts:

- What are the results at the aggregate level by focal area?
- What are the aggregated results at the country level?
- What are the cross-cutting results in terms of catalytic and replication effects, capacity building, awareness, and improvements in enabling environment?
- What is the likelihood that objectives will be achieved for those projects still under implementation?

5.1 Biodiversity

The results delivered through the national biodiversity project portfolio in the past 10 years are best viewed in the sequence of project implementation, as no doubt exists that the portfolio has evolved over time based on learning and in adjusting to the changing South African context. Of the 14 national biodiversity projects, 7 have been completed (2 of which are enabling activities) and 7 are ongoing (1 of which is a clearinghouse enabling activity). All the projects are expected to affect biodiversity resources that are being conserved or sustainably used, or genetic resources shared. The CEPF phase 1 investment (a global project with national components) in South Africa is included as a completed project.

The projects often include subcomponents that relate to the various GEF strategic biodiversity outcomes of (1) on-site and sustainable biodiversity conservation in protected areas (catalyzing sustainability of systems), (2) on-site and sustainable biodiversity conservation in production landscapes and seascapes (mainstreaming), and (3) implementation of the Cartagena Protocol on Biosafety and knowledge generation, dissemination, and good practices. However, annex K presents them under single outcomes. The classification is made according to the outcome that is most prevalent. Of the 11 projects that are not enabling activities, 1 project, the Conservation of Globally Significant Biodiversity in Agricultural Landscapes through Conservation Farming, was aimed almost entirely at knowledge generation, dissemination, and good practices.

Summary of Global Environmental Impacts

The support to biodiversity conservation in South Africa has resulted in significant global benefits by contributing to the formal protection of globally significant biodiversity and has strengthened systems for management. This success is founded mostly on the existing highly developed capacity within South Africa, notably SANParks and

SANBI as agents for DEAT; effective targeting of biodiversity hotspots and recognized biodiversity spatial priority areas; and expertise and support provided through the GEF Implementing Agencies, notably UNDP and the World Bank.

GEF support in South Africa has had a significant effect on the protection of habitat in priority biomes and marine ecosystems,[1] thereby improving ecosystem representation under formal protection. Protected area management effectiveness tracking tools are being adapted and applied and indicate satisfactory management or an improvement.

Most of the landscape-based initiatives are addressing mainstreaming in production landscapes; however, no comprehensive data sets exist of the total number of hectares in production landscapes/seascapes under sustainable management for the portfolio. The projects have extended the areas under conservation and sustainable use, and supported South Africa's developing approaches to biodiversity mainstreaming in productive landscapes and related sectors. Although there is no direct reporting of improvements on biodiversity (other than the proxy of areas conserved), the projects are likely to provide impacts in the conservation and sustainable use of these resources. Although the GEF has supported studies for valuation of ecosystem services and sustainable use, both of these dimensions require significant further focus in terms of establishing biodiversity conservation as the essential basis for ongoing delivery of social and economic benefits.

All the landscape-based initiatives have resulted directly or indirectly in addressing the key threat of invasive alien plants through project activities or linking to the national Working for Water Programme, which is dedicated to the management and control of invasive alien plants. No projects directly affect access and benefit sharing through the UNCBD, nor have any resulted in compliant access and benefit-sharing agreements.

Overall, securing direct and sustained social and economic impact has been the most challenging area of results for the biodiversity portfolio. Although projects have had a positive effect on poverty alleviation and communities have shown buy-in, the extent to which they have generated social and economic benefits may not be significant.

The long-term sustainability of the biodiversity impact will largely depend on the extent to which capacity for sustaining these gains is improved and embedded within the mandated biodiversity conservation and key relevant agencies; it will also depend on the long-term social and economic defensibility of biodiversity conservation, as well as its proven direct and indirect social and economic benefits, even though the latter is not the core mandate of the GEF. The improved definition and targeting of the social and economic development contribution of GEF support and its location within an effective national strategy for sustainable development would improve the effectiveness of the portfolio as a whole.

Overall, the catalytic effects have been marked, specifically in the landscape-based initiatives and especially where SANParks and SANBI are executing agencies. Institution strengthening and capacity building in general have been focused on the individual and systemic dimensions. More effort is apparently required in sustaining gains through embedded capacity within mandated institutions.

Impacts of Completed Projects

The GEF enabling activity supporting South Africa's first national report to the UNCBD had the key effect of initiating implementation of the South African government's response to the UNCBD.

The key issues identified in this first report provided an important baseline for the second (2003) and third (2006) reports and assisted in informing the National Spatial Biodiversity Assessment (Driver and others 2005) and the NBSAP, which in turn have significantly affected South Africa's capability to respond to the UNCBD by providing a prioritized basis for planning and achievement of biodiversity conservation objectives.

The completed projects that have had a direct effect in terms of biodiversity resources being conserved and sustainably used or genetic resources shared were interventions in two biodiversity hotspots, the Cape Floristic Region (Cape Peninsula Biodiversity Conservation Project) and the Succulent Karoo (Sustainable Protected Area Development in Namaqualand). These were the first two of four GEF projects that involved SANParks as the national executing agency.

The first and largest GEF investment to date ($12.39 million) in landscape-based biodiversity initiatives was the Cape Peninsula Biodiversity Conservation Project. It had far-reaching effects on the portfolio as a whole in piloting a bioregional conservation planning approach within the Cape Floristic Region; development of best practice in protected area planning, development, and management; and establishment of the Table Mountain Fund, an NGO-administered funding mechanism for conservation action. The project leveraged significant cofinancing of $78.9 million. It also secured national park status of the land now known as the Table Mountain National Park (25,000 hectares or 83 percent of the land targeted), including the marine protected area, and addressed the key threat of invasive alien plants (85 percent cleared by project end). Fifty percent of contracts for clearing were allocated to trained, previously disadvantaged contractors. An external review of the implementation of the park's strategic management plan, part of the integrated environmental management system (based on International Standards Organization 14000) funded by the GEF, concluded that the park had been successful in establishing the foundations for sustainable management and operation of the park in the future. Overall capacity to manage environmental resources has improved significantly within the park, which is financially in surplus as the second most profitable national park in South Africa.

Included within this project was the establishment of the Table Mountain Fund, considered a model fund that is outperforming targets for project funding and has provided catalytic resources for more than 60 projects (many community based), amounting to $2.5 million in the past six years. In at least 80 percent of cases, Table Mountain Fund funding has served as seed money, leveraging resources from other sources and building partnerships.

The development of the CAPE strategy has had a profound effect on the conservation of the Cape Floristic Region through the GEF-financed CAPE Biodiversity Conservation and Sustainable Development project and the Agulhas Biodiversity Initiative (ABI) and has informed the bioregional programs approach led by SANBI. It has further leveraged $60 million for implementation, including for these two projects, as well as cofinancing from the CEPF.

The Namaqualand protected area project played an essential role in improving the conservation of Namaqualand. Targets for incorporation of land into formally protected areas exceeded the predicted targets (318,201 hectares) by more than 22,000 hectares, securing 340,874 hectares of priority conservation land comprising about 6.8 percent of the region. A program supporting farmers to adopt biodiversity-friendly farming was initiated to add to the area under conservation; successful

negotiations with farmers and mining companies expanded the land in the Namaqualand Protected Area from 980 hectares to 150,000 hectares. The conservation of the targeted land should ensure the protection of 1,232 plant species; 102 are listed on IUCN's (International Union for Conservation of Nature's) Red List of Threatened Species, and 47 are endemics. The project also supported creation of the Namaqualand Marine Protected Area covering 970,000 hectares, whose formal proclamation is planned for 2007–08. This project has catalyzed six new protected areas.[2] The project's implementation completion report indicates that the park has injected $1.3 million into wages. About 351 work opportunities, mostly contract and short term, were created; four are permanent contracts within the SANParks. The conservation planning analyses completed for this project are being incorporated into local authority and provincial biodiversity plans.

The results of the remaining completed projects—conservation farming and Conservation Planning for Biodiversity in the Thicket Biome—have generally occurred in knowledge generation, dissemination, and good practices, providing an information platform to inform further biodiversity conservation initiatives. The conservation farming initiative was largely a research project, which successfully identified and evaluated the economic and ecological costs and benefits (in terms of biodiversity, carbon sequestration, and ecosystem health) of conservation farming practices, compared with more widespread land-use and management practices.[3] Influence on policy cannot be measured directly; however, information from the project has been transferred to target groups and has influenced related bioregional programs (Subtropical Thicket Ecosystems Planning, Succulent Karoo Environment Programme, Maloti-Drakensberg Transfrontier Project, and CAPE Biodiversity Conservation and Sustainable Development). As the first national project executed by SANBI, the conservation farming project prepared the SANBI administrative systems for GEF engagements.[4]

The overall impacts of the thicket biome project are advances in methods for the analysis and conservation planning of plant biomes of South Africa, existence of a plan for the conservation of an important vegetation type in South Africa, better understood threats to the thicket vegetation, greater awareness on the value and role of vegetation type, building of local government implementation capacity to conserve the thicket through guidelines and workshops, and better understanding of building community-based conservation activity in parts of the Eastern Cape. The impact is evidenced by the uptake of the detailed plan into the Eastern Cape provincial biodiversity conservation plan, as well as SANBI's intention to establish an Eastern Cape bioregional coordination unit.

The CEPF has made and continues to make, significant investments in two biodiversity hotspots in South Africa: the Cape Floristic Region and the Succulent Karoo, contributing to the protection of, respectively, 204,612 hectares (16 percent of the identified priority areas) and 97,979 hectares (12 percent of identified priority areas). In terms of investment and leveraging impact in the Cape Floristic Region, the committed grants amount to $6,133,169,[5] while leveraged funds amount to $3,839,326. In the Succulent Karoo, committed grants amount to $5,788,689, while leveraged funds amount to $2,600,229. The CEPF investment, owing to its flexibility, has played a significant role in stopping gaps, funding bridging activities, and maintaining momentum in interventions in the Cape Floristic Region and Succulent Karoo, while GEF funds were being released.

Likely Impact of Ongoing Projects

The third major SANParks–World Bank project to be approved was the Greater Addo Elephant National Park Project. This ambitious undertaking is proceeding well with achievement of 164,000 of the 236,000 hectares terrestrial target and 7,400 of the 120,000 hectares of declared marine protected area. A further 17,600 hectares of private land (of the 46,000-hectare target) have been secured. However, it is unlikely that the original targets will be met, and revisions are likely because of land price escalation and purchase of targeted private land for the Coega Industrial Development Corporation. The project is intended to effect an increase of 30 percent in employment from the current baseline of 1,228 people. However, the project implementation reports mention apparent concerns regarding the extent to which the project can help generate the planned direct and sustainable social and economic benefits. A further key concern for this project is how quickly resettled farm workers are being compensated, specifically through provision of housing.

The Richtersveld Community Biodiversity Conservation Project, the only project within the portfolio that a local authority—the Richtersveld Municipality—is executing, is intended to contribute to the protection of globally significant biodiversity (a portion of the Succulent Karoo biome) in the Richtersveld, South Africa, by establishing a strong system of community-based biodiversity conservation in partnership with other key stakeholders. Unfortunately, no project reports are available on which to evaluate progress and impact. Since the GEF funding application was first submitted, the Richtersveld has attracted significant funding from other donors, was nominated as a World Heritage Site in 2006, and is part of the greater Gariep Transfrontier Conservation Area.

The Agulhas Biodiversity Initiative is the fourth project in the portfolio's evolution for which SANParks is the national executing agency; UNDP is the IA. The ABI is seen as a pilot initiative of the CAPE Strategy Implementation Programme. The independent midterm evaluation indicated that the ABI is making excellent progress in achieving its ecological goals. The total amount of land under legally binding conservation management on Agulhas Plain is 102,785 hectares (92 percent of target). The baseline management effectiveness tracking tool scores are at an acceptable standard of management; the joint extension service of SANParks and the Provincial Department of Agriculture is overseeing conservation on 120,000 hectares of private land, and targets for alien clearing and uncontrolled fires are being met. Technical assessments of the ecological and economic sustainability of fynbos harvesting now exist, considerable progress has been made toward certification, and training strategies and materials are of high quality; questions remain as to the long-term viability of fynbos harvesting. The targeted proportion of benefits arising from the project for historically disadvantaged groups—that is, 40 percent (1,200 families)—is being met (1,032 families). The most significant impact beyond increased areas under protection has been the piloting of the joint extension service among the Department of Agriculture, CapeNature, and SANParks, thus securing conservation value outside the formal protected area network. The project has also provided a platform for an assessment of model testing for potential rationalization and cooperative governance mechanisms to create appropriate conservation management capacity in South Africa.

The CAPE Biodiversity Conservation and Sustainable Development Project, seen as phase 1 of the implementation of the CAPE strategy, is the second largest biodiversity project investment to date

and has the global objective of securing conservation of the Cape Floristic Region and adjacent marine environment by 2024. The project has two development goals:

- Capable institutions cooperate to develop a foundation for mainstreaming biodiversity in the Cape Floristic Region into economic activities, including components and outcomes for strengthening institutions; supporting conservation education; and implementing a program coordination, management, and monitoring framework.
- Conservation of the Cape Floristic Region is enhanced through piloting and adapting site-based models for sustainable, effective management and includes components and outcomes for managing protected areas, establishing the foundations of the biodiversity economy, and integrating biodiversity concerns into watershed management.

The CAPE project has been independently evaluated at midterm (2007). Some of the more interesting measured impacts and outcomes reported include the following:

- Development and implementation of a comprehensive strategy for capacity building that is flexible and responsive to emerging needs. Graduates of this effort have already been deployed within projects (for example, Cederberg) and cooperating agencies. The CEPF Table Mountain Fund and World Wide Fund for Nature–South Africa Capacity-Building Programme have significantly contributed to the numbers of black and female managers receiving training and placement within the Cape Floristic Region.
- Securing just over 100,000 hectares within the protected area system. The target is 4,000 square kilometers, which will likely need revision, as targets may not be realized by 2009.
- Creation of temporary jobs under the Extended Public Works, Poverty Relief, Working for Water, and Working on Fire programs. The project also resulted in the creation of permanent positions in conservation and nature-based tourism, which are increasing according to annual projections.
- Continuing to provide local planning authorities with defensible biodiversity conservation priorities and guidelines through fine-scale planning and land-use planning initiatives. These have been incorporated into four spatial development frameworks, including Overstrand (through the ABI project), Cape Agulhas, and Theewaterskloof and Drakenstein (supported through the CEPF-funded Putting Biodiversity Plans to Work project), although legal mechanisms for ensuring compliance are yet to be tested.
- Securing 19,276 hectares as of early 2007 through formal stewardship agreements dependent on voluntary cooperation. This is an increase from a 2004 baseline of 16,115 hectares and toward a target of 56,402 hectares for June 2009.

Numerous positive unintended consequences are not adequately dealt with in tracking the logframe indicators. These include the myriad projects resulting from landscape initiatives, as well as through the CEPF and Table Mountain Fund. Overall, the CAPE project has had a profound effect on the approach to achieving biodiversity conservation targets through a bioregional programs approach (see catalytic impacts below).

Projects Just Starting Implementation

The goal of the Conservation and Sustainable Use of Biodiversity on the South African Wild Coast project is to set up a representative system of protected areas in priority bioregions that are effectively managed and contribute to the sustainable development objective.

The GEF CEO finally endorsed this project in 2006, even though it entered the pipeline in 2001 and is yet to report progress on implementation. A field visit showed that the project could positively contribute to the experience of co-management, which is relatively new in South Africa. The communities that are receiving these reserves (under land reclamation) will benefit from the project. The community visited was ready to begin the project.

The National Grasslands Biodiversity Program has targeted the sustainable use of biodiversity and associated ecosystem services of the grasslands biome for the benefit of current and future generations. Annex K presents the expected impact and detailed objectives. As the project is still being initiated, no impacts have resulted to report; however, SANBI has internalized coordination capacity and recruited an urban coordinator within the Gauteng provincial government.

Outcomes

Catalytic and Replication Effects

Some of the catalytic and replication effects have already been outlined as key results of the projects, especially where these were planned results. This section summarizes key achievements.

Although it is difficult to isolate specific projects as the main catalysts for change owing to the clear linkages among projects in design, the project that has had the most significant catalytic and replication effect within the portfolio is the Cape Peninsula Biodiversity Conservation Project. Not only did it catalyze the conservation of the Cape Floristic Region (by establishing the Table Mountain National Park and the Table Mountain Fund, and by developing the CAPE strategy), but it also had a significant influence on South African government institutions and management practices. Examples follow:

- SANParks—landscape-based approach, invasive alien clearing and development of contractors, knowledge management, environmental education, park planning and development, stakeholder engagement
- SANBI—bioregional planning approach
- CapeNature—strategic priorities, capacity building
- Working on Fire Program—fire management approaches
- Marine and Coastal Management—establishing new marine protected areas
- CAPE partners—institutional collaboration and strategic alignment

The CAPE strategy has influenced landscape and bioregional planning in the Subtropical Thicket Ecosystem Project, Succulent Karoo Ecosystem Project, and National Grasslands Biodiversity Program, as well as projects in the Eastern African Marine Ecoregion (Kenya, Tanzania, and Mozambique), Central Annamites (Vietnam), and Eastern Africa Coastal Forests, and the dryland ecoregional programs of the World Wide Fund for Nature (WWF 2006).

The establishment approach to and financial success of the Table Mountain National Park is seen as a model for other parks in the country. Pioneered through the GEF investment, these approaches have significantly influenced the development of the Protected Areas Act and the norms and

standards applied to management of national parks in South Africa. The integrated environmental management system and allied geographic information system–based environmental information system developed for the Cape Peninsula Biodiversity Conservation Project represents South African best practice and has served as a model for implementing environmental management systems throughout SANParks. Its establishment approach and financial success are now used as a model for other parks in the country.

From the perspective of local replication effect, the influence of this project on the GEF-SANParks project design is also visible in the Namaqualand, Addo, and ABI projects. Each has in turn catalyzed landscape or bioregional conservation initiatives beyond the boundaries of the national parks.

The Table Mountain Fund is seen as an important catalyst for biodiversity conservation in the Cape Floristic Region and, in many cases, has been a small, "turnkey" investment, leveraging further funding or piloting approaches that can be embedded in mandated agencies. For example, Table Mountain Fund funding supported capacity building in communities so that more meaningful participation could take place during the consultation process in the establishment of the marine protected area for the Table Mountain National Park.

Much of the funding allocated through the CAPE program has had a catalytic effect, serving to leverage additional cofinancing and in-kind support and commitment for activities. One of the challenges is to record and document these effects. Not only has it been a key platform on which the SANBI bioregional programs were built, it has informed the overall approach in the National Environmental Biodiversity Act, the NBSAP, and the Protected Areas Act. Furthermore, the approaches to mainstreaming biodiversity in production landscapes in the CAPE program are seen as international best practice; the CAPE via SANBI has hosted international workshops on mainstreaming biodiversity and business. The grasslands program design has refined the approach by embedding the project within production sectors to a greater degree.

The CEPF investment managed by Conservation International has worked in concert with CAPE (and been the key investor for the Succulent Karoo Environment Programme). The CEPF has focused its efforts on leveraging the activities and expertise of local conservation experts, as well as implementing pilots and models for replication. For example, the project Partnerships, Cooperative Management, and Incentives to Secure Biodiversity Conservation in Priority Areas in the Cape Floristic Region (the Conservation Stewardship Pilot Project) implemented by the Botanical Society of South Africa informed the overall approach to conservation of private land in other bioregional programs (for example, the Maloti-Drakensberg Transfrontier, ABI, Addo, and CAPE projects), as well as the national program for stewardship. The CEPF is seen as having played a significant catalytic role within the GEF portfolio in South Africa, specifically in the arenas of piloting landscape initiatives outside of protected areas in stewardship initiatives and mainstreaming in production sectors. A critical role of the CEPF has been the approach to community engagement in preparation for GEF investments. Overall, the CEPF has proactively developed synergies among GEF, private sector, government, and nongovernment investments and activities.

It is unfortunate that the Richtersveld project has not progressed to the point at which specific lessons can be extracted, as financially sustainable models for conservation of communal lands remains a challenge in South Africa. Although the contexts are very different, some elements of the

project (such as sustainable financing) might have been replicated within the Wild Coast project.[6]

The catalytic and replication effects are possibly the most important results of the portfolio of projects in the biodiversity focal area, second only to securing priority biodiversity. As noted by SANBI (2006, p. 255), "There is no shortage of innovative projects in the region. The challenge is for short-term catalytic projects to develop exit strategies that institutionalise the innovations so that they can be sustained."

Institutional Sustainability and Capacity Development Outcomes

A key challenge in the context of the biodiversity focal area in South Africa is the ability of institutions to sustain the gains made through the GEF projects. In SANBI's most recent budget submission for the Medium-Term Expenditure Framework, a specific request in its budget motivation is to enable increased embedded capacity to ensure that gains made through the GEF investment are sustained beyond the project life-span.[7] This budget request could not immediately be met; however, it would be incorrect to assume that no consideration has been given to embedding capacity to sustain the gains. Many examples exist of such planning having taken place or been developed through the project and retained thereafter—for example, the development of the Bioregional Planning Directorate within SANBI, biodiversity geographic information system positions based at the SANBI, employment within SANBI of key coordinator positions for the bioregional programs for, among others, the CAPE and grasslands programs. Examples of embedded capacity can also be found in biodiversity advisers appointed in provincial authorities.

From the project reviews, the major emphasis for capacity development is clearly at the systemic (policy, planning, and information systems) and individual levels (focus on training for project staff or poverty relief beneficiaries), whereas the organizational capacity within mandated organizations has often not received sufficient attention in order to sustain the gains or maintain the momentum of the projects. This does not mean that the catalytic impact of GEF support has not resulted in or informed the improvements to institutional capacity as a whole (see the above discussion of catalytic effects). It is important to note for some of the research projects and conservation planning projects that conservation planning outputs—the plans themselves—were the intended basis for sustaining gains, within a strategy for integration within the provincial plans.

Individual capacity development through GEF projects has also resulted in South Africa developing world-renowned scientific and technical capacity in systematic conservation planning, mainstreaming, ecological economics, and payment for ecosystem services. The GEF projects have resulted in a level of technical exchanges among projects enabled through SANBI's various national forums. Perhaps most important for individual capacity has been the incentive to develop and grow to achieve the results that before the GEF investment were not seen as attainable.

Systemic capacity has been significantly strengthened as a result of the GEF investment. Key policy, strategy, and legislation changes such as SANBI's expanded mandate, the NBSAP, the National Environmental Management Biodiversity Act, and the National Environmental Management: Protected Areas Act have been funded directly or catalyzed or informed by GEF investment and projects. For example, the norms and standards for bioregional plans drew from best practice in the bioregional programs supported by the GEF, notably the Cape Peninsula Biodiversity Conservation Project, the

CAPE Biodiversity Conservation and Sustainable Development Project, and the CEPF. The CAPE project has informed the institutional model of "a managed network" adopted by SANBI. Significant effort has been made by the project in finding opportunities to share lessons; some of these forums have evolved to function at a national level.

Overall, SANBI and SANParks appear to have responded best to increasing organizational-level capacity to sustain project gains. However, key concerns relate to CapeNature as an important implementer of the CAPE project and to the Eastern Cape Parks Board and the Eastern Cape Department of Economic Affairs and Environment as key drivers for implementation of the subtropical thicket ecosystems planning outputs and the support to conservation on private and communal land outside of formal protected areas.

An issue that may affect institutional sustainability is the resolution of mandated conservation and protected area management—specifically the proposed, but very slow, process of considering the rationalization of provincial and national conservation management organizations (SANParks and provincial conservation agencies). The local government mandate for the conservation of biodiversity is a further concern, specifically in light of increasing devolution of responsibility for implementing bioregional plans. Another concern relates to the legal force of bioregional plans as established through the National Environmental Management Biodiversity Act: "Despite the legal requirement concerning reconciliation of, and alignment between, bioregional and other plans, the legal status of bioregional plans is limited as there is no positive obligation on authorities to enforce a bioregional plan."[8]

A significant effect of the GEF investment, specifically in the bioregional programs, has been for individuals and organizations to work cooperatively and in partnership beyond sometimes fiercely defended domains. This has been enabled through the project's cooperative governance structures, such as the CAPE Implementation Committee; and in the design of some projects, for example, the joint extension service in ABI involving CapeNature, SANParks, and the Department of Agriculture. The challenge will be to sustain the partnership-making processes within these programs that enable joint planning, implementation, and accountability.

Awareness

Significant effort has been invested in awareness raising in many of the landscape-based biodiversity projects, partly because their success directly depends on changing behaviors—for example, uptake of stewardship arrangements by private land owners.

5.2 Land Degradation

There are no national projects approved in this focal area. The GEF introduced this area in 2002, and funding became available in 2004. Views differ on why no projects have been approved since this window opened in GEF-3 and when about $6 million reportedly became available for South Africa. The TerrAfrica program for land degradation in Africa was established in GEF-4, which included an allocation for South Africa, but no projects were proposed and the funding opportunity was missed. These issues are further explored in the section on relevance below. The South African components of regional projects, such as in the desert margins project and others, are likely to have affected land degradation. However, these regional projects do not fall within the scope of this evaluation. The SGP has provided a small amount of money to land degradation, but none

of the four projects has been completed; nor were progress reports available.

5.3 International Waters

Five international waters projects were selected for review in the CPE in terms of their contribution to impacts and outcomes at a national level in South Africa. Four of the projects are regional and involve a range of regional partners; the fifth is a global project. The global project was designed to enable six partner countries around the world to pilot the project in one port per country to build national and regional cooperation on the control and management of ballast water from ships entering ports.

Three of the international waters projects targeted results on "political commitments to improved multi-country cooperation supporting sustainable economic development opportunities, stability, water-related security in transboundary water systems"; and two were designed to ensure that "participating states demonstrate the necessary ability to reduce overexploitation of fish stocks, reduce land-based coastal pollution, and balance competing water uses in basins & report subsequent water-related improvements."

The Benguela Large Marine Ecosystem Programme and ballast water projects relate to "restoring and sustaining coastal and marine fish stocks and associated biodiversity," while the remaining two projects—Western Indian Ocean Highway, and Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa—target outcomes related to "reducing nutrient overenrichment and oxygen depletion from land-based pollution of coastal waters in Large Marine Ecosystems consistent with the GPA."

Impacts of Completed Projects

The Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa—also known as the African Process project—was completed in 2002, enabling the assessment of the threat and causes of degradation in coastal and marine environments. The main achievements of this project were developing 11 country profiles that identified the main environmental problems and their impacts and root causes and hotspots and sensitive areas in the coastal and marine environment. This provided the platform for 19 subregional project proposals related to coastal erosion, management of key habitats, sustainable use of living resources, tourism, and pollution, plus one project that is part of the Global Ocean Observing System Africa program. During the Johannesburg WSSD in 2002, a program of interventions was adopted and incorporated into the NEPAD environmental program, indicative of increased awareness of mainly African decision makers on the importance of coastal and marine management. Overall, the project seems to have had a positive effect on the participating African nations supporting the objectives of the Abidjan and Nairobi regional conventions.

The global ballast water control project has undoubtedly contributed to strengthening political commitment to improved multicountry cooperation on the control and management of ballast water. South Africa itself moved from low awareness of the dangers of ballast water importing invasive species and threatening economic activity to ratification of the International Convention for the Control and Management of Ships Ballast Water and Sediments and agreement to comply with the specified standards and requirements on ballast water. Although South Africa does not yet have the policy and regulatory frameworks in place to enforce compliance with this convention, it is close to putting these in place.[9] The terminal

evaluation of the global ballast water project does not systematically assess the impacts of this project in each national or regional context, but rather presents a generalized picture of achievement across countries and regions. This is unfortunate, as it would have been valuable to document a comparative picture of specific impact at national and regional levels, as well as specific lessons learned that could inform future projects. Interviews conducted appear to indicate that the project has not fully affected all areas expected in South Africa and, through South Africa, the region. More detailed information on the results of the project within South Africa is presented below, under catalytic and replication effects.

The terminal evaluation for the Benguela Current LME program was unfortunately not available at the time of analysis and report writing. However, the key impact in terms of political commitments is the establishment of the Benguela Current Commission, which, although advisory, will be responsible for the development and ongoing implementation of transboundary agreements and treaties for the BCLME.

Likely Impact of Ongoing Projects

The Western Indian Ocean Highway project is too recent for any projection of likely impacts to be made. The project overlaps significantly with the global ballast water project, and it will presumably be able to build on the impacts, described above, at national and regional levels in terms of improved political commitment, policy alignment, and cooperation of the eight countries (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, and Tanzania) regarding the highway. Although the project document mentions the global ballast water project, it contains no explicit analysis of results to date, challenges, opportunities, or next steps.

The Distance Learning and Information Sharing tool for the Benguela Coastal Areas (DList) project is close to completion. Oriented to support and capacity building, the project has inevitable challenges related to specifying clear expectations and achievement of impact. Reports indicate significant outputs, but do not report specific impacts in terms of its objective "to improve global management of transboundary water systems by increasing capacity to replicate best practices and lessons learned in each of the GEF International Waters Operational Programs." The project's relationship to the BCLME project, to which DList's communication objectives were linked in the project design, has been limited. Staff indicated that this is so because, at this point, the BCLME project is primarily a scientific research project. The scope of the DList project has been South Africa, Namibia, and Angola, but its effective reach into Angola is reportedly relatively limited, while it has an established network in South Africa and Namibia. Project staff are currently working on establishing impact and outcome indicators that could be used to track results rather than outputs.

Catalytic and Replication Effects

Some of the catalytic effects of the global ballast water project have been touched on above. The initial survey of the Saldanha port as part of the pilot project led the South African Port Authority to arrange a survey of four other ports. A ballast water risk assessment that will enable monitoring and management of compliance has been developed and will form part of policy. The project has provided the impetus for an assessment of changes required to ensure compliance with the International Maritime Organization convention, a commitment from South Africa to seek International Standards Organization 14000 environmental certification for all port facilities, and the drafting of the necessary policy and regulatory

changes (currently in process). The project has also improved regional cooperation by establishing partnerships and relationships with regional organizations and promoting regional strategic action plans. Again, although policies and strategies are not yet fully aligned at the regional level, the project has created impetus and networks that are still active among the countries.[10] South Africa established linkages to the Nairobi and Abidjan conventions and representatives from port authorities, ministries, key stakeholders, and regional participants from Africa. A key catalytic outcome of this project in South Africa is the development of an innovative, commercially viable mechanism for testing and cleaning ballast water. It has been designed to meet the standards and requirements specified by the International Maritime Organization convention and awaits certification through the South African Bureau of Standards.[11]

The DList project is also able to point to a number of catalytic outcomes, which it views as its key role. It has catalyzed a distance learning course in sustainable development in coastal areas and an Environmental Resource Centre; these are now housed, fully funded, and run by the Cape Peninsula University of Technology. It has also catalyzed a number of electronic networks or "communities of practice,"[12] which would be self-sustaining, according to interviews held.

The BCLME project has resulted in significant catalytic and potential replication outcomes informing other African LMEs, such as the Guinea, Canary, and Agulhas-Somali Currents LMEs. These outcomes will be enhanced through the confirmation of the NEPAD as the coordination focal point for African LMEs. Key to replication is the design of the project incorporating an array of priority measures, as identified in the transboundary diagnostic analysis and the strategic action program. The scientific community in Angola, South Africa, and Namibia has developed strong cooperative research relationships in laying the scientific basis for interventions in sustainable management and utilization of transboundary marine resources, assessment of ecosystem impacts and improvement in environmental variability, and effective pollution management. This was assisted significantly by the Benguela Fisheries Interaction Training Programme, which was a precursor and primer to the scientific collaboration developed through the BCLME. Key to the sustainable development agenda is the high level of cooperation reached by the fisheries institutions of the three countries, as well as with the other ministries involved in the program (Mines and Energy, Environment, and Petroleum). The BCLME project has had a significant catalytic effect in the countries moving toward an ecosystem-based approach to fisheries management.

Institutional Sustainability and Capacity Development Outcomes

Although the global ballast water project has clearly been relatively effectively institutionalized in the ports authority and in the National Department of Transport, which has responsibility for port management, it is less clear that the project has been sustainably institutionalized as part of an integrated approach to invasive species. Sustainability will require the integration of marine invasive species into current strategies to combat terrestrial and freshwater invasive species. The Global Invasive Species Programme, which had provided much of the coordination and championing of the global ballast water initiative, has been moved from Cape Town to Nairobi, and some of those interviewed feared this would negatively affect the institutional sustainability and momentum of the project in South Africa. The project initiated a workshop in Saldanha Bay a year before project closure which included relevant ministries and

laid the basis for improved coordination by developing a practical management plan and clarifying roles and responsibilities. The plan is currently being updated to take account of the Convention and Ports Act, but is currently implemented in several ports. In the same year, the project initiated a ballast water management course held in Cape Town and attended by representatives of the port authority and ministries, key stakeholders, and regional participants from Africa.

The sustainability of the DList project is somewhat uncertain as it is tied to the BCLME project, although some of the initiatives of the project have become self-sustaining.

The Benguela Current Commission provides the institutional vehicle for ongoing implementation of priority interventions in the BCLME; these can build on the significant training and capacity building undertaken in the three BCLME countries (mainly Angola and Namibia) through various technical training workshops, short-term specialized courses, postgraduate science courses, and on-the-job training in laboratories and at sea. Capacity-building activities were designed within the projects, often accounting for 15 to 20 percent of project budgets. To sustain the gains being made in the BCLME project, concerted effort in capacity building will need to continue. Most of the monitoring for capacity development has been undertaken at the output level. More effort will be necessary to design indicators that adequately monitor the outcomes and impact of these interventions.

Awareness

The BCLME program interventions have resulted in improved awareness of the LME and the need for cooperation in sustainable management at the highest political level, namely, the Bengela Current Commission. NEPAD adoption of the African Process outcomes also indicates a high degree of awareness at a political level.

Summary of International Waters Results

- GEF support has resulted in South Africa's involvement in agreements for coordinated regional and international management of marine resources and has provided a robust scientific platform and initial networks for coherent regional response and action.
- The international waters interventions have significantly improved the scientific basis for regional prioritization of cooperative interventions in managing marine resources and land-based activities affecting these resources.
- No direct global benefits for freshwater resources have yet been recorded.

5.4 Climate Change

The spread of projects in the climate change focal area predetermines what types of results can be expected:

- At the impact level, all projects are focused on climate change mitigation by affecting GHG emissions ("reduction or avoidance of GHG in areas of renewable energy, energy efficiency, and sustainable transport"). None have targeted impact on capacity to adapt to climate change ("increase resilience to the adverse impacts of climate change of sectors and communities").
- At the outcome level, no projects are targeted to improving energy efficiency.[13] All are designed to achieve outcomes related to the growth of renewable energy markets, except for the transport and enabling activity projects. The renewable energy markets targeted cover a wide spectrum of applications: solar cookers, commercial and domestic solar water heaters,

solar thermal electric technology, wind energy, and fuel cells.

A key feature of the projects in this focal area is that only three of the eight are completed and one of those is an enabling activity. Thus, the potential for achieving results is less than in the case of biodiversity, which has a number of projects already completed. However, the key potential contribution of most of the climate change projects outlined in annex K is not likely to be the quantity of GHG emissions directly reduced, but their contribution to the body of knowledge required to analyze policy and strategy options and to catalyze change through demonstration, removing barriers, and/or influencing the establishment of a more enabling environment.

Impacts of Completed Projects

South Africa began to develop the INC under the UNFCCC in 1998 and submitted it to the GEF COP in 2003. The actual impacts of the INC are difficult to trace directly. Although the second national communication is not yet complete, impacts would likely be found in both climate change mitigation and adaptation, where the baseline studies, including the GHG inventories, have significantly strengthened the foundation for effective strategic decisions and action. It is not possible to link the INC directly to GHG emissions reduced or to increased resilience of sectors and communities to the adverse impacts of climate change. Although South Africa appears not to have made much progress in reducing GHG emissions yet, faces major challenges in doing so, and still has enormous vulnerabilities to climate change, this project will undoubtedly have contributed to what impact has been made or will be made over time. The most relevant results for GEF enabling activities are likely to be their catalytic effects (see following discussion).

The other two projects completed were both pilot studies to test viability and feasibility of renewable energy options. Both the solar cooker and solar thermal electric technology projects are reported to have demonstrated such significant challenges and limitations that both projects conclude that the technology is not really viable, feasible, or relevant to the context and needs. The total emission reduction achieved by the cooker project was reported as 5.1 kilotons of CO_2 equivalent (about 2.5 percent of the target). These results do not make these projects failures, however. They have been successful as pilots in demonstrating the characteristics, opportunities, and limitations of the technology so that an informed judgment can be made about whether further investments are advisable and worthwhile. Reliable results that are able to inform decisions about technology options based on actual impact assessments are rare and valuable. These results do raise questions about the extent to which prefeasibility assessments were made and their adequacy. This is especially the case with the solar cooker project, as a previous phase of the project designed to establish whether a pilot was worthwhile concluded that the technology had significant potential in South Africa, while the pilot demonstrated conclusively that it had very limited application and little potential to reduce GHG emissions. Although both refer to pilot studies of the technology in other contexts, little evidence exists that these were used to assess which renewable energy options have the best potential and should therefore be prioritized for demonstration projects. The GEF could potentially make an important contribution by making the learning from its vast global portfolio available for national assessments in terms of its relevance to the national context.

Furthermore, it might be valuable to revisit the conclusions of the solar thermal electric technology project in the current context in South Africa,

as very significant changes have affected the extent to which Eskom is able to provide low-cost baseload power, and options that could increase peak power supply would be welcomed.

Likely Impact of Ongoing Projects

Annex K indicates that, for at least half the projects, it is too early to predict their likely impact or likely achievement of the impact expected. Two of these are relatively new—the sustainable public transport and Renewable Energy Market Transformation (REMT) projects; the other two—the fuel cells and wind energy projects—have been delayed for substantial periods, but have recently gotten under way. It is not clear why they have been so delayed but a number of government officials and IA staff indicate that a major factor has been the changing processes, procedures, and inclinations of the GEF itself, as well as staff turnover and lack of capacity in executing agencies. This delay is regrettable at a time when South Africa needs reliable information to respond to the energy crisis. Had these projects been able to demonstrate the capabilities and requirements of the technology, they might have been very influential. In this context, however, all have a strong chance of receiving active support and interest from a range of government and commercial stakeholders.

As stated above, because South Africa is at a comparatively early stage in introducing renewable energy, the value of almost all the projects will be in their influence through testing and demonstrating technology; removing market barriers; and improving the enabling environment in terms of the policy, regulatory, budgetary, and strategy frameworks needed to support technology changes. Many are still at too early a stage to be able to predict how successful they will be in achieving these outcomes. The current shortage of available power is, however, conducive. The transport project is also likely to benefit from the urgent need to prepare for the 2010 World Cup.

Only one of the ongoing projects is near completion, but none of the documents available indicate the targeted impact and past or likely achievements either on GHG emissions reduced by increasing use of renewable energy or on outcomes in removing key barriers to the solar water heater market. Key enabling achievements related to standards and codes of practice are likely to contribute substantially to the outcome targeted and to the likelihood of reductions in GHG emissions from fossil fuel–based energy.

Catalytic and Replication Effects

Given significant impending changes in the South African energy sector, achieving catalytic effects is even more important. As one climate change specialist interviewed noted, "In terms of effectiveness, GEF's ability to influence major changes and actual amounts of GHG avoided in [the South Africa] energy sector is quite limited; the real value is in what GEF brings in being a catalyst in innovative ways of doing things, sharing knowledge, lessons, etc."[14] The actual catalytic and replication results achieved are therefore of central importance to this evaluation.

South Africa's INC is likely to have had the most far-reaching catalytic effect of the climate change projects, even though no reports or evaluations of outcomes resulted from the project, and attribution is difficult in this area. No requirement exists for reporting progress or conducting independent terminal evaluations of GEF-funded enabling activities. These usually involve the development of situational analyses and strategy frameworks to enable countries to implement the requirements of the relevant convention. These analyses and strategy documents are a mandatory part of compliance with the convention to ensure countries

have the relevant data to analyze requirements for fulfilling their obligations under the conventions and institute the requisite plans and institutional arrangements. Both the process and product of these projects have the potential for fundamental and far-reaching catalytic effects on the policy, strategy, and practice of countries in the areas covered by the conventions. In terms of process, these projects have the potential to catalyze national discussion, debate, networks, and communities of interest and practice across a range of sectors and groups. In terms of the product, the projects may potentially enable the collection, verification, and analysis of data sets that may not exist or be adequate, and an analysis of the situation and options that can inform decisions at all levels from national policy to the decisions of small business owners.

It is not possible to detail, nor has it been possible to trace, all the catalytic effects of South Africa's INC or the range of detailed country studies on which it was based. The INC was and continues to be an important contribution to South Africa's capacity to develop policy and strategy regarding climate change. Even before the final report was submitted, it influenced the development of a range of policy and strategy, including the Medium-Term Priority Framework for South Africa to guide the allocation of grants from the GEF, the National Climate Change Response Strategy, Energy Efficiency Strategy, and *White Paper on Renewable Energy*. This project, building on other donor-funded studies, has ensured South Africa's ability to develop policies and strategies based on reliable information, including GHG inventories, and technical and situational analyses in a range of areas, including the potential of renewable energy and energy efficiency options and vulnerabilities arising from climate change, that were not in place before.

Although the project has clearly had a catalytic effect, it has stopped short of a concrete and specific strategy on climate change that is fully aligned with energy policy, practice, and needs in South Africa. One reason may well be the project's inability to complete the anticipated macroeconomic analysis and modeling. This is unfortunate, as it would have enabled South Africa to analyze options and make strategic and informed decisions on how to achieve greater energy efficiency and a more diverse energy mix without compromising the imperatives related to strengthening the economy and tackling poverty. This analysis was deferred to a following phase, but was essential if South Africa was to confidently make decisions with socioeconomic implications, specifically in the energy field, given the very specific dependence of the South African economy on fossil fuels. The macroeconomic modeling of options is now under way and involves the most senior political and administrative leadership, as detailed below.

The INC project undoubtedly contributed to generating sufficient urgency and interest to provoke a large-scale National Climate Change Conference in 2005. About 600 delegates from government, business, academia, and civil society, including a wide range of South African cabinet ministers, attended. The conference made resolutions on a range of measures, most of which have been instituted (Winkler and Marquard 2007):

- Increased cross-government coordination on climate change
- Use of the 2004 Air Quality Act to regulate GHG emissions
- Establishment of a South African National Energy Research Institute
- Development of a technology needs assessment

- Establishment of a National Energy Efficiency Agency
- Compilation of sectoral plans to augment the national Climate Change Response Strategy
- Inauguration of a long-term, scenario-building process to examine how South Africa can best meet GHG reduction targets and development goals at the same time

As the analysis of impact shows, the only two projects completed have both concluded that replication is not advisable, particularly because of market conditions at the time they were completed. They also decided that this conclusion should probably be reviewed in the case of the solar thermal electric technology project, given the significant changes in South Africa's energy situation that would make the potential "niche application as a peak power option" identified in the project completion report more viable. A disjuncture apparently exists between the formal conclusions of the project and Eskom's response. Despite the completion report's conclusions, the project has also catalyzed additional funding and technology development. Eskom decided to continue with phase 2 project development using its own funding, and has developed a large-scale solar thermal project. Eskom believes that the initial project has had a significant catalytic effect as it "changed the way we thought about renewables" by demonstrating the potential to overcome intermittency and enable storage.[15]

The wind energy project catalyzed a 20-year power purchase agreement with the city of Cape Town. This was set as a precondition for the project and forms part of an agreement by the city to purchase 20 percent of its energy needs from renewable energy sources by 2020. The DME has produced guidelines on how to assess and process independent power producers and power purchase agreements using the Darling Wind Farm Demonstration Project as a case study.[16]

The other project that has had clear and important catalytic and replication effects is the nearly completed solar water heater project. The 500 solar water heaters installed during the life of the project will be expanded to 1 million to be installed through an Eskom project of R 2 billion that is targeting savings in fossil fuel–produced energy use by high-end domestic users to maximize savings. Very extensive and significant lessons were learned and enabling conditions created in the solar water heater project. These are being applied in the Eskom program, such as the need to establish quality assurance mechanisms for installation and manufacture. Annex K lists the standards and codes of practice that were established and now support the growing industry. A subsidy of 35 percent on installation costs will be applied to incentivize installation and reduce the market barrier related to high cost. Eskom will sell carbon credits to add to the subsidy it can give. More work is probably needed on the model, as the installation industry is reportedly reluctant to sign up for the Eskom program and skeptical about its feasibility.[17] Nelson Mandela Metropolitan Municipality will fund solar water heaters for all houses, creating a hot water utility that is totally off the grid and manage repayments of the R 7,000 installation fee over 10 years, as well as maintaining the infrastructure for residents. It may be assumed that this project's replication effects will increase sharply in the wake of the current power supply crisis.

All the projects in this focal area are designed to have catalytic and replication effects, but it is too early to expect any results for the remaining projects; their potential has recently improved significantly. This and the sustainability of the catalytic effects noted above will depend on their relevance to the current and evolving policy and strategy

context in South Africa (discussed in more detail in chapter 6).

Institutional Sustainability and Capacity Development Outcomes

All the projects will have built the capacity of the individuals involved, although no specific data exist to support this. Because much of this work involved the active analysis and strategic assessment of contexts and technologies, the learning involved is likely to be substantial. Various project documents and some of those interviewed note the important capacity gaps in key institutions; systemic issues related to the fragmentation of mandates in relation to energy decision making; and contradictory policy, practice, and incentives that highlight the importance of energy efficiency on the one hand, but incentivize energy-intense industry. Almost all the project documents for renewable energy projects note the existence of significant market barriers to renewable energy technology, of which cost is often the most important, and the absence of adequate enabling conditions and market incentives, such as clear, mandatory feed-in tariffs and a voluntary green electricity trading scheme.

All the energy-related projects note that, in the absence of specified improvements in capacity in government and outside, improved policy coordination and coherence, and removal of key market barriers where relevant, little chance exists of sustaining, let alone replicating, project gains. However, the actual mitigation of the risks involved and systematic targeting of the required capacity development are not always built strongly enough into project design or reporting. In a recent comment on the REMT project design, UNDP questioned whether the design took adequate account of the reasons for the limited success of many of the previous projects. Given the very significant delays in getting many of the climate change projects off the ground, this is a pertinent question for stakeholder follow-up.

Many of the projects report several outputs that may well have contributed to improved organizational capacity. These include training courses; presentations at various local and international events; and booklets, handbooks, and guides. No significant organizational capacity development outcomes are reported, but the REMT and transport projects can be singled out as targeting organizational and institutional capacity development in a systematic way. The REMT specifically targets the DME, the National Energy Regulator of South Africa, financial institutions, and industry actors; the transport project strongly emphasizes developing capacity for integrated transport planning at the municipal level. Institutional capacity is clearly a critical issue for project effectiveness and sustainability, and improved results may require more systematic analysis and targeting of capacity needs.

The major focus of the wind energy project is "technical assistance to the South African government in terms of the development of the most appropriate financial and policy instruments." The project document thoroughly analyzes the systemic and market barriers preventing previous wind farms from becoming operational, let alone effective. Addressing these barriers would involve supplying reliable information to potential independent power producers, adapting the environmental impact assessment process to be more relevant to the specifics of wind farms to the necessity of government regulation, and facilitating the energy sector in ways that take into account the real costs of fossil fuel–generated energy, remove market barriers to commercial renewable energy, and enable access to the grid. This project has been considerably delayed and thus has had little time to achieve these outcomes. It was first approved

as a two-phase project in 2004, but reworked as a single three-year project that was finally approved in mid-2007, specifically redesigned to target improvements in the enabling environment that had undermined earlier wind energy demonstration projects.

The strongest example of systematic capacity-building outcomes supporting renewable energy is the solar water heater project, which tackled key market barriers and established enabling conditions through the codes and standards developed, as well as the institutional mechanisms to apply them. The project developed training accredited by the South African Qualifications Authority, which included the code of practice and was delivered to installers in all provinces. This represents, however, only one group of the market barriers analyzed and evident for commercial solar water heaters.

Awareness

As with capacity building, project reports do not generally target or report clear outcomes in this area. Changes in awareness at all levels and in all spheres and sectors are vital to changes in adoption of alternative energy and improvements in energy efficiency. It is safe to infer from the reports, however, that many of these projects will directly or indirectly contribute in many spheres to extending awareness and a deeper understanding of the relation between energy and climate change. The solar water heater project is a good example of the deliberate targeting of key actors to build general awareness of alternative technologies, but also practical understanding in a specific market among consumers, suppliers, installers, and government officials.

5.5 Multifocal Area Projects

Multifocal projects vary widely in scope and focus, and only one has been completed: support to enable the "greening" of South Africa's arrangements to host the WSSD.

Impacts of Completed Projects

The WSSD support project has not clearly identified the impact expected or analyzed the results for the impact achieved. It is not possible to identify whether global benefits have been derived and what they were, but benefits are likely to have been related more to catalytic effects than the project itself, as the project started too late to influence the actual arrangements for WSSD significantly. The project focus shifted, and the WSSD project undoubtedly contributed to documenting good environmental practice in a range of areas, raising awareness, and providing some useful infrastructure for recycling. UNDP indicates that lessons learned are being transferred to the preparations for the 2010 World Cup in South Africa.

Likely Impact of Ongoing Projects

The National Capacity Self-Assessment for Global Environmental Management project was initiated in 2004 and, although it has made some progress, it has not yet been completed. Therefore, the project has not met its two-year target for agreeing on capacity development needs and a strategy to meet them. This is unfortunate as the lack of a fully systematic and coordinated approach to capacity development needs and programs in terms of the requirements of the UNCBD, UNCCD, and UNFCCC has been identified as a key gap in ensuring the achievement of adequate, sustainable, and effective impact in South Africa in terms of these conventions. It would also have provided a systematic base on which South Africa could drive and influence the GEF portfolio and

the design of projects to ensure they take adequate account of the national context and needs.

As annex K highlights, a similar situation exists for the SGP: no concrete objectives, indicators, or targets were specified for this program at the national level, and the national strategy has not yet been approved. Recent SGP documents have begun to specify expected achievements in greater detail, and current plans link objectives and indicators to GEF program objectives and outline a basis for improved monitoring and evaluation. The likely impact of SGP projects is also difficult to assess, as only one report was available, which covered 9 of the 36 projects. (The SGP national office provided an updated figure of 41 projects.)

It is possible to infer some positive impact at the community level from the spread of SGP projects. A very user-friendly Web site provides a useful overview of each project. The majority of projects target the four poorest provinces, identified as priorities for the SGP by the South African government—North West, Limpopo, KwaZulu-Natal, and the Eastern Cape—but some projects have been accepted in other provinces. The focus of the projects identified was, at least initially, biodiversity, climate change, and international waters. In practice, as with the national portfolio, the SGP focused early on the biodiversity focal area; climate change has caught up in more recent allocations, while the other focal areas have received far less. The information on the number and status of SGP projects is inconsistent, but nevertheless shows that relatively few projects have been undertaken and between 5 and 14 have been completed. In the nine projects for which some reports are available, benefits related to improved habitat and species preservation, as well as improved receptiveness of renewable energy and capacity to adapt to the effects of climate change, are reported. As pointed out in the interviews, however, the SGP has only been operational in practice for three years; it actually started operations in 2003 and lost a full year between the departure of one national coordinator and the appointment of another. It is possible to infer negative impact on community projects and potentially on communities based on the extended period during which all effective management of the program and continued disbursements to projects had ended. This finding is significant when, not only were results possibly not achieved in specific projects as a result of the overall program management, but harm was also possibly done. This is very likely the main reason for the small number of projects overall and the limited number completed. Other problems reportedly also contributed, including the following:

- The limited funds available in the operating budget for travel affect the extent to which community projects can receive the attention and support needed to conceptualize and implement them effectively. Limited funds have also meant that full board meetings cannot be held, as the budget cannot cover the travel costs of the board members, who have volunteered their time.
- There is high turnover of coordinators and difficulty in appointing and retaining staff for the program, suggesting that the remuneration and conditions of service, such as the one-year contract, should be reviewed for the extent to which they are appropriate in the context of South Africa.
- The restriction on the period of support that projects can expect means that the SGP's support often ends just as the project gets under way and really needs support.

Catalytic and Replication Effects

A documented record of catalytic or replication effects in the case of the SGP is not available. This is unfortunate, as this program has the potential to contribute substantially to improving understanding and practice on community-based approaches.

The most significant potential of the WSSD initiative lies in possible catalytic and replication effects. It "aimed to influence government, IGO [international governmental organizations], NGO, and corporate policy by encouraging the hosting of green events." The terminal evaluation mentions the following outcomes relevant to this objective:

- Some (unspecified) companies devised or strengthened environmental management plans.
- Responsible tourism campaign and water conservation audits encouraged hotels and conference centers to reassess their environmental management plans. More than 70 hotels signed a statement of intent, committing themselves to improving their environmental management systems.
- Several (mostly unspecified) organizations, in particular, the World Bank, set out to assess the effect of their travel and devise solutions for offsetting their travel impact.

Institutional Sustainability and Capacity Development Outcomes

The SGP has begun to draw community and civil society organizations together to share lessons, ideas, and resources. Two workshops attended by 48 organizations have been held. This is potentially a very valuable initiative. No additional outcomes have been reported beyond those mentioned in relation to the catalytic effects.

Awareness

The WSSD project reports a wide range of outputs that presumably will have some outcomes in increased awareness of contributing factors and measures available to reduce unsustainable negative impacts on the environment. These range from sensitizing volunteers to developing a handbook on applying sustainable development principles when organizing events.

Summary

- The delay completing the NCSA may represent a significant missed opportunity to put in place a framework that could be used to guide strategic decision making on capacity building in the GEF portfolio and other relevant donor agreements.
- The SGP is another opportunity in which potential has not been fully used, specifically to explore how best to build the links among environmental, social, and economic dimensions of sustainable development.

5.6 Other Focal Areas

No results exist in the other focal areas. South Africa has only recently become eligible for GEF support in the ozone focal area, so the national portfolio has no projects in this area. South Africa earlier received special permission for a methyl bromide project, which was later removed from the portfolio.

One national project is ongoing in the POPs area (Enabling Activities for the Stockholm Convention on POPs National Implementation for South Africa). This activity has as its objective the development of an NIP that will allow South Africa to meet its reporting obligations under the convention, prepare the groundwork for implementation of the convention in South Africa, and strengthen

national capacity to manage POPs and chemicals management capacity generally.

This project, initiated in 2002, has made progress, but has not been completed. The likelihood of it achieving the expected impact is difficult to assess, but DEAT officials indicated that consultants were appointed in 2007, the project is now relatively close to completion, and it has established effective synergies with the African stockpiles project as well as DEAT's Hazardous Waste Management Strategy. The project is enabling the identification of contaminated sites, which will be a requirement of pending legislation on the management of waste.

Notes

1. The increased number of hectares under protection in terrestrial and marine ecosystems or increased area under sustainable management has not been totaled because of inconsistent reporting across projects and unverified time frame and data.

2. Namaqua National Park, Namaqua Corridor, Namaqua Coastal Park, Richtersveld Transfrontier Conservation Area, Goegab, and Knersvlakte.

3. These components were measured across four sites in the Succulent Karoo, Albany Thicket, and Eastern Drakensberg, all identified as spatial priorities, as well as the Nama Karoo.

4. Interview with Ingrid Nanni, SANBI.

5. These amounts come from the CEPF global fund, which includes several donors; no information is available at this time on the GEF contribution to the CEPF South Africa program.

6. Comments on the draft report by the newly appointed World Bank task manager K. Feuerriegel indicate that the key reasons for the delays have been weak capacity of the IA and pending legal issues relating to land reallocation and the nomination for World Heritage site status.

7. Interview with Brian Huntley, ex-CEO of SANBI.

8. Quoted in the CAPE Biodiversity Conservation for Sustainable Development project medium-term evaluation (2007).

9. Interviews with Lynn Jackson, CEC, formerly of DEAT and SANBI's Global Invasive Species Programme, and Dr. Johann Augustyn, DEAT, Marine and Coastal Management.

10. Interviews with Lynn Jackson and Dr. Johann Augustyn.

11. Interview with Bernard Jacobs, ReSource Ballast Technologies.

12. Interview with Rean van der Merwe, Information Technology and Communications, Eco Africa.

13. A project intended to improve energy efficiency by setting standards and requiring appliance labeling was initiated in 2004 and removed with other pipelined projects at the end of GEF-3; it has not yet been registered on the official GEF Web page for South Africa within RAF-allocated projects, although it seems to be in the pipeline for the second part of the RAF (after July 2008).

14. Interview with Prof. Anton Eberhard, Management Programme in Infrastructure Reform and Regulation.

15. Interview with Wendy Poulton, Eskom, general manager, Corporate Sustainability.

16. Interviews with Hermann Oelsner, vice president, World Wind Energy Association, and Andre Otto; and from their comments on the draft report.

17. Interviews with Kevin Davie, *Mail & Guardian*.

6. Relevance of GEF Support to South Africa

This chapter addresses the following evaluation questions:

- Is GEF support relevant to South Africa's sustainable development agenda and environmental priorities?
- Is GEF support relevant to national development needs and challenges?
- Is GEF support relevant to national environmental policies and frameworks?
- Is the country supporting the GEF mandate and focal area programs with its own resources or support from other donors?
- Is GEF support relevant to the achievement of the GEF mandate of maximizing global benefits, principles (cost-effective, catalytic, sustainable, and replicable), and objectives of each GEF focal area's operational programs and strategies?
- Is GEF support relevant to the GEF Agencies' strategies and frameworks?
- How relevant is the RAF index to country priorities?

It is particularly difficult to assess the relevance of the GEF portfolio in South Africa in terms of most of the questions above, for a number of reasons. First, the portfolio spans 13 years and 4 GEF phases, in which the South Africa policy and legislative context has changed fundamentally and in which the GEF framework of focal areas covered, strategies, objectives, indicators, and requirements have also changed substantially. Second, during the period under review, South Africa has not had an official sustainable development strategy or a concrete program guiding its interaction with the GEF as a whole. Although DEAT developed the South African GEF Medium-Term Policy Framework, it did not have clear objectives and targets or prioritize across or within focal areas. Similarly, South Africa's policy and strategy in some of the focal areas is still evolving and, where clear policy exists, has not been in place for the duration of the GEF engagement. The enabling activities, designed to develop strategy and plans in each focal area, have only provided concrete plans and targets for biodiversity. This is the only focal area in which clear judgments of relevance can be made of projects approved after the NBSAP.

Every effort has been made to signal the timing involved and any significant changes over time without belaboring the issue unnecessarily. In this context, some form of retrofitting of strategies and frameworks is relatively inevitable to build up any picture of the relevance of the portfolio or the projects in each focal area, even in terms of a framework, policy, or strategy that has become available since project initiation. Almost all relevant policies and strategies were developed after

1994 when South Africa joined the GEF, but also when the first democratic elections were held post-apartheid. The approach used in this chapter is to explore the issue of relevance in terms of the policies and strategies that are in place now, not to try to make absolute judgments on whether the portfolio, focal area projects, or individual projects are or were relevant. This means looking at the picture that emerges on the relevance of the portfolio at this point, set against the frameworks available now, fully acknowledging its retrospective nature and noting relevant issues on the alignment of timing.

The specific frameworks applied and the issues related to alignment over time in the South Africa, GEF, and GEF Agency contexts have been clearly signaled in the text where relevant.

6.1 The GEF Portfolio and South Africa's Sustainable Development Agenda and Environmental Priorities

This section assesses the relevance of the focus and allocation of the overall GEF portfolio in terms of South Africa's emerging SFSD and in terms of the MTPF developed by DEAT to guide the development of proposals for GEF support.[1]

The Portfolio and South Africa's Emerging Sustainable Development Agenda

Chapter 3 and annex I present South Africa's draft SFSD and the scope of the challenge in ensuring sustainability, while correcting the distortions in social and economic development that were the legacy of apartheid. This challenge is central to an assessment of relevance.

The SFSD emphasizes that the core of South Africa's sustainable development agenda and priorities will be to find ways of reducing the footprint of the "advantaged" minority, while ensuring access to rapid social and economic development for the majority, without following the same natural resource–intensive development path typical in the past. Relevant support to South Africa will need to align with this central strategic challenge through initiatives such as those that improve efficiency in natural resource use, promote increased economic and social development through low resource consumption and waste-production paths, and ensure a more equitable development trajectory by significantly increasing the availability of decent jobs and promoting sustainable livelihoods for all.

Environmental sustainability cannot ignore the imperatives of social and economic development in South Africa, and these imperatives cannot be sustainable if issues related to the environment and sustainable use of natural resources are not factored into planning and practice at all levels, in all spheres, and by all stakeholders. The draft SFSD notes that, although it may look as if this presents a hopeless prognosis for development and equity, the key will be to decouple social and economic development from the current trajectory of intensive natural resource use.

Efforts to promote sustainable social and economic development will need to be supplemented by deliberate action to restore and protect from further degradation and depletion those natural resources on which the poor most depend. This makes measures for adaptation to the negative effects of climate change and specifically for halting desertification, land degradation, and pollution of central importance.

> It is the poor who often experience the economic costs of ecosystem degradation most directly because the majority of poor households depend on natural resources and ecosystem services such as good soils and productive seas containing sufficient fish for

> sustainable harvesting. Similarly, poor people often pay the heaviest price in urban areas when it comes to air pollution, expensive water, and long travel distances (DEAT 2006a, p. 38).

Although the draft SFSD does not provide a detailed prioritized plan against which to assess the relevance of the GEF portfolio, it is clear that the portfolio is generally relevant to the agenda and priorities outlined in the five "critical pathways" for action that the document identifies. All of the projects contribute to at least one of the critical pathways, and some to more than one. Table 6.1 broadly aligns the projects with the most relevant pathway.

The provision for enabling activities is extremely relevant in that the vast policy and strategy shifts taking place after 1994 have required detailed baseline information, technical and contextual analyses, and research that did not exist previously.

Although there is an obvious general relevance to some of the critical pathways, the actual spread of projects across and within focal areas as well as the focus and allocation of resources within the portfolio highlight that gaps exist. GEF support is only a small part of the overall resources available to South Africa in all focal areas; nevertheless, some features of the portfolio of national projects raise questions on the following:

- The resources have overwhelmingly been concentrated in the biodiversity focal area.
- There are no projects related to land degradation or the depletion of the ozone layer.
- There is only one project related to POPs, and this has not progressed at all.
- There has been little focus on improving the efficiency of resource use.

Table 6.1

Correlation of the GEF Portfolio with the Draft SFSD's Five Critical Pathways

Pathway	Comment
Enhancing systems for integrated planning and implementation	All enabling activities are designed to enable South Africa to conduct situational analyses and develop strategies and plans for meeting the requirements of the relevant conventions. Enabling activity allocations are in biodiversity, POPs, and climate change, as well as the general capacity self-assessment. Only biodiversity has resulted in a concrete national strategy and plan.
Sustaining our ecosystems and using resources sustainably	• Biodiversity and projects: $57 million or 69 percent of portfolio • International waters: no information on national allocation in relation to overall allocation to regional projects • Land degradation: no projects • POPs: only an enabling activity (see above) not yet completed
Economic development via investing in sustainable infrastructure	No contribution
Creating sustainable human settlements	The SGP allocated $1.5 million (half of active or completed projects are in biodiversity; most not-yet-active projects are climate change)
Responding appropriately to emerging human development, economic, and environmental challenges	The draft SFSD locates climate change initiatives here. Climate change projects are all focused on renewable energy (with the exception of the INC, transport, and WSSD projects); the current portfolio has no energy efficiency or adaptation projects: • Climate change: $24.9 million or 29 percent of the portfolio ($11.2 million, almost half of which is for the transport project) • Ozone: no ozone projects

- Only 20 percent of the funding allocated to South Africa is for projects that have been completed.
- There is no focus on freshwater resources at all within the existing portfolio, although a project on the Senqu-Orange River Basin has recently been approved.
- Although mention is made of the need to create jobs or contribute to livelihoods in a number of the project documents, this is often noted as an added bonus, rather than in recognition of the absolute interdependence in South Africa of a specific set of social, economic, and environmental factors. There appears to be insufficient attention given in the contextual analyses, conception, and design of most of the projects to the imperatives for social and economic development or recognition. This may be because environmental sustainability is closely tied to the success with which South Africa addresses poverty and inequality on the one hand and overconsumption on the other and because the zero-growth scenario relevant in developed countries is not relevant in South Africa.
- The portfolio probably has the greatest potential impact, less in actual delivery of measurable results, than in supporting and assisting South Africa to address the challenges of sustainable development through projects with potential for replication, catalyzing further action and change or developing, sharing, or transferring important technical experience and knowledge. The current portfolio and project design suggests that this could be more relevantly designed in terms of South Africa's needs and context.
- The South Africa SGP, with its significant potential for identifying opportunities for catalytic and replication effects in terms of promoting sustainable livelihoods and generating environmental benefits, even at the global level, has had serious implementation problems (collapsing for a year), has received limited resource allocations, and has completed relatively few projects.

Some of the gaps can be partly attributed to the fact that the GEF has only recently offered support in some of the focal areas. The overall South Africa portfolio largely reflects the global GEF framework, in which biodiversity and climate change predominate and are the oldest focal areas, and in which support to projects in the land degradation, POPs, and ozone focal areas is relatively recent and relatively limited. Further explanations and issues related to the distribution and focus of projects are explored as far as possible below; this includes whether the global GEF framework is fully aligned with South Africa's priorities, why South Africa did not propose projects in focal areas or thematic areas within focal areas where this was possible, and why implementation and results are stronger in some focal areas than in others.

In summary, general relevance to South Africa's draft SFSD is clearly evident. However, questions remain on the relevance of the actual distribution of the resources. The projects undertaken draw significant additional national resources or other ODA, based on GEF requirements on cofinancing, apart from the time, energy, and attention that each project absorbs; this makes it important to ensure a deliberate and strategic process of selection. This is necessary to ensure projects contribute optimally to the sustainable development agenda, but also to ensure that important and scarce resources, particularly human effort, are not diverted from priority areas, given the scale and scope of the needs. All of these issues are compelling arguments for a more proactive and specific South Africa–GEF strategy, as discussed below.

The Interim Priority Framework

The assessment above has used the emerging framework for sustainable development to look retrospectively at the relevance of the portfolio. Although the South Africa portfolio was and continues to be shaped in the absence of an integrated sustainable development strategy, DEAT developed the GEF MTPF in 2001 to guide the development of proposals for GEF support for three years. This document and the subsequent 2006 report clearly note the need to establish a programmatic approach to GEF support and acknowledge that the framework represents an unprioritized list of issues and needs.

DEAT (2006e, p. 1) notes

> previously, GEF projects in South Africa, although addressing the national priorities of South Africa, were rather fragmented and were initiated in a fairly ad hoc manner. Although these projects were contributing to the country's overall environmental goals, they were not conceived as part of a holistic programme for GEF investment.

The focal point indicates that plans to develop a holistic program for GEF investment were abandoned when the RAF came into being, changing the whole process of how projects are identified. Alternatively, the RAF is seen by others as an opportunity for more strategically allocating GEF support on the basis of a more predictable allocation.

It is difficult to assess the overall balance of the portfolio in terms of its focus and the allocation of resources in the absence of a concrete and prioritized framework based on an integrated strategy for sustainable development. The relevance of the specific focus of the projects within each focal area is assessed in some detail below for biodiversity and climate change, and briefly for the five regional international waters projects. General observations on the relevance of the portfolio to the broad set of issues outlined in the GEF MTPF in 2001 and 2006 follow.

Although the portfolio is inevitably broadly aligned with the MTPF, the framework does not provide a rationale for the heavily skewed pattern of allocation and surprising gaps outlined above. The analysis across time (see chapter 4) shows that the balance has shifted in terms of the RAF allocations, in which climate change has a fractionally larger allocation than biodiversity in terms of the Global Benefits Index on which the RAF is based. The MTPF does not prioritize the focal areas, but provides an overview of the importance of each area and a list of important issues and needs.

On the basis of the issues outlined in the MTPF, the most surprising gap at the portfolio level is land degradation and the results in terms of capacity building.

Land Degradation

The omission of any projects in the land degradation focal area is a significant gap, given that South Africa overall is vulnerable to land degradation. Expansion of the GEF mandate only in 2002 to include land degradation and GEF's designation as a UNCCD financial mechanism only in 2003 funded through GEF-3 have played a key role in this. South Africa's minister of Environmental Affairs and Tourism raised the issue of the relevance of the GEF allocation at the Third GEF Assembly in Cape Town in August 2006:[2]

> To take this forward we may want to ask how we create the political space to constructively discuss the long-term role and resourcing of the GEF, in light of escalating global challenges. This must be informed by a set of benchmarks set by the Conventions. There appears to be a discontinuity in the current replenishment process where "benchmarks" are based on what donors are prepared to commit rather than a diligent costing of the resource requirements of developing countries to implement the Conventions. For example,

> the resources allocated for the land degradation focal areas under GEF 3, were not sufficient to fully address the basic requirements of the Convention to Combat Desertification, namely for developing countries to prepare National Action Plans, let alone providing resources for those countries to implement the plans.

In June 2007 the TerrAfrica partnership (including UNDP, UNEP, the Food and Agriculture Organization of the United Nations, the World Bank, the African Development Bank, the International Fund for Agricultural Development, among others) concluded a Strategic Investment Programme for Sustainable Land Management in Sub-Saharan Africa and $150 million was endorsed by NEPAD and approved by the GEF Council. Although a coordinated partnership for sustainable land management is appropriate, the financing model consists of blended projects that include both grant and loan funding. This runs counter to South Africa's policy, because of the potential for borrowing to create further dependencies and reduce the country drivenness of programs. Some stakeholders interviewed also perceived TerrAfrica as benefiting the World Bank's lending targets more than would seriously addressing land degradation. The picture is somewhat unclear, as South Africa is one of four countries serving on the Executive Committee for TerrAfrica and, as indicated in the results above, $6 million was designated in GEF-3 for South Africa within the land degradation focal area, but projects did not garner sufficient local support.

Capacity Building

Capacity building, understood broadly, also has potential in strengthening the relevance of the portfolio. A key potential contribution from the GEF, given the relatively small grant amounts, is not so much the actual ratio of grants to quantities of global benefits directly produced (GHG emissions reduced, hectares of biodiversity secured, and so on), but the potential catalytic and replication effects of projects and openings they create for sharing of experience, technical expertise, and other learning from a global portfolio. In fact, South Africa's policy on ODA emphasizes these effects as a primary objective (South Africa 2007c). This is the heart of the enabling activities, and potential catalytic effects on increasing local capacity should be maximized in the orientation of all the projects. The picture of deliberate targeting and achievement of results in this area is mixed. In terms of the focal areas, some important catalytic and replication effects have taken place, but largely in biodiversity. Although some strong or potentially very strong replication effects exist in climate change, overall project design and selection do not appear strategically or coherently targeted enough and today have recently—by force of circumstance, not design—become more relevant because of the national energy crisis. The progress and evaluation reports in all focal areas often devote limited attention to this area.

A further dimension of capacity building and a challenge facing all donors is ensuring strengthening of institutions and organizations to undertake their mandate as a result of the engagement, rather than trying to get results despite weak institutional capacity by bypassing or building a parallel program or project capacity. The project documents all analyze the capacity issues and needs of the institutions in their focal area, but few take full account of this picture in project design. The full potential of opportunities to strengthen key institutions in the biodiversity and climate change focal areas through engagement of the GEF appear to have been missed, and significant ongoing capacity gaps pose real challenges for sustainability. However, the biodiversity focal area has affected building of capacity through catalytic effects the most. This need, recognized in 2001 in the MTPF,

has not adequately informed the design of the portfolio:

> The sustainability of projects advanced in the medium term, and later through the programmatic approach will in large part be predicated on the progressive strengthening of institutional and human capacities for initiating, managing and replicating activities to generate global environmental benefits. While SA [South Africa] has accumulated considerable know-how and experience in many areas of environmental management, capacities are unevenly distributed across institutions and geographic areas, and significant unmet capacity strengthening needs remain, particularly at the local level. These needs must be addressed to enhance the absorptive capacity for environmental management, and to sustain and replicate strategies, programmes and activities that generate global environmental benefits (DEAT 2001, p. 17).

Another area of capacity building is designed to assist countries in ensuring the relevance of the GEF portfolio. Design of enabling activities supports informed decisions by countries on how to tackle national and global environmental issues related to the relevant conventions and to use the resulting strategies and action plans to identify and select projects. The enabling activities are obviously very relevant in the context of South Africa. The MTPF notes that South Africa lacks reliable baseline information in many key areas and highlights the need for support to research, policy and planning, and transfer of technical knowledge, in addition to more conventional capacity building. The alignment among the MTPF, enabling activities and action plans, and GEF-supported projects is not strong. Three of the enabling activities have been completed, but only in biodiversity has the process progressed to development of a concrete strategy and action plan.

The INC provided a very valuable baseline in a range of areas, including GHG emissions and an excellent analysis of the issues and options in terms of South Africa's vulnerability and contribution to GHGs. The INC did not progress to a concrete strategy and action plan, however, because of the deferral of the economic modeling necessary for strategic decisions, specifically on energy. Limited progress with the NCSA is at odds with the stress on its importance in the MTPF and indirectly in every project document. The enabling activity to develop a NIP is the only project related to POPs. It was designed to assist South Africa to meet the requirements of the Stockholm Convention by first undertaking a baseline study, developing a strategy for mitigating emissions, and preparing an accompanying implementation framework. This NIP would have served as the basis for the design of POPs projects relevant to South Africa's needs. Many stakeholders working in areas relevant to POPs expressed frustration that the baseline studies that would at least inform South Africa of the scale, scope, and severity of the problem have not yet been done. DEAT indicated, however, that consultants were appointed in 2007, and the NIP should be completed relatively soon.

It is tempting to conclude that biodiversity dominates the portfolio because only this focal area had a concrete and effective strategy and action plan. Evidence from the land degradation focal area appears to contradict this conclusion. Although a very useful analysis of land degradation and desertification and a national action plan have been completed (without support from the GEF), no projects have been accepted for GEF support in this area. Land degradation was added late, as noted above, with only a very small allocation in the GEF global framework. Once the importance of this focal area had been accepted, the GEF adopted the programmatic approach, which means countries may only access land degradation support through the TerraAfrica program. This has been a key gap in GEF's overall relevance.

However, South Africa has apparently missed opportunities in the enabling activities. Completion of a more concrete, specific climate change strategy and action plan would undoubtedly have provided the basis for greater relevance and coherence in that focal area. The completion of the NCSA would also have provided the basis for more strategic coherence and relevance in the design of all projects to ensure that maximum capacity development benefits resulted and, at least, establishment of adequate capacity to sustain the gains.

At least one of the specialists interviewed noted that South Africa should not need assistance with the enabling activities, as it has both the funding and expertise required to do them. Others have noted that GEF enabling activities have functioned as an important catalyst in the areas of biodiversity and climate change, galvanizing expertise and resources for conducting the baseline studies and analyses needed to support effective policy and strategy. Officials have indicated that the sheer scale and scope of the issues and challenges that arose after 1994 have resulted in inevitable delays in a range of processes.

Compartmentalization into Focal Areas as a Barrier to Relevance

Given the extent to which the objectives of biodiversity, land degradation, international waters, climate change, and POPs are codependent or directly linked, the requirement to conform to the strategies within one funding window may result in missed opportunities to enhance global and local benefits and sustainable development. For example, the outcomes for biodiversity, land degradation, water resources, and adaptation strategies could be significantly multiplied if viewed as an integrated natural resource management landscape intervention. Furthermore, a focal area response may have the effect of undermining cooperative governance where, for example, agriculture may not see itself as directly responsible for biodiversity outcomes, especially if the GEF strategy or project does not sufficiently emphasize direct outcomes for the agriculture mandate. Although "silo" or compartmentalized responses may also be a systemic issue in terms of the interpretation of mandates of government departments, the potential may exist for piloting and improving integrated natural resource management in ways that ensure alignment and embed institutional capacities more effectively—and thus affect sustainable development and global environmental benefits more significantly.

Country Ownership and Cofinancing

Country Ownership and Commitment

One of the reasons that projects and enabling activities are not progressing as they should or the ongoing sustainability of the gains is becoming an issue could well be linked to the complex issue of country ownership. Again, this may oversimplify the issues, given the overwhelming nature and number of the challenges; this may be at least one explanation for why some things "fall off the table" or why not enough capacity exists to sustain gains. But it is assumed that country ownership may be a factor in the effectiveness, let alone sustainability, of projects.

The concept of country ownership means different things to different people and needs clearer definition. One view of country ownership, outlined in many of the interviews and documents, is the conception or at least promotion of the project by a South African. This often means that one of the IAs did not initiate the project based on its own agenda and needs. Interviews and project documents suggest that, although enthusiastic IA staff have conceived some projects, South Africans have conceptualized the vast majority

and the focal point signed off on all of them. This version of country ownership is, however, too limited to greatly influence a project's effectiveness or sustainability.

A wider view of country ownership is applied in most project documents that assess the capacity of the national executing agency. Here, the concern is to ensure that a competent agency can manage the project. An even wider view is taken by those who argue that country ownership is only established if (1) the national entity with the public mandate and capacity to sustain the project is central to its design, implementation, monitoring, and evaluation; (2) the project is nested within an existing funded program; (3) the grant is embedded within the medium-term budget; and (4) the project embodies a commitment to establish the capacity necessary to sustain it. Very few GEF projects would have met these criteria at initiation, although the situation has improved over time. Initially, no framework existed at all, and a small group of people inside and outside government decided on and implemented early projects. The MTPF provided a framework and greater transparency. However, some stakeholders indicated that it is still luck if the selected GEF projects address the right areas, not because DEAT as the focal point is driving the process in terms of any clear program, but because the individuals who lobby for projects have responded to signals from the international conventions, generally ensuring some relevance.

Others have indicated that the results were secured because of the lack of a tight vetting system based on perceived relevance. They noted that the early projects were almost exclusively in the biodiversity focal area and resulted from the enthusiasm of individuals, rather than emerging from coherent national strategies and plans regarding the GEF. They emphasized that government did not regard these projects as priorities, nor were they embedded in strategies and budgets. This is why GEF support has been so crucial: it has resulted in strategies and action plans, leveraged significant cofunding from government, and ensured that far-reaching policy to secure global environmental values has become entrenched.

Other stakeholders see a problem in the lack of automatic alignment between global environmental values and national priorities. They point to limited allocation in the GEF framework for land degradation, the focus on climate change mitigation rather than adaptation, and other issues as examples of the need to ensure that the one-third of GEF grants do not leverage two-thirds of developing country resources for priorities established by the developed countries. One issue is that the GEF only received the mandate for land degradation in 2002, and the UNFCCC has not given specific guidance on adaptation. But in other focal areas, the GEF has developed its framework to ensure relevance, even when no specific guidance existed. For example, the UNCBD did not give guidance to the GEF on protected areas until the COP 7, but the GEF has supported protected areas since the beginning. Others believe the effectiveness and sustainability of specific projects have limitations because they are not embedded in policy-capable institutions and supported by adequate budgets in the long term.

This report cannot do justice to what is a complex discussion. But a recommendation will be made that both South Africa and the GEF strengthen the processes and mechanisms for ensuring establishment of a coherent, relevant program in South Africa that is targeted at recognized priorities, and embedded in strategies, plans, and budgets that are in line with the Paris Declaration. The processes and mechanisms should also improve the extent to which those with new, challenging, or

creative ideas are able to access and have a chance of influencing the decision-making process. This will require the operational and technical focal points to take different and more proactive roles. In addition, measures should be taken by both the GEF and South Africa to ensure that the conventions' guidance to the GEF is more aligned with the needs of developing countries.

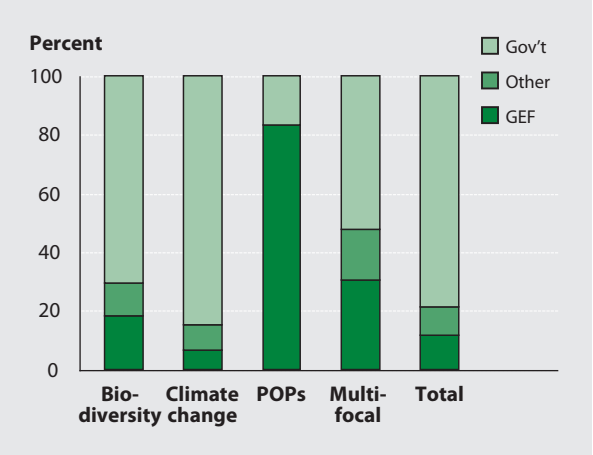
Cofinancing

Cofinancing in GEF terms is funding that is additional to the GEF grant and needed to implement project activities and achieve project objectives. The GEF sets no specific requirements, but cofinancing is expected to be part of any GEF-supported project. In particular, countries such as South Africa that have more developed economies are usually expected to provide higher levels of cofinancing than less developed countries.

The GEF-supported portfolio in South Africa has a substantial level of cofinancing, most coming from government agencies (see figure 6.1). For the $79.32 million of GEF support for national projects (excluding the CEPF and the SGP), cofinancing amounts to $603.13 million. This is a ratio of almost $8 for every $1 from the GEF, a rather large ratio compared with most cases around the world. (The GEF Evaluation Office has estimated global cofinancing ratios of $4 to every $1 for completed projects.) The high levels of cofinancing, particularly from national institutions, would indicate a high level of government commitment to the GEF objectives; it may instead suggest that the GEF is cofinancing government activities.

Figure 6.1

Cofinancing of GEF Projects in South Africa by Focal Area and Source, 1994–2007



A closer look at the cofinancing figures indicates that one of the newest projects—the sustainable transport project—provides about half of this cofinancing: about $320 million, a ratio almost 30 times the GEF funding. When this large project is not included, the overall GEF ratio decreases to $2.60 for every GEF dollar, which still represents a large national contribution. The completed Cape Peninsula Biodiversity Conservation Project had the second largest cofinancing ratio of $6 in cofinancing for every GEF dollar, or almost $80 million in cofinancing. In about two-thirds of all national projects in South Africa, cofinancing is greater than GEF support.

Cofinancing ratios were relatively constant between GEF-1 and GEF-3; in GEF-4, the average ratio of cofinancing to GEF support has increased to almost $17 for every $1. This is influenced by large cofinancing of both the transport project and the grasslands project. As expected, FSPs have a larger cofinancing ratio than MSPs and enabling activities (6.2, 3.2, and 0.8, respectively). Also, as is the case globally, climate change projects have a larger ratio than all other focal areas (see table 6.2). Only some of the earlier enabling activities have not received cofinancing. Furthermore, cofinancing ratios between projects implemented by the World Bank and UNDP do not differ much: in both cases, almost $3 to every $1.

Table 6.2

Cofinancing Ratios by Modality, Focal Area, and GEF Replenishment Period

Factor	Ratio
Modality	
Enabling activity	0.8
MSP	3.2
FSP	6.2
Focal area	
Biodiversity	3.0
Climate change	5.8
POPs	0.2
Multifocal	1.4
Replenishment period	
GEF-1	2.2
GEF-2	3.0
GEF-3	2.0
GEF-4	16.6

The GEF and Other ODA

The relevance of the additional financial contribution from GEF grants changes according to the frame of reference. If one is in national government, allocations from the GEF may look, as one stakeholder noted, "like a drop in a bucket." From DEAT's point of view, the $52 million in GEF support to biodiversity makes the GEF one of DEAT's biggest donors. DEAT's dependence on ODA, however, is not large; it was less than 4.5 percent of its annual budget in 2004–05, having declined from 20 percent in 1999–2000, and is projected to decline even further. However, for entities like SANBI or programs like CAPE, GEF support is regarded as very important, amounting to half the CAPE budget: "without it we would be half the size and half as capable."[3]

This report presents a comparative analysis of the GEF grant in relation to ODA to South Africa as a whole (see chapter 4), but it is not possible to analyze the GEF grant in relation to the overall ODA for environment, because the National Treasury does not keep records based on sectors, but by departments. However, the primary relevance of the GEF is not the amount of the grants or how they compare in size with other ODA. South Africa has a budget surplus, and ODA makes up a very small percentage of the overall South African government budget. ODA to the country currently amounts to between 1.0 and 1.5 percent of its annual budget.[4] The GEF's relevance is fundamentally tied to its capacity to draw on its vast global portfolio of projects to share the experience gained, lessons learned, and technical expertise developed and use these resources to catalyze sustainable local programs and initiatives.[5] The ongoing relevance of the GEF in South Africa will depend, as noted above, on the ability of the IAs and the South African focal point mechanism to leverage these resources in ways that are relevant to the priority sustainable development challenges facing South Africa.

6.2 Relevance of GEF Allocations by Focal Area to Environmental Priorities and Frameworks

Biodiversity

The biodiversity focal area is somewhat different from the rest of the portfolio: from early on, the policies, legislation, strategies, plans, and embedded capacity and expertise were better developed to inform project interventions in the GEF investment. The *White Paper on the Conservation and Sustainable Use of South Africa's Biological Diversity* (1997) followed South Africa becoming a party to the UNCBD in 1994. This, together with the *White Paper on Environmental Management Policy* (1998), emphasized that sustainable resource use depends on the conservation of biodiversity and the principles of environmental justice and equitable access to benefits; these were

further enshrined in the National Environmental Management Act (1998). The GEF supported South Africa's first report to the UNCBD (for the COP 4) in 1998, which provided a basis for prioritization of interventions. However, only in 2005 did the NBSAP (an enabling activity also funded by the GEF) provide the first comprehensive basis for assessment of relevance of the proposed GEF investments (see box 6.1). The MTPF served as a basis for GEF programming; however, the basis for prioritization of the proposed engagements has not been apparent.

A key issue that pervades the biodiversity agenda is the extent to which the UNCBD drove South Africa's own policy agenda, as well as the overall relevance of the UNCBD to South Africa's sustainable development agenda. Some have said, for example, that the emphasis on UNCBD access and benefit sharing of genetic resources over the contribution of biodiversity conservation to direct social and economic benefits is inappropriate within the South African context.

Notwithstanding the above observations, the GEF portfolio in biodiversity has addressed and directly advanced the strategic priorities expressed by the NBSAP. Overall, the project investments have focused mostly on expanding conservation areas (terrestrial and marine), addressing threats to biodiversity (invasive alien species, and land transformation), and improving capacity at the systemic and individual levels.

Adding further to the relevance of the UNCBD agenda in South Africa is the extent to which social and economic imperatives are addressed within the biodiversity portfolio. Evidence exists that almost all projects have an analysis for potential direct social and economic benefits; however, the extent to which this analysis is applied in designing projects is more uneven. The projects view social and economic imperatives, at one extreme, as threats to be considered in the strategy and, at the other, as an integral part of project outcomes. Even within the latter view, the projects address this effectively to varying degrees. In some of the early projects, interventions are limited to transient work opportunities associated with the Extended Public Works Programme intended to provide short-term unskilled jobs (for example, many of the SANParks protected area projects); in others (for example, the Wild Coast and ABI projects), the project directly attempts to develop biodiversity-based businesses.

These views must be seen within the context of the limits on project-based interventions addressing such fundamental and challenging outcomes.

Box 6.1

NBSAP: Overarching Strategy

Goal: Conserve and manage terrestrial and aquatic biodiversity to ensure sustainable and equitable benefits to the people of South Africa, now and in the future.

Strategic objectives:

- An enabling policy and legislative framework integrates biodiversity management objectives into the economy.
- Enhanced institutional effectiveness and efficiency ensures good governance in the biodiversity sector.
- Integrated terrestrial and aquatic management minimizes the impacts of threatening processes on biodiversity, enhances ecosystem services, and improves social and economic security.
- Human development and well-being are enhanced through sustainable use of biological resources and equitable sharing of the benefits.

A network of conservation areas conserves a representative sample of biodiversity and maintains key ecological processes across the landscape and seascape.

International Waters

GEF support has made a relevant contribution to addressing South Africa's most significant challenges in the marine environment: fisheries impacts and management, pollution (land-based and offshore), mining (coastal and offshore), impacts of coastal developments, and climate change. Furthermore, the investment for the South African component of international waters projects has enabled the country to strengthen partnerships with its neighbors, after democratic elections were held post-apartheid, in transboundary marine resource management, specifically in marine research.

Climate Change

Strategy and Priorities Still Evolving

As noted earlier, South Africa does not yet have a concrete strategy and action plan on climate change. Although South Africa's INC provided useful baseline information, situational analyses, a broad assessment of South Africa's vulnerability and possible response measures, and an analysis of mitigation options, it does not progress to actual decisions on strategy and action plans. The same applies to South Africa's National Climate Change Response Strategy which is based on the INC. The INC notes the additional processes needed before a concrete strategy is decided:

> The preliminary investigation into potential mitigation options needs to be extended to include more specific macro-economic modelling to evaluate the impact of different measures on the economy. In this regard, approaches to the evaluation of measures need to be developed and implemented. The promotion of climate friendly and energy-efficient technologies needs to be further incorporated into government's cleaner technology initiatives. In addition appropriate tools to model impacts and consequences of climate change need to be developed (DEAT 2003a, p. 94).

The INC itself was extremely relevant and important, providing the first reliable baseline information in a range of areas, but specifically regarding GHG emissions and the relative contributions of the components of the energy sector. The country studies on which the INC is based provide the first systematic analysis of the nature and scope of South Africa's vulnerability to climate change in a variety of areas. Although these are important advances, the INC stopped short at the point at which it could have made the most relevant contribution. It deferred the macroeconomic modeling that would have enabled South Africa to make strategic choices fundamentally reorienting the energy system in South Africa, but also on South Africa's response to climate change. In the absence of this modeling, it was not possible to identify how to make South Africa's energy system more sustainable without harming the capacity of the economy to support the ongoing battle to eradicate poverty. The current processes to complete the macroeconomic modeling and make strategic decisions, as well as work on a second national communication, including updating the GHG inventory, will undoubtedly provide a stronger platform for ensuring the relevance of projects in this area, quite apart from their broader significance.

Many theories exist on how South Africa has ended up in the present energy crisis, which had been predicted in the DME white paper on energy in 1998. In any event, the absence of a strategy and action plan is evident in the fragmentation and lack of coherence or strategic focus of the projects in the GEF climate change focal area. In addition, the opportunity to influence and support the way in which South Africa's energy future develops, based on reliable information and aligned with South Africa's development needs, has been limited. Most of the projects have contributed in some way to the body of knowledge necessary to

reshape the energy system, but only in limited and fragmented ways, as discussed below.

In the absence of a clear policy against which to assess the relevance of the focus and allocation of resources within the climate change area, several general observations and comments can be made, which fully acknowledge the complexity of the issues involved and the difficulty of doing them justice.

Mitigation or Adaptation

Two broad options for support from the GEF exist in the climate change focal area: mitigation or adaptation initiatives. No GEF-supported projects are intended to affect the increased resilience of communities to the effects of climate change, given that the GEF had no full mandate to do so until recently and a new adaptation fund is not yet operating. A gap exists, therefore, given the clear scale and scope of South Africa's vulnerability in the range of areas outlined in the INC and summarized in chapter 3:

- Threats to health
- Negative impacts on maize production
- Threats to plant and animal biodiversity
- Diminishing water resources and negative impacts on rangelands

The main reason for this gap appears to lie in the overwhelming orientation of the GEF's overall emphasis to supporting mitigation initiatives, rather than adaptation. Ongoing relevance to South Africa's priorities and probably those of most of the developing countries would require review of this emphasis. Although mitigation initiatives appear to restrict direct global benefits and adaptation initiatives to national benefits, this undoubtedly oversimplifies the network of interconnections that systemically link all focal areas and their subdivisions.

Mitigation through Energy Efficiency or Renewable Energy

All the climate change projects are focused on mitigation through energy in various forms, except for the sustainable transport and WSSD projects. The focus on energy is highly relevant: South Africa is by far the largest emitter of GHGs in Africa and one of the most carbon emission–intensive countries in the world. It annually emits some seven tons of CO_2 per capita, owing to its energy-intensive economy and high dependence on coal for primary energy (DME 2004). As already established, making changes to an economy dependent on cheap coal-based energy is difficult while expanding the economy and its capacity to support those currently excluded from sustainable livelihoods. Nevertheless, South African industry has committed to a voluntary emissions reduction of 4,000 megatons of carbon within 20 years, a 12 percent reduction by 2015 from the current annual emissions of 440 megatons.

Despite the relevance of a focus on mitigation, here again, the projects are clustered in ways that do not fully align with the broad policy and strategy framework for energy. The options for mitigation are

- improving energy efficiency and managing demand for electricity;
- changing the energy mix, and specifically increasing the contribution of renewable energy;
- making structural changes to the economy.

All the energy-focused projects target renewable energy. Although a standards and labeling project has been proposed since 2004, none of the existing national projects target energy efficiency, despite

South Africa's stated commitment to improving energy efficiency and a target for improved energy efficiency of 12 percent by 2015 (DME 2005).[6] "It is estimated that demand side management could reduce greenhouse gas emissions by a total of 265,000 [gigagrams] of carbon dioxide during the period 2001 to 2025" (DEAT 2003a, p. xii). This is identified as the quickest, most cost-effective option that carries the most potential for realizing global environmental benefits in GHGs reduced. The big advantages of this option are that the values can be realized with very little cost and in ways that provide a "win-win" situation in which the consumer potentially ends up with reduced energy costs. An energy specialist estimated, for example, that South Africa could save 4,000 megatons of CO_2 within 48 years just through a few limited adjustments to energy efficiency in industrial buildings.[7]

One energy efficiency project has been struggling for approval for a number of years: appliance labelling. In 1998, the DME had identified this mechanism as a key first step in energy efficiency: "A domestic appliance-labeling program will be introduced and publicity campaigns will be undertaken to ensure that appliance purchasers are aware of the purpose of the labels. Targets for industrial and commercial energy efficiency improvements will be set and monitored" (DME 2005, p. 8). Interviewees for this evaluation also identified this project as a potential catalyst of improved energy efficiency, market transformation, and behavior change through public awareness of the relative energy efficiency rating of different appliances. The focal point indicated that this project has been approved as part of the RAF second-cycle allocation, although contradictory information exists on this, and the GEF Web site does not show this project among all other approved projects.

Renewable Energy Options

In 1998 the DME's white paper on energy policy had also recognized the significant medium- and long-term potential of renewable energy, indicating that government policy on renewable energy would be concerned with meeting the following challenges:

- Ensuring that economically feasible technologies and applications are implemented through the development and implementation of an appropriate program of action
- Ensuring that an equitable level of national resources is invested in renewable technologies, given their potential and compared with investments in other energy supply options
- Addressing constraints on the development of the renewable energy industry

A focus on renewable energy is relevant in this context and in terms of South Africa's established target of a 10,000-gigawatt-hour renewable energy contribution to total energy consumption by 2013, which is about 4 percent or 1,667 megawatts of the projected electricity demand for 2013 of 41,539 megawatts (DME 2003). The relevance of the actual renewable energy projects is difficult to assess in the absence of clearer information and more concrete policy choices made. However, the Renewable Energy Market Transformation project document notes that, without significantly increased investment and changes to market conditions, South Africa will struggle to meet its "modest" target and that results from existing projects are unlikely to assist adequately.

Although it is crucial for South Africa to be able to explore the potential and viability of different possible sources and technologies, the selection and design of this group of projects reflects an ad hoc, rather than systematic, approach and does not align with the broad analyses of potential

renewable energy sources in the INC, the National Climate Change Response Strategy, or the *White Paper on Renewable Energy*. However, the relevance of the selection and design does, over time, improve a focus on sources of renewable energy with greater potential and viability in later projects, as well as project setup, in ways that are more likely to provide the most relevant and reliable information and results. Initial projects included a solar cooker project with only limited potential both in rural areas where the electricity grid will not reach and in making any significant overall impact on South Africa's energy mix and CO_2 emissions. Renewable energy options in the portfolio include the following:

- **Solar thermal electric technology.** This was found to be unsustainable from a cost point of view after significant investment. Eskom regarded it as a potentially important option.[8]
- **Domestic solar water heaters.** These are regarded as an important potential option for reducing the amount of coal-based energy used by high-end users in the INC and in South African policy on renewable energy and energy efficiency. South Africa's Energy Efficiency Strategy notes that significant market barriers call into question the feasibility of the industry, given the high costs involved. The equation is changing, however, as the price of electricity is set to rise sharply. Eskom has recently initiated major programs for rolling out solar water heaters based on a subsidy and financing mechanism.[9]
- **Commercial solar water heaters.** These are regarded in energy-related policy and strategy as having strong potential viability in the market, given the economies of scale that are achievable.
- **Wind energy.** This clearly potentially important source does not provide equitable access to the grid based on cost-based tariffs, making it extremely unlikely to succeed in competition with Eskom.

A variety of reasons seem to exist for the slow progress and apparent lack of urgency in some of these projects; most of those interviewed cite the "changing processes, procedures, and inclinations" of the GEF itself and staff turnover and lack of capacity in the executing agencies. The overall challenge faced by South Africa in balancing social, economic, and environmental concerns presumably has played a role in delaying the development of clear policy on climate change, creation of enabling conditions for energy efficiency and renewable energy, and progress of these projects.

A leading energy specialist points out that assessment of relevance in renewable energy is most usefully based on the extent to which the key market barriers are effectively targeted and the extent to which the technologies selected are sufficiently close to being marketable to become viable with a limited intervention.[10] In general, this has been a weak area in the selection, conceptualization, and design of the renewable energy projects. Many of the project designs did not engage the full range of market barriers, leaving the sustainability and viability of the projects in doubt. The situation has recently changed fairly dramatically and the rising cost of coal-based energy may change the picture relative to market barriers, increasing the potential and viability of renewable energy. However, the crisis of supply may also mean that South Africa's available resources are directed at implementing the new coal-fired power stations that have been targeted, which makes renewable energy look even more peripheral. Experts warn that further delays in increasing the energy mix could be disastrous, given the long lead time needed for these technologies and the long lag time in which the effects of carbon emissions produced now will be felt.

The GEF-4 Framework and South Africa's Priorities

GEF strategies have changed in this focal area over time, raising issues on the relevance within the South African context of specific aspects of GEF-4. One area not included under GEF-4 is clearly important: off-grid energy production. This means that the one renewable energy area that is taking off—solar water heaters—is not available for support. The recently approved (mid-2007) REMT project, which has provided one of the more thorough and systematic analyses of the South African context and needs, has concluded that solar water heaters are one of the most relevant and cost-effective options for reducing coal-based energy consumption.

The second area to be excluded is improving the efficiency and performance of existing power plants. Given South Africa's dependence on electricity generated by low-grade coal and the likelihood that fossil fuel will continue to be the primary source of energy—even increasing in the medium term—this exclusion may cut out a potentially large source of global environmental values through the cleaner coal initiatives or other means of improving efficiency and reducing emissions of the generation process. In the current energy supply crisis, relevant support to South Africa will entail helping to increase power supply, while keeping resulting carbon emissions as low as possible.

Transport

South African policy and strategy frameworks regard transport as extremely relevant to the issue of climate change. Transport was highlighted as a priority as early as 1998 and a set of priorities were identified.

> Vehicle purchasers do not generally consider the vehicle's fuel consumption as a major criterion. This is due in part to a lack of accurate information on vehicle fuel efficiency. The DME will provide information on the fuel use characteristics of new vehicles. Energy consumption information should be included in all advertising, vehicle test reports and vehicle specifications (DME 1998, p. 37).

The DME Energy Efficiency Strategy highlights transport as one of the three largest users of energy, accounting for 27 percent of all energy demand in 2000, a figure that has steadily increased. The INC also identified transport as an important area for potentially significant reduction in GHG emissions, pointing to existing transport policy. Specific proposals made include implementing integrated development planning and promoting public transport use (DEAT 2003a, p. 76).

The sustainable transport project is clearly relevant when improvements can also have a significant positive impact on social and economic development objectives by improving public transport. An area for action as a critical pathway to sustainable human settlements and safe and efficient public transport, as identified in the SFSD, will

> significantly increase investments in public transportation, including freight by rail and passenger transportation via rail, bus and mini-bus. Provision of new services, upgrading of existing services & gradual conversion to biofuels should be top priorities (DEAT 2006a, p. 25).

The length of time it took for a transport-related project to be put forward must be noted in discussing the relevance of including the transport project. As with energy efficiency, this is an area that was identified as a priority for action in 1998.

Policy Coherence and the Climate Change Focal Area

One of the most striking features of the climate change focal area concerns the delays and limitations experienced by the projects in the portfolio, given the importance of the issue and their recognition as priorities by the South African

government since 1998. The enormously complex and challenging situation that South Africa faces in tackling the energy intensity of its economy has already been noted, as has the extreme complexity of the institutional arrangements, the fragmentation of responsibility and policy making in relation to energy, and ultimately the contradictions in policy and practice in this area (see chapter 3). Conflicts among policies are typified in South Africa incentivizing energy-intensive industries through the Developmental Electricity Pricing Programme introduced by the Department of Trade and Industry. Under this program, South Africa negotiates below-price electricity tariffs with potential international investors in new energy-intensive projects, despite official recognition of the need for significant improvements in energy efficiency since the DME 1998 white paper.

The delays and limitations of the projects and their results are linked to this context and to the lack of a concrete and coherent strategy and action plan embedded in a strategy for sustainable development, although likely to be in place by the end of 2008. The DME 2003 *White Paper on Renewable Energy* recognized that South Africa was not likely to achieve even the limited target for renewable energy or energy efficiency if a number of financial, fiscal, and legal instruments—as well as systematic processes for technology development and awareness raising, capacity building, and education—were not put in place.

Although the INC and the National Climate Change Response Strategy note these issues and list the key actions needed to put a concrete strategy in place, the identification and conceptualization of projects has not apparently taken this context into account. For example, some of the immediate challenges and needs listed in the climate change response strategy and picked up in the SFSD are to

- perform technology needs analysis for South Africa that builds on and integrates existing knowledge through the Department of Science and Technology;
- access appropriate funds for implementation of a climate change program, in particular for adaptation purposes;
- accelerate the process of education, training, and awareness of climate change and its impacts;
- ensure cooperation and buy-in of all stakeholders to climate change response and facilitate a coordinated national program;
- harness efforts of all stakeholders to achieve objectives of the *White Paper on Renewable Energy* and the Energy Efficiency Strategy, promoting a sustainable development path through coordinated government policy;
- implement sustainable industrial development through coordinated policies, strategies, and incentives through the Department of Trade and Industry and the various industry sectors;
- accelerate water resource management and contingency planning through the Department of Water Affairs and Forestry;
- adapt agricultural, rangeland, and forestry practices appropriately through the Department of Agriculture and the Department of Water Affairs and Forestry;
- set a time frame for action, with specific milestones and responsibilities to formulate appropriate national policies and measures for climate change action and develop a practicable plan of implementation.

The climate change portfolio overall and the conceptualization of most projects did not adequately take these factors and the challenges they entail into account, despite being clearly and explicitly

stated in the National Climate Change Response Strategy:

> The South African Government's national priorities include, inter alia, the creation of employment, the alleviation of poverty and the provision of housing, which implies a commitment to the process of sustainable development and advancement. Thus, South Africa's position is to view climate change response as an opportunity for achieving these aims.

But,

> Officials in other departments, within all spheres of government, often do not see climate change as a priority and some even see it as working against national development priorities. They are concerned that South Africa has a huge backlog of service delivery where the performance of each department is measured by how effective and efficient it is on service delivery (DEAT 2004a, p. 8).

Suggestions for improving relevance and submitted for further discussion include the following:

- The second national communication should be prioritized so that trends can be reviewed and concrete, informed decisions on strategy and action plans made on the basis of macroeconomic modeling.
- The NCSA should also be prioritized and used to identify the institutional and capacity barriers to implementing a climate change strategy effectively, and action plans should be agreed on for dealing with them.
- A technical focal point should select projects in the climate change focal area based on the climate change strategy and action plans, or in the interim, agreements should be negotiated with key stakeholders on the most strategic value that the GEF allocation could bring. Specific attention should be placed on drawing on the experience, lessons, and technical expertise emerging from the global portfolio. This process could be used to support the two enabling activities and will eventually be anchored in a sustainable development strategy and action plan, including a climate change strategy and action plan when they are available.
- Selection criteria for renewable energy projects should include the extent to which they are market ready and the project is able to affect the key market barriers.
- The GEF should review its frameworks, specifically in terms of including off-grid energy and energy-generation initiatives, as well as significantly increasing support for climate change adaptation measures.

6.3 Relevance to the GEF Mandate

Relevance to Maximizing Global Environmental Benefits

Biodiversity

The overall spatial focus and impact of the biodiversity interventions have enabled the biodiversity portfolio to maximize the achievement of global benefits. To a large extent these have mirrored South Africa's priority biodiversity hotspots, including the Cape Floristic Region, Succulent Karoo (through CEPF investment), and the Maputaland-Pondoland-Albany center of endemism, which is also being prioritized for further investment by the CEPF. Most of the landscape-based initiatives have addressed the full range of intended GEF biodiversity impacts, with the exception of access to benefit sharing of genetic resources. Therefore, the selection of biodiversity projects in South Africa is relevant to the GEF mandate.

Climate Change

The most significant opportunities were lost in this focal area. The overall targeting of the GEF climate change portfolio on energy is entirely

relevant to maximizing potential global benefits in general terms. The analysis of potential global benefits in chapter 3 has shown that energy is by far the greatest source of GHG emissions and that South Africa produces a disproportionate amount of GHGs. This analysis and analysis of results in chapter 5 of relevance to the South African environmental frameworks have revealed areas in which GEF support to South Africa could potentially achieve significant global benefits that are currently excluded from the GEF-4 framework. These include off-grid energy generation and potential improvements in the efficiency and performance of existing power plants, as these are likely to feature significantly in existing and expanded energy supply in South Africa.

Energy efficiency is a key area for potential global benefits and, although the standards and labeling project is in the offing, also currently represents a significant gap in the portfolio. Such projects could target existing energy-intensive sectors and groups and reduce overall demand, while avoiding negative impact on social and economic development. The three most energy-intensive sectors are industry (41 percent), transport (28 percent), and residential (17 percent). This suggests that more attention in terms of energy efficiency and diversifying energy sources could be given to the industrial and transport sectors than before. In the long term, major structural and systemic adjustments are necessary, according to the Energy Research Centre.

South Africa will not be able to tackle poverty effectively without an inevitable increase in energy generation. This means that relevant support from the GEF will require the understanding that the maximum global benefits possible do not align neatly with national needs and priorities. Sustainable development in the South African context will require that increased numbers of people benefit from access to the economy and sustainable livelihoods as much as South Africa conserves and restores its natural resources and reduces waste and harmful emissions. The truism that the ultimate goal is sustainable development, rather than reduction of GHGs, is sharpened and its implications are more complex in South Africa than in many other contexts, given entrenched and extreme inequality. The GEF must be flexible in responding to the South African context so that it effectively supports the country's efforts enough to contribute to climate change mitigation strategies, thereby maximizing potential global values.

Gaps

The significance of the absence of projects designed to affect the POPs focal area can only be understood after development of the strategies and action plans required. This will enable assessment of the potential global environmental benefits, as well as the urgency of national level action in this area. However, the outcome of the regional Africa stockpiles project suggests the likely significance of omission. The project, which was intended to safely destroy dangerous stockpiles of pesticides, found 10 times more obsolete pesticides in one of South Africa's nine provinces than estimated in the whole of South Africa. DEAT indicates that completion of the NIP is likely to be soon.

Relevance to GEF Objectives and Strategies

Biodiversity

Overall, the sustainability of the GEF biodiversity interventions—that is, how long the gains of major investments such as CAPE will be sustained by embedding the required capacity within mandated institutions—is yet to be determined. However, good examples exist, including achievement of the financial and institutional sustainability of gains from the project establishing the

Table Mountain National Park. The key national executing agencies within the largest investments, that is, SANBI and SANParks, have made the greatest effort to enable institutional and financial sustainability.

The overall relevance of the portfolio to addressing systemic and individual capacity development has enhanced the significant catalytic effects of the biodiversity portfolio. Because the replication effects in the portfolio have been significant, the investment in enabling good practice in conservation planning, park management systems, and financial models has been cost-effective and led to the institutionalization of these approaches.

Climate Change

Annex K clearly demonstrates the alignment of GEF climate change projects with GEF objectives and strategies. Although the statements of expected impact and outcome are drawn from GEF-4, their formulation broadly aligns them with the strategic objectives and operational programs of previous GEF phases. The concentration of projects in the area of renewable energy has already been explored. The overview of the potential and actual impact of the GEF climate change projects indicates that the South Africa climate change portfolio has not yet had a significant impact. The solar projects and specifically the REMT project that is just beginning would not align with the GEF-4 strategic programs that explicitly exclude support to off-grid energy.

Relevance to GEF Principles

The catalytic potential and replicability outcomes of the climate change focal area have been fairly limited, although it is too early to judge in most cases. As argued in chapter 5, the most significant contribution the projects in this focal area can probably make is to catalyze change in a range of areas. The outcomes of the solar water heater project are quite likely to be catalytic, although the continued existence of significant market barriers qualifies this prediction. The design of the REMT, wind energy, and sustainable transport projects includes strong catalytic intent, but again, the adequacy of targeting of key market barriers is a cause for concern. A relatively general finding is that the projects are not adequately conceived or designed with catalytic and replication outcomes in mind. Project design must entail far more deliberate targeting of these outcomes, which are now treated as spinoffs rather than core objectives. This would also require a far more systematic analysis of the kind of project that would be able to achieve these effects in the specific context.

A similar finding on sustainability emerges from the results presented in chapter 5. The complexity, scope, and scale of the challenges facing South Africa, including capacity gaps and institutional weaknesses, make it difficult for project documents to provide a thorough analysis of the context and risks related to sustainability without producing an unwieldy tome. However, the NCSA would provide a consistent base document for use in analyzing needs and sustainability risks, as well as ensuring a more coherent approach across projects to capacity building, understood broadly. Little coherence and consistency now exists across projects in one focal area, let alone the portfolio; as a result, capacity-building activities are fragmented and too limited to have adequate impact.

As noted earlier, no reports are required for the enabling activities. This assumes that the project's existence is all that is important. It is strongly recommended that project documents for enabling activities identify the intended catalytic and capacity-building results and that the reports and outcomes are evaluated.

The midterm reports and evaluations could provide a more useful assessment of experience and

outcomes. In line with the key principles of the GEF and South Africa's own policies on the key outcomes of ODA, one of the most relevant and useful potential outcomes of GEF projects is their contribution to improved understanding and the body of knowledge that should be accumulating in all focal areas.

6.4 Relevance of the RAF Index to Country Priorities

All those interviewed were unanimous in their concern about the relevance of the RAF indexes to country priorities and indeed to the Southern African region's priorities. These judgments are largely based on an assessment of the results of the RAF allocation and the focus and distribution of resources that emerged, rather than examination of the actual indexes themselves. The reason for this is a unanimous agreement on the lack of transparency of the actual index and ranking process.

South Africa has raised concerns about the fact that the GEF budget is determined by what the donor countries are willing to give, rather than a costing of what will achieve the set of agreed essential global values. The mechanism itself, in the view of the South African government, is out of line with its purposes.[11] The South African minister of Environmental Affairs and Tourism has indicated that the RAF has intensified these concerns. Rather than basing the decision-making process on needs and allocations to address them, it has become even more obscure; instead of supporting the developing countries, it is reproducing inequality. In the minister's words:[12]

> In addition to addressing the adequacy of resources, South Africa must strongly raise concerns about the implications of the Resource Allocation Framework (RAF) in limiting the allocation of resources to developing countries, especially in Africa. The RAF system, based on the GEF Performance Index and GEF benefit index, is resulting in 25% of the countries receiving 75% of the resources. In practice this means that 90% of African countries find themselves with a minimal group allocation of between USD 1 - USD 3 million over four years. The situation is exacerbated by the fact that countries are limited to access of only 50% of the total allocation in the first two years. In this regard, it is vital that the COPs should also be active participants in the RAF review process in two years time. It is critical that GEF base its resource allocation on the needs and priorities of countries rather than utilising an ex-ante allocation based on an inequitably skewed formula. In order to address both the adequacy and the allocation of resources, an independent review of the contribution of the GEF as a financial mechanism, to the implementation of the Conventions is urgently needed.

Those interviewed commenting on the index itself noted that a key distortion is the use of gross national product or a similar measure as part of the index. This will inevitably skew resources toward those countries with developed economies and least in need of assistance but that may not have the greatest potential for securing global environmental benefits. These interviewees also raised questions on the criteria used to assess governance arrangements and the extent of their relevance to developing country contexts. Nevertheless, based on the RAF indexes, South Africa is receiving one of the highest allocations per country, and it is one of the few countries in the world with allocations in both focal areas. This is in response to South Africa's high biodiversity endowment, high levels of GHG emissions, and high performance.

A potential future effect on the relevance of the GEF investment by the RAF may be the reduction of the regional projects portfolio. In the future, regional projects will need funding from RAF country allocations. South Africa's experience and large RAF allocation (relative to its regional partners) indicates a likely falloff in regional ini-

tiatives for environmental priorities that are best addressed through regional projects.

6.5 Relevance to GEF Agency Strategies and Frameworks

The GEF portfolio has clear, general relevance to the strategies and frameworks of the three GEF IAs, rather than direct correlation, as the projects are shaped by the conventions, rather than by a specified IA country strategy. The country strategy or equivalent documents, as well as interviews held with regional and country-based staff of UNDP and the World Bank, support this broad alignment. Note that the UNDP country strategy does not make specific reference to either the GEF or the environment.

The World Bank's country partnership strategy's emphasis on energy efficiency is at odds with the complete absence of energy efficiency projects in the current portfolio. World Bank staff note some frustration that the GEF portfolio is their only real window into South Africa, and thus provides an important entry into the region.

The project fee received by each IA from the GEF—in the past, 9 percent, and in GEF-4, 10 percent of the GEF grant—provides a relatively significant contribution to country office budgets. Some stakeholders have noted that this could be a perverse incentive in many ways. It may encourage competition, rather than cooperation, among Agencies. It may also encourage IAs to push projects that have a good chance of being accepted smoothly and that have a strong chance of success, rather than risking the long process necessary to chart new ground, refine a new concept, or nurse a complex project. This effect may not only distort alignment with Agencies' own strategies and frameworks, but could limit the effectiveness with which they function as IAs on behalf of the GEF.

Notes

1. This section uses the draft SFSD (DEAT 2006a) to develop a retrospective picture of the portfolio's alignment with emerging thinking on sustainable development in South Africa; the MTPF for 2001–03 has also been applied in order to look at the portfolio as a whole to assess the level of alignment, despite the fact that many of the projects were initiated before and after the period specified.
2. Marthinus van Schalkwyk, Minister of Environmental Affairs and Tourism. Opening speech to the Third GEF Assembly, August 29, 2006, Cape Town, South Africa.
3. Interview with Trevor Sandwith, until recently, CAPE coordinator.
4. See www.dcis.gov.za/.
5. An insight owed to an interview with Prof. Anton Eberhard, Management Programme in Infrastructure Reform and Regulation.
6. The proposed standards and labeling project was initiated in 2004 and removed with other pipelined projects at the end of GEF-3, and has not yet been registered on the official GEF Web page for South Africa within the RAF-allocated projects, although it seems to be in the pipeline for the second part of the RAF (after July 2008).
7. Interview with Harald Winkler, project leader, Energy, Environment and Climate Change, Energy Research Centre, University of Cape Town.
8. Interview with Wendy Poulton, Eskom, general manager, Corporate Sustainability.
9. Interview with Wendy Poulton.
10. Interview with Prof Anton Eberhard.
11. It should be noted that attempts by the UNCBD Secretariat to estimate the actual cost of implementing the convention were rejected by the COPs, indicating that the GEF should not be responsible for fully covering the cost of achieving global benefits, because the countries (both donors and recipients) have responsibilities as stipulated in the conventions.
12. Marthinus van Schalkwyk, opening speech to the Third GEF Assembly.

7. Efficiency of GEF-Supported Activities in South Africa

This chapter addresses the following issues:

- How much time, effort, and financial resources does it take to develop and implement projects?
- Who initiates, designs, and implements GEF projects?
- How clear are the roles and responsibilities?
- How successful is the dissemination of GEF project lessons and results?
- What are the synergies achieved in GEF project programming and implementation, national institutions, GEF projects, and other projects?
- How does the national focal point mechanism function?
- How has the RAF affected GEF operations?
- What is the sustainability of GEF support?

7.1 Time, Effort, and Financial Resources Required for Project Processing

This section reviews the efficiency of GEF-supported activities in South Africa, measured by the time and money it takes to process a project through the GEF Activity Cycle (relevant to the project preparation and implementation period, not the new project cycle approved by the GEF Council in June 2007). Estimating these figures raises several problems, mostly related to the lack of full information. The GEF keeps information on payments made, directly or indirectly, to the GEF Agencies, but does not have information on the investment that project proponents or implementers make in the preparation process, particularly government and civil society organizations. Dates are not always available.

Preparation Costs

Calculating the cost of preparing a GEF project is not easy. The GEF Agencies, other donors, and project proponents do not fully disclose information. An approximate measure is calculated by taking into account the cost of a PDF, which is not necessarily independently determined, because there are maximum amounts allowed in requests.

Table 7.1 lists the projects that have requested PDFs for project preparation, expressed as a percentage of the GEF grant (cofinancing means that other preparation funds may have been used, but are not recorded by the GEF). On average, the PDFs have been less than 5 percent of the GEF grant. If this is the only preparation cost, it does not seem high, because an investment of $1 in preparation could generate a grant of up to $25.

Agency Fees and Proportion of Budget Going to Management Costs

A similar problem to the one presented above in calculating project preparation cost occurs when trying to calculate project management cost. The

Table 7.1

Project Preparation Costs as Percentage of GEF Grant

Project title	Modality	Project status	Agency	GEF amount	PDF amount	Total GEF amount	Preparation cost (% total cost)
				Million $			
Cape Peninsula Biodiversity Conservation Project	FSP	Completed	WB	12.3	0.09	12.39	0.09
Agulhas Biodiversity Initiative	FSP	CEO endorsed	UNDP	3.1	0.08	3.23	0.67
Conservation and Sustainable Use of Biodiversity on the South African Wild Coast	FSP	CEO endorsed	UNDP	6.5	0.34	6.84	1.09
Greater Addo Elephant National Park Project	FSP	CEO endorsed	WB	5.5	0.34	5.84	0.84
CAPE Biodiversity Conservation and Sustainable Development Project	FSP	CEO endorsed	WB–UNDP	11.0	0.32	11.32	0.57
Adapting Ecosystem Management to Conserve Invertebrate Diversity in South Africa's Savanna and Grassland Biomes	MSP	Rejected	UNDP	0.9	0.02	0.95	0.79
Richtersveld Community Biodiversity Conservation Project	MSP	Approved	WB	0.9	0.03	0.90	1.21
National Grasslands Biodiversity Program	FSP	CEO endorsed	UNDP	8.3	0.35	8.65	0.76
South Africa Wind Energy Programme (SAWEP), Phase I	FSP	CEO endorsed	UNDP	2.0	0.30	2.30	2.72
Sustainable Public Transport and Sport: A 2010 Opportunity	FSP	CEO endorsed	UNDP	0.0	0.20	11.20	0.06
National Sector Phaseout Strategy for Methyl Bromide	FSP	Not repipelined	WB–UNEP	13.5	0.35	13.85	2.53
Total				**64.0**	**2.42**	**77.47**	**1.03**

Note: WB = World Bank.

GEF only has information on the amount of money that it provides to the GEF Agencies to manage the projects (agency fee). In addition, each project has a management cost that is covered by the actual grant, but unless one reviews the budgets of each of the projects, it is not possible to determine this number (and even then, many of the projects do not provide this information clearly or fully). One approximation is the agency fee (another standard fee—8 percent—is charged on projects implemented by the United Nations Office for Project Services, which comes from the project grant, but is sometimes negotiated). The agency fee introduced for projects approved from 2000 was a flat fee of 9 percent of the GEF grant; this was raised to 10 percent in GEF-4.

Table 7.2 presents information on the fees that the GEF provides to the Agencies to manage projects. This is applicable to projects approved by the GEF Council from 2000, when the Agencies began receiving these fees. Earlier, the Agencies covered the cost of managing projects from the actual grant and from a corporate budget provided by

Table 7.2

National Project Fee by Agency and Project, for Projects Approved Since 2000

Implementing Agency	Modality	GEF grant (million $)	Agency fee (million $)	Agency fee as % of GEF grant
World Bank				
Concentrating Solar Power for Africa	MSP	0.23	0.15	65.217391
Conservation of Globally Significant Biodiversity in Agricultural Landscapes through Conservation Farming	MSP	0.75	0.15	20
Conservation Planning for Biodiversity in the Thicket Biome	MSP	0.739	0.15	20.2977
Greater Addo Elephant National Park Project	FSP	5.84	0.85	14.554795
Renewable Energy Market Transformation	FSP	6	0.54	9
Richtersveld Community Biodiversity Conservation Project	MSP	0.9	0.15	16.666667
Average				**24.289425**
UNDP				
Agulhas Biodiversity Initiative	FSP	3.23	0.38	11.764706
Best Environmental Practice in the Hosting of the World Summit on Sustainable Development	MSP	1	0.15	15
Clearing House Mechanism Enabling Activity	EA	0.0135	—	—
Conservation and Sustainable Use of Biodiversity on the South African Wild Coast	FSP	6.84	0.62	9.0643275
Development and Implementation of National Biodiversity Strategy and Action Plan	EA	0.41	0.05	12.195122
First National Report to the CBD	EA	0.25	—	—
National Capacity Self-Assessment for Global Environmental Management[a]	EA	0.2	0.03	15
National Grassland Biodiversity Program	FSP	8.65	0.78	9.017341
Pilot Production and Commercial Dissemination of Solar Cookers	MSP	0.8	0.15	18.75
Solar Water Heaters for Low Income Housing in Peri-Urban Areas	MSP	0.73	0.15	20.547945
South Africa Wind Energy Programme, Phase 1	FSP	2.295	0.38	16.557734
Sustainable Public Transport and Sport: A 2010 Opportunity	FSP	11.2	1.01	9.0178571
Average				**13.691503**
UNEP				
Enabling Activities for the Preparation of Initial National Communication Related to UNFCCC	EA	0.32	—	—
POPs Enabling Activities for the Stockholm Convention on POPs National Implementation for South Africa[a]	EA	0.5	0.05	10
Average				**10**
World Bank–UNDP				
CAPE Biodiversity Conservation and Sustainable Development Project	FSP	11.3	1.29	11.4

Note: — = not available or not reliable; CBD: UN Convention on Biological Diversity; EA: enabling activity.

a. Project for which IA has received its fee.

the GEF. The table does not include the internal project management costs required to implement the project, as these data were not available. The table presents the cost as a percentage of the GEF grant only; no information is available on the cost of managing the cofinancing part of the project.

Table 7.2 shows that the World Bank has a higher average at 24.3 percent than UNDP at 13.7 percent. The only UNEP project with data available indicates 10 percent of total cost. The joint World Bank–UNDP slice is 11.4 percent of the total cost. The average processing fee for FSPs was 11.3 percent, compared with 25.2 percent for MSPs. This picture is noteworthy, given that the percentage of the grant sanctioned by the GEF as an Agency fee was 9 percent in the past and is now 10 percent. It is also noteworthy that the IAs have received their fee for two projects that have had little or no progress.

Average Time Taken to Achieve Each Milestone in Project Cycle

Figure 7.1 presents the GEF Activity Cycle before the recent reformulation in 2007, because all of projects discussed here were approved under the earlier cycle. Tables 7.3 and 7.4 show that the length of time a project takes to move from one phase to another varies considerably, even when FSPs and MSPs are analyzed separately (missing information in this area may affect the analysis). Although regional and global projects go through the same steps in the GEF Activity Cycle, they are not included in this discussion; they have different requirements, such as extensive international consultations.

On average, it took FSPs 3.3 years or 40 months from pipeline entry to CEO approval. Total time from pipeline entry to project start-up took an average of 3.7 years (1,344 days). This is higher than for Costa Rica and the Philippines, for which the average for FSPs from stage A to E was, respectively, 2.9 years (1,056 days) and 2.8 years (992 days). MSPs in South Africa take a shorter time, as expected—1.8 years (664 days) from pipeline entry to project start-up. The full process (A–E) for MSPs in Philippines could take up to three years. Lack of availability of data prevented reliable calculations for each IA.

These findings agree with those on the issue of the GEF Activity Cycle from other evaluations conducted by the GEF Evaluation Office. Problems noted in previous evaluations related to the length of the project cycle will not be repeated here, other than to say that stakeholders cited the 2.0- or 2.5-year period between the PDF block B and the actual project as time when the energy and interest mobilized during project design drifts away and that it is harder to regenerate later. This

Figure 7.1

GEF Activity Cycle

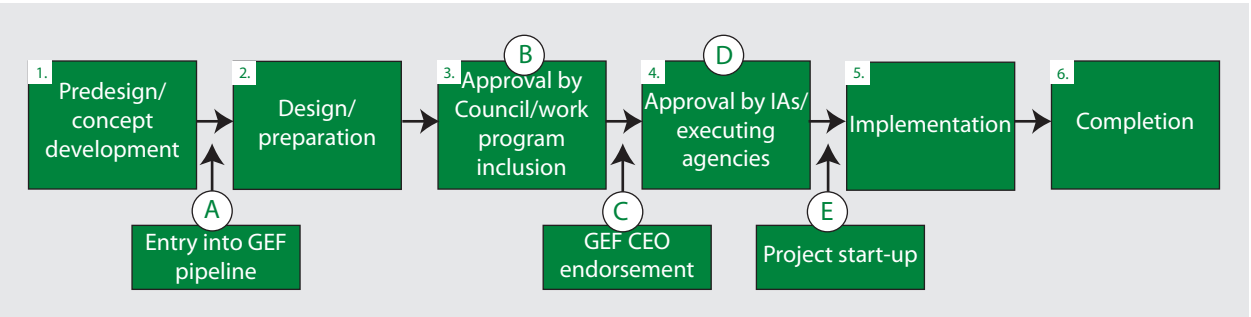


Table 7.3

Duration of Activity Cycle for GEF-Supported FSPs in South Africa

Days

Project	A→B	B→C	C→D	D→E	B→E	A→C	A→E
Agulhas Biodiversity Initiative	683.0	75.0	30.0	12.0	117.0	758	800.0
CAPE Biodiversity Conservation and Sustainable Development Project	443.0	350.0	18.0	69.0	437.0	793	880.0
Cape Peninsula Biodiversity Conservation Project	365.0	75.0	33.0	104.0	212.0	440	577.0
Conservation and Sustainable Use of Biodiversity on the South African Wild Coast	1,486.0	210.0	56.0	245.0	511.0	1,696	1,997.0
Greater Addo Elephant National Park Project	784.0	621.0	27.0	125.0	773.0	1,405	1,557.0
National Grassland Biodiversity Program	905.0	181.0	n.a.	n.a.	n.a.	1,086	n.a.
Renewable Energy Market Transformation	653.0	792.0	21.0	n.a.	n.a.	1,445	n.a.
South Africa Wind Energy Programme, Phase 1	1,206.0	922.0	42.0	82.0	1,046.0	2,128	2,252.0
Subproject 1st Group–Plug Power: under the Global Fuel Cells Financing Initiative for Distributed Generation Applications (Phase 1)*	599.0	754.0	1.0	—	—	1,353	—
Sustainable Public Transport and Sport: A 2010 Opportunity	884.0	202.0	n.a.	n.a.	n.a.	1,086	n.a.
Average (days)	**800.8**	**418.2**	**28.5**	**106.2**	**516.0**	**1,219**	**1,343.8**
Average (years)	**2.2**	**1.1**	**0.1**	**0.3**	**1.4**	**3.3**	**3.7**

Notes: — = unavailable or unreliable data; n.a. = not applicable. Except for entries indicated with an asterisk, data are based on the received date in the GEF database, not the pipeline entry date. See figure 7.1 for stages of GEF Activity Cycle (A–E).

Table 7.4

Duration of Activity Cycle for GEF-Supported MSPs in South Africa

Days

Project	C→D	D→E	A→E
Best Environmental Practice in the Hosting of the World Summit on Sustainable Development*	—	—	152
Concentrating Solar Power for Africa	317.0	41.0	610
Conservation of Globally Significant Biodiversity in Agricultural Landscapes through Conservation Farming	147.0	60.0	456
Conservation Planning for Biodiversity in the Thicket Biome	315.0	14.0	405
Pilot Production and Commercial Dissemination of Solar Cookers*	315.0	176.0	571
Richtersveld Community Biodiversity Conservation Project*	598.0	361.0	1,022
Solar Water Heaters for Low Income Housing in Peri Urban Areas*	67.0	1,360.0	1,534
Sustainable Protected Area Development in Namaqualand*	429.0	67.0	564
Average (days)	**312.6**	**297.0**	**664.3**
Average (years)	**0.9**	**0.8**	**1.8**

Notes: — = unavailable or unreliable data; n.a. = not applicable. Except for entries indicated with an asterisk, data are based on the received date in the GEF database, not the pipeline entry date. See figure 7.1 for stages of GEF Activity Cycle (A–E).

negatively affects the extent to which the eventual project is country driven or driven by contracted consultants. Stakeholders expressed major frustration on often having to comply with the provisions of three separate entities: the national agency, the GEF Agency, and the GEF. This not only slows the process, but is considered a waste of time, as it adds nothing of value to the process and results.

Expected and Actual Completion Dates

Table 7.5 compares the start-up and actual closing dates as reported in the completion reports. Most of the projects are still under implementation, and only one FSP is complete (most of the FSPs were approved in GEF-3).

The average planned length of implementation for the MSPs was 18 months; however, all but two MSPs required extensions from about a year to more than three years. On average, the implementation period of MSPs was about 30 months. In comparison, the average planned implementation period for MSPs in the Philippines was 51 months, which in reality becomes 54.5 months with the extensions. No analysis was done for enabling activities, because of the unavailability of data. This may well point to the need for a more realistic time frame, accepting that most effectively institutionalized projects take a long time at start-up if they are to be able to accelerate to full capacity and potential later. It would seem that many projects

Table 7.5

Planned and Actual Durations of FSPs, MSPs, and Enabling Activities in South Africa

Project	Target completion date	Actual completion date	Extension (months)	Planned duration (months)
FSPs				
Cape Peninsula Biodiversity Conservation Project	06/30/2004	06/30/2005	12	72
MSPs				
Best Environmental Practice in the Hosting of the World Summit on Sustainable Development	12/31/02	12/31/02	0.00	12
Concentrating Solar Power for Africa	05/30/01	05/30/01	0.00	12
Conservation of Globally Significant Biodiversity in Agricultural Landscapes through Conservation Farming	03/31/03	03/05/04	11.33	36
Conservation Planning for Biodiversity in the Thicket Biome	06/30/03	06/30/04	12.20	36
Pilot Production and Commercial Dissemination of Solar Cookers	06/24/02	09/01/06	51.00	20
Richtersveld Community Biodiversity Conservation Project	03/24/08	n.a.	n.a.	36
Solar Water Heaters for Low Income Housing in Peri Urban Areas	04/01/06	n.a.	n.a.	30
Sustainable Protected Area Development in Namaqualand	06/30/03	12/31/05	30.50	60
Average difference			**17.51**	**30.25**
Enabling activities				
Enabling Activities for the Preparation of Initial National Communication Related to UNFCCC	01/06/00	12/11/03	47.83	—

Note: — = unavailable or unreliable data; n.a. = not applicable (project still under implementation).

set unrealistic end dates; this may negatively affect the extent to which they are institutionalized.

7.2 Roles and Relationships

Who Initiates, Designs, and Implements GEF Projects?

In the early phases of the GEF, projects were often initiated, designed, and even implemented by individuals without their necessarily being embedded within a government department or other relevant entity with the mandate to sustain the project results. This was particularly problematic for projects requiring government commitment to sustain the gains made. The situation improved with application of the MTPF by the focal point, but it is still the case that many projects arise through individual enthusiasm rather than through proactive initiation based on the MTPF or through the normal planning cycles of the relevant units in government.

The IAs play the dominant role in project design, making projects "GEF-able." Many stakeholders indicate that the process is still so complex, the criteria and requirements so obscure, opaque, and changeable, that it is almost impossible for an official to develop a project proposal. Pragmatism and efficiency dictate that design is, in practice, dominated by the IAs, which need to take the input or discussion of stakeholders and translate it into a GEF-able proposal. Country ownership and needs may be modified in translation. This is largely inevitable, unless the onerous nature of the requirements can be reduced; the requirements themselves made clearer, more transparent, and more stable; and wider local capacity built to do effective project design. A uniform approach and standard requirements across all IAs based on existing country-based approaches and ideally similar to those of other major donors are further essential ingredients to, as far as possible, establish a single language for effective project proposals; the IA "translators" can function more as supporters of and assistants to local project designers. Almost all the officials with direct experience of the project process noted that UNDP was easier to work with than the World Bank.

The national executing agencies responsible for managing implementation are generally government entities. SANParks and SANBI have received almost half of GEF support to South Africa. The DME, DEAT, and the National Department of Transport all have significant project budgets to manage, but these are less than half of those of SANParks and SANBI.

How Clear Are Roles and Responsibilities?

Those interviewed did not mention a lack of clarity of roles and responsibilities as an issue in any of the documents, except for the project intended to demonstrate best environmental practice in the hosting of the WSSD. The problems in this case are specific to the project and to difficulties influencing an existing project management team under a very tight deadline.

Some interviewees indicated that the support role of the IA needs clarification and specificity in terms of what national executing agencies and the focal point should be able to expect in return for the 10 percent received from each project grant.[1]

Coordination and Synergy

No real management of the portfolio takes place at the portfolio level. Once each project is endorsed by the focal point and then approved by the GEF system, it begins implementation. Synergies occur when projects are implemented by the same executing agency and, to a certain extent, within the IAs (particularly when they are in the same focal area). This has been more successful in the biodiversity than the climate change focal area. For

example, in biodiversity, government (SANBI) has played a significant role in coordinating bioregional programs.

Overall, synergies in the biodiversity projects are due to the nature of the projects that lend themselves to exchange and necessitate bioregional-level coordination among government partners, stakeholders, and other donors. In the climate change area, many stakeholders noted that the lack of cooperation and tense relationships among key players—the DME and Eskom in particular—became a barrier to achievement, as significant levels of cooperation and coordination were necessary to ensure maximum impact and outcomes from the projects.

Complementarity of GEF Support

The discussion of relevance and country ownership in chapter 6 indicates that, in general, the ad hoc nature of the process of selection of the GEF projects, specifically in the climate change focal area, has not only meant that opportunities for improved effectiveness through greater coherence have been lost, but also complementarity has been jeopardized. One stakeholder who has long experience with the GEF portfolio said that alignment of priorities, roles, and responsibilities was a matter of sheer luck; however, significant complementarity existed in the biodiversity focal area.

7.3 Learning

Have Projects Been Designed to Promote Learning?

As already noted, the ability to promote effective learning and sharing of experience goes to the heart of the GEF's role, but practice in this area is weak. Project documents often do not provide an adequately clear basis for assessing results and learning about what did or did not work. Baselines are not clearly established, or baseline information used is outdated; the project logic and framework of expected results are not clearly elaborated; concepts are not used accurately or consistently. Consequently, outputs are often confused with outcomes or outcomes are substituted for impacts; and the indicators are often not fully relevant, useful, or feasible. Neither the IAs nor government entities present learning or new knowledge arising from projects on their Web sites, for example.

Although a few projects have been effectively planned and designed to promote learning, test or pilot, and catalyze or replicate, this should be a uniform requirement of GEF projects. Few project reports or evaluations (except the independent evaluations) identify and analyze problems, weaknesses, failures, or areas for improvement in any detail. Stakeholders suggested that the consequences for the IAs of having projects rated unsuccessful or marginally successful are so potentially damaging that this is avoided at all costs. If there is truth in this—and it is difficult for GEF Agencies to admit to problems—this will obviously have a significant impact on the effectiveness of the GEF and GEF projects. Many project reports give the impression that their primary purpose is compliance and the fulfillment of accountability requirements, rather than reflecting and recording discussion and decisions on how to improve achievement levels, as well as lessons learned, from what worked and did not work very well.

Two projects in the climate change focal area (solar cookers and the solar thermal electric projects) deserve mention as pilots that successfully demonstrated the lack of viability of the technology involved in clear terms, enabling analysis and review if and when objective conditions change. These projects stand out owing to the care taken to ensure that the problems and their implications were accurately identified. This potentially prevented the waste of resources that would have

been inevitable had this technology been rolled out on the basis of a weak pilot study or a public relations–oriented project report. It would obviously have been preferable to do a more thorough prepilot feasibility analysis, if this would have provided warnings on feasibility, as it probably should have in the case of one of these projects.

The different IAs use different formats and terminology for project planning documents, as well as for reports and evaluations. As noted above, it would be much clearer, easier, and more effective for executing agencies if all the GEF project IAs applied the same set of criteria, requirements, formats, and terminology. In some cases, project managers face such a multitude of duplicated reporting requirements (for example, to the IA in the IA format, to the GEF, to their own entity) that the learning is drowned out under the sheer weight of compliance demands. UNDP has indicated that it has aligned its processes and documentation formats to simplify the GEF project process for project executants. Overall, stakeholders find working with UNDP easier than working with the World Bank, partly because of the alignment issues, but specifically because the World Bank requires the negotiation of separate grant agreements for each project. They view this as very onerous, as it requires signoff by the National Treasury and the presidency.

Has the Experience of Other Projects Been Used to Enrich Project Design and Implementation?

In general, an improvement in design is attributable to an evident interchange among the biodiversity focal area projects. For example, the SANParks protected area projects have all built on the learning of the Cape Peninsula Biodiversity Conservation Project. Generally, the bioregional planning initiatives have improved methodologies applied in stakeholder engagement processes and conservation planning. These linkages are often made within the project documents.

Lack of evidence of this interchange in all project documents does not mean that it is not happening. But, as noted in chapter 6, one of the most important potential roles of the GEF is to mine the vast experience accumulating in the global portfolio of projects for valuable ideas, lessons, and technical expertise. The GEF can then link it with other projects where it can be evaluated and used as a platform for further progress and development of the body of knowledge in each focal area and among them on sustainable development. Little or no direct evidence of the IAs or other GEF mechanisms deliberately establishing these linkages or transferring learning, however, came to light.

What Evidence Exists That Learning from the GEF Projects Has Been Effectively Disseminated?

Many of the projects have made deliberate plans to disseminate learning by developing training; writing guides, handbooks, and pamphlets; delivering presentations; and so on. A brief impact assessment of some of these after a time would probably be a valuable exercise to establish how much learning has been disseminated and to whom, and how it was being used. Again, if this is a key role for the GEF, it might be worth trying to identify what is working, how well, and how it may be improved in this area. Although many of the projects include plans for dissemination, little information exists on the extent to which the GEF mechanism itself and the IAs are able to promote dissemination.

7.4 GEF Focal Point Mechanism

As already noted, the operational focal point, located in DEAT, is responsible for ensuring

effective engagement and coordination at the country level. The focal point is also responsible for all other ODA and must manage a number of bilateral agreements, as well as South Africa's substantial involvement in international governance in the environment. Appointment of technical focal points for all focal areas supplements the operational focal point.

Role of the GEF Focal Point in South Africa

The MTPF delineates the anticipated role of the focal point and related mechanisms as follows:

> Presently all GEF projects requiring the endorsement of the Operational Focal Point are subjected to a governmental screening process through the Committee for Environmental Co-ordination (CEC). The CEC is an interdepartmental mechanism, responsible for promoting the integration and coordination of environmental functions by the relevant organs of State and comprises of the Director-Generals of National Government Departments, Provincial Heads of Department (Environment) and representatives of local governments. The process of channelling all GEF projects through the CEC enables broad based governmental opinions to be canvassed, particularly from the Provincial, municipal and local council levels, and decisions made in a participatory and transparent manner. This in turn ensures that global environmental management objectives are nested properly within the national sustainable development agenda, to enhance the basis of national ownership, and the impacts and sustainability of interventions. Furthermore it affords the Focal Point an opportunity to identify synergies with existing initiatives as well as obtain inputs from various quarters that may add value to projects. This process is clearly important to enhance project sustainability and impact and will be continued and gradually strengthened as projects within the various programmes are pipelined (DEAT 2001, p. 18).

Role in Facilitating Strategic Coherence and Access to Decision Making

The focal point functions within a difficult context to facilitate strategic coherence and access to decision making. South Africa's policy context is changing dramatically and fundamentally, and the focal point has not had a stable policy anchor that could be used as the basic platform on which to facilitate decisions on a strategically coherent country program. South Africa after 1994 has reviewed and fundamentally transformed all major policies and strategies. Changes across the broad environmental sector have been extensive and continue at a rapid pace. The country is still in the process of developing an integrated sustainable development strategy and plan—a complex undertaking given the distortions and scale of challenges bequeathed by the apartheid state. This integrated strategy is necessary to ensuring that environmental policy and priorities are coherently and sustainably aligned with social and economic policy and priorities. For example, no clear strategy on renewable energy has yet been adopted and concrete decisions on the strategy for achieving energy efficiency are still emerging. Significant tensions exist between Department of Trade and Industry policy on developmental energy pricing to incentivize energy-intensive industries and the DME's mandate to promote energy efficiency. The urgency of focusing attention on extending access to services exists alongside the need to give time to "decouple" development from existing high resource-use and waste-producing paths.

In this context, input from stakeholders is vital and, as the MTPF intends, helps balance contrary demands with ensuring that a range of dimensions are considered in decisions taken in "a participatory and transparent manner." However, the number of stakeholders involved is staggering. The fragmentation of the mandates relevant to the GEF focal areas is enormous, and almost all national departments and a majority of provincial departments, let alone local government, have a potential stake in the GEF projects. The other layers of stakeholders outside government are numerous and also

operate in a range of spheres, from the very local to national, and include academics, researchers, NGOs, community-based organizations, the private sector, development agencies, and numerous other groups. The stakeholder analysis done by the evaluation team to guide the selection of interviews resulted in a daunting list several pages long of key stakeholders.

In this context, it is hardly surprising that the focal point and most of those interviewed thought that the actual achievement of strategic coherence and effective access to decision making has been somewhat limited, but has changed over time. The MTPF represents a significant improvement by formulating a transparent outline of the issues and their alignment with the concerns of the relevant conventions. Projects were put before the Committee for Environmental Coordination. But, in practice, the committee's agenda was so full and the process through which projects arose so obscure to the members that the committee did not succeed in strategically directing the portfolio. The cycles and timing of the GEF approval process also made it impossible to delay project selection until the next quarterly committee meeting. It appears from interviews that, in practice, the committee process has become more of a rubber stamp and possible safety net; project proposals are circulated via email to committee members and technical focal points with a two-week period for comments or objections, beyond which silence is interpreted as consent.

Although the MTPF acknowledges that project selection has been too ad hoc and indicates that a prioritized country program will be agreed on, it has not materialized and, in practice, no really proactive process of selection has been instituted. The perception also exists that, in GEF-4, given the RAF, choices for selecting projects are limited, so why bother with a strategy? The MTPF clearly provides a potentially improved basis for more proactively facilitating selection, but the focal point acknowledges in its own self-assessment progress report that the projects continue to be selected on an ad hoc basis:

> However, previously, GEF projects in South Africa, although addressing the national priorities of South Africa, were rather fragmented and were initiated in a fairly ad hoc manner. Although these projects were contributing to the country's overall environmental goals, they were not conceived as part of a holistic programme for GEF investment. Clearly such a programme is desirable to ensure that GEF initiatives are fully nested within national development agendas, enhance the GEF's financial leveraging capacities, and improve prospects for replicating and sustaining interventions. The Department of Environmental Affairs and Tourism together with the GEF Secretariat and its Implementing Agencies have initiated a process to move towards a more programmatic approach for South Africa. South Africa intends developing and executing a comprehensive long-term country-driven programmatic approach to address global environmental concerns that will be advanced simultaneously with efforts to attain national sustainable development priorities. The development of a programmatic approach for South Africa is however a process that would require a reasonable time prior to even a draft discussion documents being tabled (DEAT 2006e, p. 2).

Many of those interviewed indicate that the focal point has made efforts to facilitate coherence and enable access to decision making. Workshops were held with a variety of government stakeholders and with the IAs to begin to work out a clear prioritized framework. New changes at the GEF and specifically the RAF have overtaken this initiative. The focal point indicates that there is little point in developing a strategic framework in the context of the RAF. In practice, projects that have been accepted by the Committee for Environmental Coordination process and are awaiting entry to the pipeline already account for the full four-year RAF allocation for biodiversity and climate change

(although this would not apply to the other focal areas). The focal point has simply put these forward for acceptance into the GEF portfolio.

It seems that many actors are not sure whether there is still scope for projects that fall in focal areas outside the RAF and whether the GEF would still accept them. It is not fully clear why South Africa has not forwarded any. Key stakeholders working in all focal areas indicated that the process of project selection was arbitrary, nontransparent, and very difficult to access or influence. Lack of information on how projects are selected and the general process of the GEF in South Africa appear to have created an uneasy feeling among different stakeholders, particularly outside the DEAT system. Rejection or delays in particular projects have increased the feeling of arbitrariness and lack of transparency in the project selection process.

One major missed opportunity that could have significantly assisted the focal point in bringing greater strategic coherence and access to the process of shaping the portfolio is the enabling activities. The provision made for development of concrete strategy and plans in each focal area and in terms of an analysis of institutional capacity needed to implement them has not been effectively used, but could have provided a very strong anchor for the GEF program in South Africa. Of course, the NBSAP had a great influence in developing the portfolio. The climate change strategy stopped short of clear decisions on pathways and priorities in the areas of adaptation, as well as mitigation. The POPs strategy and plan and the NCSA are making progress.

A second area of potential—appointment of technical focal points in each focal area—does not appear to have been fully used. Those reached by the evaluation indicate that they do not feel consistently or effectively included in the process of shaping or reviewing the portfolio, even in their own area of technical competence.

Sharing Information and Disseminating Learning

The focal point and many stakeholders interviewed indicated that the role of sharing information and disseminating learning had been particularly weak. A shortage of staff and relegation of the focal point largely to a clearinghouse role have led to a limited role for the focal point in this area. Key stakeholders and technical focal points indicated that they rarely are consulted before the focal point attends GEF meetings or provided with reports afterward. The responsible people in the executing agencies have reported a similar sense of exclusion and lack of access to information.

A significant barrier to the focal point playing this role effectively has been the fact that projects and IAs do not routinely include the focal point in the circulation of narrative and financial reports or evaluations. It is strongly recommended that the focal point and technical focal point be included in the circulation and review of these reports. The focal point has recently instituted regular meetings at least with UNDP to review project progress, identify issues requiring attention and troubleshooting, and strengthen cooperation and coordination. The focal point will also undertake field visits to projects to assess progress, and a schedule has been prepared that would enable all projects to be visited within a cycle over a number of years.

An additional problem has been the cancellation of all projects in the pipeline and the enormous irritation this has caused. Many stakeholders blame the focal point for this action, which was regarded as arbitrary, lacking in respect for the time and effort invested, and a symptom of a heavy-handed approach. A recent increase in staffing levels

available to the focal point has enabled plans for a newsletter, which will be used to communicate GEF policies and procedures, opportunities available, as well as key lessons and issues arising from projects. This will enable significant improvement in communications and dissemination of learning.

7.5 Emerging Issues Concerning the RAF

Clarity of Process, Procedure, and Roles

South Africa has voiced concerns about the RAF from the early drafts and continues to regard it as a barrier to achieving global environmental benefits through support to developing countries. Most of those interviewed indicated that, instead of ensuring a more transparent and strategic basis for allocating resources, the RAF has made the process more obscure and less likely to have the required impact. All noted that the indexes and processes are opaque and that the process lacks clarity and transparency.

Changes in Role of the Focal Point

The role of the focal point will change significantly, because there will only be two points in the year when projects can be pipelined. This offers an opportunity to adjust the focal point and its role to enable it to better facilitate strategic coherence and synergy in the portfolio. It is suggested that the technical focal points play a more direct role in proactively shaping the portfolio in each focal area, but also in jointly ensuring coherence and synergies across the portfolio.

Likely Impacts on the SGP and Regional Projects

The impact of the RAF on the SGP is likely to be significantly negative. The SGP in South Africa has never been able to realize its enormous potential. Many stakeholders note the absence of capacity to promote and institutionalize environmental awareness and action at the community level and the importance of this in the South African context. Others note that a more systematic process of project selection at the focal point level will close an important window for new initiatives that may not yet be seen as government priorities, but can prove their value if given a jump start. The requirement that SGP funding be allocated from country RAF allocations undermines the basic purpose of the SGP, which is to keep a window open to nongovernmental stakeholders, activists, and communities to access funding for projects. As one stakeholder noted, "He who pays the piper, calls the tune" and government will be paying the piper. It is strongly recommended that this be revisited and that the SGP be strengthened, rather than weakened, for it to play its role effectively.

The RAF may also negatively affect the future development of regional projects, as these will have to be funded from the country RAF allocation. Members of the international waters projects have indicated the importance of regional projects in addressing key environmental concerns that cannot be addressed at the national level.

Note

1. The GEF Secretariat is presently conducting an assessment of the administrative fees provided to the GEF Agencies for each project. This document should be presented to the GEF Council at its April 2008 meeting.

Annex A. Terms of Reference

A.1 Background and Introduction

The GEF Council has requested that the GEF Evaluation Office conduct evaluations of the GEF portfolio at the country level: GEF country portfolio evaluations. The overall purpose of these evaluations, as requested by the Council, is two-fold: (1) to evaluate how GEF-supported activities fit into the national strategies and priorities as well as within the global environmental mandate of the GEF, and (2) to provide the Council with additional information on the results of the GEF-supported activities and how these activities are implemented.

Countries are selected for portfolio evaluations among 160 GEF-eligible countries, based on a stratified randomized selection and a set of strategic criteria. So far the Evaluation Office has conducted three CPEs: Costa Rica (pilot case in 2006) and the Philippines and Samoa (in 2007). Documents for each of these evaluations are available in the GEF Evaluation Office Web site. In 2007 the Evaluation Office will undertake four CPEs in Africa: Madagascar, Benin, Cameroon and South Africa. The evaluations, findings, and recommendations from the four CPEs will be synthesized in a single report and presented to the Council at its April 2008 meeting. The synthesis report will allow the Office to assess and report on experiences and common issues across different types of countries. Among several considerations, South Africa was selected because of the country's historically large and diverse portfolio, including projects in all GEF focal areas, implemented by all relevant GEF Agencies and including at least four completed projects that potentially have important results; because it will receive a large allocation in the RAF based on its important global biodiversity and dependency on fossil fuels; and because the government has developed a medium-term priority framework for the GEF.

In 1994 South Africa held its first democratic elections. It was also the year in which South Africa first became a participant of the GEF. This provides some insight into the relative level of importance that has been in place on the environment by the new democratic government, despite the massive and complex socioeconomic challenges left in the wake of the apartheid policy. The right to a healthy environment is entrenched as a constitutional right in South Africa's new Constitution. The extensive and far-reaching development after 1994 of South Africa's policy and legal framework designed to protect and secure the environment is evidence of the recognition that a healthy environment is a necessary condition for a robust society and sustained economy. After years of isolation as a violator of human rights were ended, the new democratic South Africa joined with other nations of the world in making a contribution to international environmental governance

and commitments to the international environmental conventions. For the past 15 years, South Africa has approved and put into implementation laws and policies in all aspects of environmental management, from the National Environmental Management Act (1998), National Environmental Management: Biodiversity Act (2004), Protected Areas Act (2003), Air Quality Act (2004), and Climate Change Response (2004) policies. In 2002 South Africa hosted the World Summit on Sustainable Development and in 2005 South Africa was presented with the Champion of the Earth Award, in recognition of outstanding achievements in the field of environment.

Despite these significant achievements and clear recognition of the need to manage the country's resources better, the latest assessment of the state of South Africa's environment shows that, in general, the condition of the environment is deteriorating. Detailed assessments provided in a comprehensive and incisive environmental outlook report from the Department of Environmental Affairs and Tourism show that South Africa is using up its natural capital. The ecological footprint per person in South Africa is higher than the global average and increasing, as South Africa struggles to meet its huge socioeconomic challenges. In other middle- and low-income countries, the ecological footprint per person is declining. South Africa's rating on the Global Sustainability Index is declining; South Africa achieved an overall rank of 93 of 146 countries in 2005.

South Africa is currently developing a National Framework for Sustainable Development in its ongoing efforts to respond to the legacies of apartheid and secure sustainable development for all. The South African Department of Environmental Affairs and Tourism, in its response to its latest Environment Outlook report, reiterates the South African government's commitment and indicates that it "will continue to champion a national sustainable development agenda and is putting in place programs, strategies, policies and legislation to respond to emerging global, regional and national environmental challenges, and in so doing, support economic growth, poverty eradication and human well-being."

Regarding South Africa's response to the GEF mandate, in 2001 the government prepared a GEF medium-term priority framework, which provides a very good overview of how South Africa prioritized GEF support. In addition, this document provides a very good presentation of the main issues in each focal area. The following paragraphs are based on this document.

- **Biodiversity.** South Africa is considered the third most biologically diverse country in the world (one of the megadiversity countries). For example, South Africa is the only country in the world to include an entire floristic kingdom within its boundaries—the Cape Floristic Kingdom—one of six worldwide. In addition, the country contains an estimated 6 percent of the world's mammal species, 8 percent of the avifauna, 5 percent of the reptile species, 16 percent of the estimated number of marine fish species, and about 6 percent of the described insect species. All of these important species, many of them endemic to South Africa, are under anthropogenic pressure, particularly mining, forestry, urban development and agricultural expansion, and alien invasive plants and animals. Between 14 and 37 percent of the country's fauna and flora are considered under threat. About 6 percent of the country's land was protected to maintain biodiversity in 2003 (South Africa 2007a).
- **Climate change.** South Africa accounts for about 1 percent of anthropogenic greenhouse gases emissions, (20th in the world), because

of its energy production's high dependency on coal (based on 1990 data; a new inventory of GHG is under preparation under the second National Communication to UNFCCC, that is not yet available). On the other hand, South Africa is highly vulnerable to the impacts of climate change. Changes in precipitation will probably cause the main impacts regarding water supply and demand.

- **International waters.** The currents of Benguela and Agulhas along the coastline of South Africa make these oceanic waters very rich and productive in marine life. In addition, South Africa shares a number of important freshwater resources with neighboring countries, such as Incomati, Limpopo, Orange, and Ravuma. These water resources are overexploited and suffer from pollution, other human induced pressures and invasion of alien species.
- **Persistent organic pollutants.** The release of POPs, including some pesticides and industrial chemicals, is a serious problem in South Africa.
- **Land degradation.** Some 25 percent of South Africa's lands are classified as severely degraded; 90 percent of the country is dominated by arid and semiarid lands, with a high desertification risk. The main causes of land degradation are population growth; overexploitation of rangelands; expansion of agriculture into marginal areas; excessive demand for fuelwood; bush fires; and unregulated and excessive water demand and abstraction.

The GEF has invested about $81.27 million (with about $603 million in cofinancing) through 24 national projects (13 biodiversity, 8 climate change, 1 multifocal, and 2 POPs, including the Small Grants Programme and support to South Africa through the global program of the CEPF). Table A.1 breaks down GEF support according to focal areas and GEF Agencies (Annex 1 has a list of projects).

Table A.1

GEF Support to National Projects by Focal Area and Agency

Million $

Focal area	UNDP	UNEP	WB	WB-UNDP	SGP
Biodiversity	19.19	0.60	21.67	11.32	
Climate change	15.02	0.32	9.51		
POPs		0.50			
Multifocal	1.20				
Total	**35.41**	**1.44**	**31.18**	**11.32**	**1.92**

Note: WB = World Bank.

This portfolio of projects will be the main focus of the evaluation. In biodiversity, GEF support has concentrated on conservation in protected areas, as well as in agricultural landscapes, while in climate change, on renewable energy, particularly solar and wind. UNDP and the World Bank have been the main channels for GEF support to South Africa (furthermore, for both institutions, the GEF is the main source of funding to the country). South Africa has also received GEF support through the SGP. Although this program has been in existence since 2000, there have been breaks that have caused delays in its implementation (as of July 2007, the SGP has approved 36 projects and has been allocated $1.92 million). GEF support includes a series of enabling activities for all the focal areas, as requested and required by the international conventions for which the GEF serves as financial mechanism. In addition, South Africa has participated in 29 initiatives financially supported by the GEF with a regional or global scope (area of intervention beyond the national borders of South Africa). Table A.2 breaks down these projects.[1]

Table A.2

Number of GEF Regional and Global Projects in which South Africa Participates by Focal Area and Agency

Focal area	UNDP	UNEP	WB	Multi-Agency	Total
BD	3	4	2	1	10
CC	0	0	2	0	2
IW	7	2	2	0	11
LD	0	2	0	1	3
POPs	0	0	1	0	1
MF	0	0	2	0	2
Total	**10**	**8**	**9**	**2**	**29**

Note: BD = biodiversity; CC = climate change; IW = international waters; LD = land degradation; MF = multifocal; WB = World Bank.

South Africa has been allocated a substantial amount of resources for GEF-4 (2006–10), particularly through the RAF, given South Africa's rich endowment in biodiversity and also large generation of GHGs ($22.5 for biodiversity and $23.9 for climate change, about 2 percent of GEF-4 RAF resources). South Africa is one of the few countries in the GEF that has received individual allocations for both focal areas.

A.2 Objectives of the Evaluation

Based on the overall purpose (above) of the GEF CPEs, the evaluation for South Africa will have the following specific objectives:

- Independently evaluate the *relevance* and *efficiency* of GEF support in a country from several points of view:[2] national environmental frameworks and decision-making processes, the GEF mandate and achievement of global environmental benefits, and GEF policies and procedures.
- Assess the *effectiveness* and *results* of completed and ongoing projects in each relevant focal area.[3]
- Provide additional evaluative evidence to other evaluations conducted or sponsored by the GEF Evaluation Office.
- Provide *feedback* and *knowledge sharing* to (1) the GEF Council in its decision-making process to allocate resources and to develop policies and strategies, (2) the country on its participation in the GEF, and (3) the different agencies and organizations involved in the preparation and implementation of GEF support.

The CPE will also be used to provide information and evidence to other evaluations conducted by the GEF Evaluation Office, specifically the overall midterm evaluation of the RAF,[4] evaluation of the catalytic role of the GEF, and evaluation of partnerships and umbrella projects. The evaluation will address the performance of the GEF portfolio in terms of relevance, efficiency, and effectiveness as well as contributing factors to this performance. The CPEs do not have an objective of evaluating or rating the performance of the GEF Agencies, partners, or national governments. The evaluation will analyze the performance of individual projects as part of the overall GEF portfolio, but without rating such projects.

A.3 Key Evaluation Questions

The GEF country portfolio evaluation will be guided by the following key questions:

- **Relevance of GEF support**
  - Is GEF support relevant to the South African sustainable development agenda and national development needs and challenges?
  - Is GEF support relevant to national environmental priorities and frameworks (including action plans directly supported by the GEF within each GEF's national focal areas)?
  - Is the country supporting the GEF mandate and focal area programs and strategies with

its own resources and/or support from other donors?

- Is GEF support relevant to the achievement of the GEF mandate (maximizing global environmental benefits), principles (incrementality, cost-effectiveness, sustainability, and so on), and objectives of each GEF focal area's operational programs and strategies?
- Is GEF support relevant to GEF Agency strategies and frameworks?
- How relevant are the RAF indexes to country priorities?

- **Efficiency of GEF support**
  - How much time, effort, and money are needed to develop and implement projects, by GEF support modality?
  - What are the roles, types of engagement, and coordination mechanisms among different stakeholders in project implementation? In particular, what is the national mechanism for GEF implementation?
  - How successful is dissemination of GEF project lessons and results?
  - What synergies exist between GEF project programming/implementation and GEF Agencies, national institutions, GEF projects, and the projects and activities of other donors?
  - To what extent have GEF operations changed after the introduction of the RAF?

- **Results and effectiveness**
  - What are the results (outcomes and impacts) of completed (and if appropriate, ongoing) projects , according to focal area frameworks and cross-cutting issues (that is, capacity building, catalytic effect and achievements, improvements in the enabling environment, and increased awareness)?
  - What are the aggregated results at the focal area and country levels?
  - What is the likelihood that objectives will be achieved for those projects that are still under implementation? What is the sustainability of GEF support?[6]

Each question is supported by a preliminary evaluation matrix in annex B. The matrix contains a tentative list of indicators or basic data, potential sources of information, and methodology components and will be validated or further developed by the evaluation team once the evaluation work starts. The evaluation will use as a basis the indicators in the GEF project documents, indicators of each of the focal areas and the RAF, as well as any appropriate national sustainable development and environmental indicator. Past evaluations have mentioned weaknesses in monitoring and evaluation at the project and GEF program levels and may pose challenges to the assessment. Not all the information is quantitative.

A.4 Scope and Limitations

The CPEs will cover all types of GEF-supported activities in the country at all stages of the project cycle (pipeline, ongoing, and completed) and implemented by all the GEF Agencies in all focal areas, including applicable GEF corporate activities, such as the Small Grants Programme. The main focus of the evaluation will be projects implemented within the boundaries of South Africa, that is, national projects.

In addition, all regional and global projects in which South Africa participates will be reviewed. The objective of this part of the evaluation will be to present overall GEF support to South Africa through this type of project, reported results within South Africa, and a description of the ways in which South Africa participates in them (for

example, who are the partners in these projects and how South Africa participates). There will be no attempt at conducting a full assessment of their aggregate relevance, results, and efficiency. Nevertheless, a selection of international waters projects will be considered for a more in-depth review (similar to the review to be conducted for national projects) in which South Africa participates (approved by the Council or CEO as of June 30, 2007), because there are no international waters projects in the national projects cohort. The GEF portfolio to be assessed in this evaluation is the aggregate of the national projects plus the selected regional/global projects.

The stage of the project will determine the expected focus (table A.3).

Table A.3

Focus of Evaluation by Project Status

Project status	Relevance	Efficiency	Effectiveness	Results
Completed	Full	Full	Full	Full
Ongoing	Full	Partially	Likelihood	Likelihood
In pipeline	Expected	Processes	n.a.	n.a.
SGP	Expected	Processes	Likelihood	Likelihood

Note: n.a. = not applicable. The main focus of the evaluation will be relevance and efficiency; it will explore possible methodologies on how to evaluate project effectiveness and results.

Although the GEF does not require GEF country programs, South Africa developed one for 2001–03. This GEF medium-term priority framework will be used as a possible framework for assessing achievements and experiences of projects approved during that period. All other projects will be assessed against nationally (and when applicable, regionally) relevant strategies and frameworks. The country programs of the GEF Implementing Agencies, as agreed on with the government of South Africa and the South Africa's national strategies and mid- and long-term goals, will be also considered as a relevant framework for GEF support.

GEF support is provided through partnerships with many institutions, so it is challenging to consider GEF support separately. The CPE will not attempt to provide a direct attribution of development results to the GEF, but address the contribution of GEF support to the overall achievements, that is, to establish a credible link between what GEF supported and its implications. The evaluation will address how GEF support has functioned in partnership with others through questions on roles and coordination, synergies and complementarities, and knowledge sharing.

Of the 25 national projects approved by the Council for South Africa, 10 have been completed and the other 15 are still ongoing. Only one full-size project has been completed (Cape Peninsula Biodiversity Project, implemented through the World Bank). Two enabling activities generating reports to the CBD (including the NBSAP) and the first national communication have been completed. The other three enabling activities (second communication to UNFCCC, NIP for persistent organic pollutants, and the clearinghouse mechanism for CBD) are still active. As indicated above, the SGP is still active in South Africa, although it has had several breaks in its implementation with a resulting portfolio of only 26 projects.

In addition, the context in which these projects were developed and approved and are being implemented constitutes a focus of the evaluation. In particular, the GEF strategy developed for South Africa in 2001 will be an essential framework and context for the evaluation. In addition, the context will include a historical assessment of the national sustainable development and environmental policies, strategies and priorities, legal environment in which these policies are implemented and enforced, GEF Agency country strategies and

programs, and GEF policies, principles, programs, and strategies. It would include consideration of baselines, absorptive capacity, and institutional development.

A.5 Methodology

The methodology includes a series of components using a combination of qualitative and quantitative methods and tools. The qualitative aspects of the evaluation include a desk review of existing documentation. The expected sources of information include the following:

- At the *project level*, project documents, project implementation reports, terminal evaluations, reports from monitoring visits, documents produced by projects
- At the *country level*, national sustainable development agendas, environmental priorities and strategies, GEF-wide focal area strategies and action plans, GEF-supported national capacity self-assessment, and global and national environmental indicators
- At the *Agency level*, country assistance strategies and frameworks and their evaluations and reviews, specifically from the World Bank, UNDP, Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, United Nations Industrial Development Organization, and African Development Bank
- *Evaluative evidence* at the country level coming from GEF Evaluation Office evaluations, such as the Joint Evaluation of the GEF Activity Cycle and Modalities and the overall performance studies, or from national evaluation organizations
- *Statistics and scientific sources*, especially for national environmental indicators
- *Interviews* with GEF stakeholders, in addition to the DEAT as the focal point, all other relevant government departments (for example, transport, agriculture, and minerals and energy), other bilaterals and multilaterals, NGOs (both local and international with a presence in South Africa); the GEF Agencies; SGP; and all national convention focal points
- *Interviews* with GEF beneficiaries and supported institutions—including SANBI, SANParks, Central Energy Fund, CAPE, municipal governments and associations, and local communities and authorities
- *Field visits* to project sites
- Information from national consultation *workshops*

The quantitative analysis will use indicators to assess the relevance and efficiency of GEF support using projects as the unit of analysis (that is, linkages with national priorities, time and cost of preparing and implementing projects, and so forth) and to measure GEF results (that is, progress toward achieving global environmental impacts) and performance of projects (such as implementation and completion ratings).

The evaluation team will use standard tools and protocols for the CPEs and adapt these to the South African context. These tools include a project review protocol to conduct the desk and field reviews of GEF projects and questionnaires to conduct interviews with different stakeholders. Two project review protocols will be developed: one for nationally implemented projects and another one for regional/global projects.

A selection of projects will be visited. The criteria for selecting them will be finalized during the implementation of the evaluation, but emphasis will be placed on completed projects and those clustered within a particular geographic area,

given time and financial resources limitations. For example, the Northern Cape Province could be a good candidate because several projects in several focal areas are implemented (or have components there). The evaluation team will decide on specific sites to visit, based on the initial review of documentation and balancing the needs of representation and cost-effectiveness of conducting the field visits. In addition, several projects in South Africa have been extensively evaluated by independent reviewers (for example, the CAPE project), providing a strong rationale to focus the GEF evaluation team's efforts on other projects.

The South Africa CPE will be conducted in coordination, as much as possible, with two other evaluations underway at this point: the evaluation of the U.N. Development Action Framework (led by the U.N. Evaluation Group) and the assessment of the Cape Peninsula Biodiversity project by the Independent Evaluation Group of the World Bank.

A.6 Process and Outputs

Based on an initial GEF Evaluation Office visit to South Africa in September 2007, these country-specific terms of reference have been prepared. The evaluation team will complete the following tasks:

1. Collect information and conduct literature review to extract existing reliable evaluative evidence.
2. Prepare specific inputs to the evaluation:[7]
   - *GEF portfolio database*, which describes all GEF-supported activities within the country, basic information (GEF Agencies, focal areas), implementation status, project cycle information, GEF and cofinancing financial information, major objectives and expected (or actual) results, key partners per project, and so on.
   - *Country environmental framework*, which provides the context in which GEF projects have been developed and implemented (this framework may already be available, prepared by GEF Agencies or national governments). This document will be based on information on environmental legislation, environmental policies of each government administration (plans, strategies, and so on), and the international agreements signed by the country presented and analyzed through time so as to be able to connect with particular GEF support.
   - *Global environmental benefits assessment*, which provides an assessment of the country's contribution to the GEF mandate and its focal areas based on appropriate indicators, such as those used in the RAF (for biodiversity and climate change) and others in project documents.
3. The evaluation team conducts the evaluation, including at least one visit by GEF Evaluation Office representatives.
4. The GEF Evaluation Office conducts a visit to present the draft report at a consultation workshop with major stakeholders.
5. Prepare final report, which incorporates comments and is then presented to the GEF Council and the recipient government.

As indicated above, the GEF focal point will be an intrinsic and essential partner in this evaluation. The DEAT has been requested to provide support to the evaluation, such as identifying key people to be interviewed; communicating with relevant government departments; supporting organization of interviews, field visits, and meetings; and identifying main documents. The GEF Agencies will be requested to provide support to the evaluation on their specific projects or activities supported

by the GEF, including identification of key project and Agency staff to be interviewed, participation in interviews, arrangement of field visits to projects, and provision of project documentation and data.

The main output of the evaluation will be an evaluation report. The GEF Evaluation Office will bear full responsibility for the content of the report. The draft report will be presented in a stakeholder workshop in South Africa for the South African government and national stakeholders, including project staff, donors, and GEF Agencies, on or about February 28, 2007. Comments will be requested from them on factual issues. The final report will be synthesized together with the other three country evaluations and presented to the Council at its April 2008 meeting.

The evaluation will be conducted between October 2007 and March 2008. Table A.4 presents the key milestones of the evaluation.

Notes

1. At this point, it is not possible to quantify the GEF support directly to South Africa through these regional and global projects.
2. *Relevance:* the extent to which the objectives of the GEF activity are consistent with beneficiaries' requirements, country needs, global priorities, and partner and donor policies, including changes with time; *efficiency:* the extent to which results have been delivered with the least costly resources possible (funds, expertise, time, and so on). Efficiency is also called cost-effectiveness or efficacy.
3. *Results:* the output, outcome, or impact (intended or unintended, positive and/or negative) of a GEF activity; *effectiveness:* the extent to which the GEF activity's objectives were achieved or are expected to be achieved, taking into account their relative importance.
4. These inputs are working documents and are not expected to be published as separate documents.
5. Given the early stage of implementation of the RAF and following the approval of the terms of reference for the midterm review of the RAF by the GEF Council in November 2007, questions are expected to focus on the design and early implementation of the RAF.
6. *Sustainability:* the likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. The CPE will address four dimensions of sustainability: financial, institutional, sociopolitical, and environmental.
7. These inputs are working documents and are not expected to be published as separate documents.

Table A.4

Evaluation's Key Milestones

Milestone	Deadline
1. Request for interest from consultants	August 1–17, 2007, 2007
2. GEF Evaluation Office first visit to South Africa to launch evaluation and discuss draft terms of reference with key GEF stakeholders	September 25–October 3, 2007
3. Contract consultants based in South Africa	October 1, 2007
4. Country-specific terms of reference	October 31, 2007
5. Project review protocol and questionnaires	October 31, 2007
6. Desk review of 25 national and 5 international waters projects	December 15, 2007
7. Global environmental benefits assessments and environmental framework for South Africa	December 31, 2007
8. Field visits	To be decided
9. Interviews with stakeholders	October 1 - January 31, 2008
10. Second GEF Evaluation Office visit to complete interviews, conduct additional field visits, and begin drafting report	January 16–23, 2008
11. Draft report	January 15–February 20, 2008
12. Draft report to key stakeholders	February 20, 2008
13. National consultation workshop to present draft	February 28, 2008
14. Final CPE South Africa	March 10, 2008
15. Synthesis CPE Africa to stakeholders	March 14, 2008
16. Synthesis CPE Africa upload for the Council	March 25, 2008
17. Presentation to GEF Council	April 25, 2008

Annex B. Evaluation Matrix

Item	Information	Source
1. Context of the evaluation		
1.1 General description	• Human development profile • Social and political context of environmental issues • Status of each focus area in South Africa • Capacity	• National Framework for Sustainable Development, September 2006 • South Africa Environment Outlook for 2006 • Development Indicators Mid-Term Review, South Africa (2007)
1.2 Brief description of environmental resources in key GEF support areas (what is potential global benefit?)	Potential global benefits: • Biodiversity potential and actual status • Climate potential and actual status • Land degradation and desertification • POPs potential and actual status • International waters: potential and actual status and regional significance; which transboundary features (fresh and marine) are relevant in the regional context (rivers and LMEs)? • Ozone • Overall alignment	• Reports: South Africa Environment Outlook, National Framework for Sustainable Development, State of the Parks (SANParks), Western Cape State of Biodiversity Report, CapeNature, 2007, National Action Plan to Combat Land Degradation and Alleviate Rural Poverty, 2004, Study on protected area financial cost ; DEAT-GEF MTPF status report 2006; C. Volante's SANParks Interview; Regional biodiversity report; Business case for the SANBI • Frameworks and action plans: RAF, NBSAP, First National Communication, National Action Plan, NIP, NCSA • Specialists and key informants
1.3 The environmental legal and policy framework in [name of country]	• Outline legal and policy framework and ratification of protocols • Adequacy, ownership and embeddedness, and alignment • Development and environment strategy, plans including targets and budgets, and future trajectory: sustainability, commitment, and coherence	• DEAT GEF MTPF status report 2006 • National Framework for Sustainable Development • State of Environment Report • South Africa Environment Outlook
1.4 The GEF: general description	• Brief overview of GEF-1 to GEF-4 and IA involvement • GEF-4 and RAF and South African allocations	• Other CPE documents • DEAT GEF MTPF status report (2001 and 2006) with respect to RAF • GEF focal area strategy • IA interviews with UNDP, World Bank, and SGP
2. Activities funded by the GEF		
2.1 Activities considered in the evaluation	• Agreed national and regional projects	• Evaluation Office database and completed project protocols • IA records
2.2 Activities over time	• Activities over time and by IA and by modality; activities by focal area breakdown by number and budget and modality; activities by ExAs; activities by GEF phase; SGP	• Evaluation Office database and completed project protocols • IA records
2.3 Evolution of GEF funding to the country	• For different GEF phases by IA, focal area, and modality • Other ODA and cofinancing and South Africa's contribution to replenishment fund for each GEF phase • History of focal point	• DEAT: South African GEF MTPF (2001) and MTPF status report (2006) • Evaluation Office database and completed project protocols • IA records • IA interviews

Key question	Indicators/basic data	Sources of information	Methodology
3. Relevance of GEF support			
3.1 Is GEF support relevant to South Africa's sustainable development agenda and environmental priorities?	• GEF support is within the country's sustainable development agenda and environmental priorities (National Environmental Act and subsequent acts) • Evidence of deliberate pro-poor or developmental orientation in project planning, implementation, and evaluation • Beneficiaries and benefits identified • GEF support has South African ownership, evident in project origin, design, and implementation • Relative weight of different focal areas and alignment with South Africa's GEF Strategy and environmental policy and plans • Level of GEF funding relative to other ODA in the environment sector	• Documents: State of Environment Report; South Africa Environment Outlook; National Framework for Sustainable Development; State of the Parks (SANParks); Western Cape State of Biodiversity Report, CapeNature, 2007; National Action Plan to Combat Land Degradation and Alleviate Rural Poverty, 2004; Study on protected area financial cost; DEAT-GEF MTPF status report (2006); Development Indicators Mid-Term Review, South Africa (2007a); C. Volante's SANParks interview; Regional biodiversity report; Articles on Millennium Development Goals and climate • Historical record: DEAT MTPF and environment committee records • Analysis of project design information and results using project protocols • Government officials, NGOs, and academics: Climate: A. Eberhard; H. Winkler, Central Energy Fund, National Committee on Climate Change, Energy Research Centre; Biodiversity: in government, Dept. of Land Affairs, DEAT (incl. Marine and Coastal Mgmt.), Dept. of Water Affairs and Forestry, and others?; POPs, international waters, and land degradation? NGOs: Programme for Land and Agrarian Studies, and Khanya; UN Office of Project Services (BCLME local office)	• Document review and analysis of relevant country-level information and documents and legal framework • Analysis of projects and portfolio • Interviews (including project issues where relevant) • National consultation workshops
3.2 Is GEF support relevant to national development needs and challenges?	• Priority development needs are supported (capacity building and income generating) and challenges reduced. • Different types of GEF modalities and components (enabling activities, MSPs, FSPs, SGP, PDF, GEF Agencies, or technical support) align with the country's needs and challenges. • GEF provided support for the country's reconstruction. • GEF support plays a role in South African strategy for the Southern Africa region and NEPAD. • GEF approaches are adapted to country political realities.	• National Framework for Sustainable Development • South Africa Environment Outlook • Development Indicators Mid-Term Review, South Africa (2007a) • Regional biodiversity report • World Bank Independent Evaluation Group assessment of South African government's monitoring and evaluation system • Capacity – NCSA? DEAT GEF MTPF • Reconstruction and Development Programme, NCSA , • NEPAD, SADC • GEF Agency strategies • Interviews with government officials, local communities, and authorities and beneficiaries • Analysis of project objectives and results based on protocols • Information and data on efficiency (project cycle, modalities, and so on)	• Document review and analysis of relevant country-level information • Document review regional document • Document review of IA documents • Interviews • Portfolio analysis • National consultation workshops

Key question	Indicators/basic data	Sources of information	Methodology
3.3 Is GEF support relevant to national environmental priorities?	• Alignment with identified MTPF, National Environmental Management Act, and other relevant policies • Alignment with specific action plans: – NBSAP – NIP (POPs) – NAP (Land Degradation) – First (and second) national communications on climate change – NCSA – National Adaptation Plan to Climate Change – Climate change policy and strategy – Energy policy and strategy, and energy efficiency strategy, but not adopted by parliament	• Record of initial meetings • National Framework for Sustainable Development • South Africa Environment Outlook • Development Indicators Mid-Term Review, South Africa (2007a) • DEAT GEF MTPF • Business case for the SANBI • National action plans in each focal area and GEF- supported enabling activities • SGP country strategy • Analysis of project objectives and results based on project protocol • Government officials, NGOs, and Agencies • Project reviews	• Document review and analysis of country level information • Desk review of country strategies and plans • Review IA country strategies • Portfolio analysis • Interviews
3.4 Is the country supporting the GEF mandate and focal areas programs and strategies with its own resources and/or support from other donors?	• Amount and percent of cofinancing by source and by focal area	• "Green budget" initiative • Project protocol and analysis of cofinancing • Database of projects • Analysis of relevant departmental plans and budgets • DEAT interviews	• Document review of relevant country-level information • Analysis of project info. and database on cofinancing • Interviews
3.5 Is GEF support relevant to achieving the GEF mandate (that is, maximizing global environmental benefits), principles (that is, incrementality, cost-effectiveness, sustainability, catalytic in nature, and so on), and objectives of each GEF focal area's operational programs and strategies?	• Evidence that GEF support is maximizing potential global benefits based on analysis of alignment between aggregated project outcomes and impacts in each focal area by modality, and the outcome and impact indicators identified for each focal area • Relation of GEF support and aggregated project outcomes and impacts to the relevant national commitments to conventions, focal area strategy outcomes, and impacts and related targets • Evidence of alignment between GEF portfolio in South Africa and GEF principles of incrementality, cost-effectiveness, sustainability, and catalytic orientation	• Project documents, analysis of project objectives and results in each focal area • Documents: GEF focal area strategies, GEF-1 to GEF-4 documents on programs and monitoring and evaluation frameworks; South African commitments based on international conventions; South African environment documents; DEAT reports to cabinet on achievement to conventions; Business case for the SANBI • Interviews with GEF Secretariat staff, technical staff from GEF IAs, SGP staff • Evaluations, phase evaluations • Data from RAF Global Benefit Index (for biodiversity and climate change) and to other global indicators for persistent organic pollutants, land degradation, and international waters	• GEF portfolio and pipeline analysis using protocol • Document review of country-level info and legal framework: Global Environmental Benefits Assessment • Document review conventions and GEF results frameworks • Interviews
3.6 Is GEF support relevant to GEF Agency strategies and frameworks?	• Relevance to strategies and frameworks of GEF Agencies (UNDP, World Bank, UNEP) • Reasons given by others (AfDB, UNIDO, and FAO) for noninvolvement or limited involvement	• Analysis of project objectives and results • GEF Agency strategies • Key staff of IAs: UNDP, World Bank, and UNEP	• Analysis of portfolio • Desk review of GEF Agency–level information • Interviews
3.7 How relevant is the RAF index to country priorities?	• Alignment of RAF indexes with South African GEF MTPF (2001) and MTPF status report 2006 • Alignment with locally based data and indexes	• Interviews: national experts on RAF indexes and assessment; South Africa Environment Outlook • Analysis of objectives of pipeline projects	• Interviews • Desk review of available data • Analysis of pipeline

Key question	Indicators/basic data	Sources of information	Methodology
4. Efficiency of GEF support			
4.1 How much time, effort, and financial resources does it take to develop and implement projects, by GEF support modality?	• Preparation costs (any PDF or PPG?) • GEF Agency project fee • How much of project budget is for management and implementation cost? • Is economy and efficiency evident from comparing inputs to outputs and rate? • To what extent has the project identified and operationalized the "win-win" outcomes? • To what extent has the project assessed and incorporated the trade-offs between environment and development issues? • What is the average time taken to achieve each milestone in the project cycle by modality and focus area and by GEF phase and IA? • Projects not progressing past PDF, cancellations	• Analysis of info. in project protocols, including project budgets and staff, monitoring and evaluation budgets, and activities and RAF pipeline • External evaluation documents of closed projects • Interviews with GEF Secretariat, Agencies, and government • Joint Evaluation of the GEF Activity Cycle • Field visits	• Collation and analysis of data in project protocols • Review of project evaluations and GEF project cycle documents • Interviews • Project field visits
4.2 What are the roles, types of engagement, and coordination among different stakeholders in project implementation?	• Level of participation of actors and stakeholders in key phases of the project cycle • Beneficiaries identified, analyzed, and appropriate engagement strategy implemented • Actors' roles and responsibilities and their clarity • Coordination among projects planned and implemented • Complementarity of GEF support (to national roles and responsibilities?)	• Analysis of info. in project protocols • External evaluation documents of closed projects • Interviews with project staff, beneficiaries, and other actors • Interviews with GEF Agencies	• Collation and analysis of data in project protocols • Review of project evaluations • Field visits and interviews • Interviews and workshops
4.3 How good is the dissemination of GEF project lessons and results?	• Deliberate and effective anticipation at project design to ensure reliable learning and a sound basis for assessing replicability, as well as provision for dissemination of learning • Lessons from previous projects within and outside the GEF incorporated in project design, preparation, and implementation	• Analysis of info. in project protocols • External evaluations of projects Interviews with project staff • Interviews with GEF Agencies • Multidonor secretariat, CELCO	• Collation and analysis of data in project protocols • Document review • Interviews and workshops • Field visits
4.4 What are the synergies in GEF project programming and implementation with GEF Agencies? What are the synergies between GEF stakeholders and projects?	• Awareness and acknowledgement among GEF agencies of each other's projects • Communication among IAs • Technical support among IAs	• Documents: Country Environmental Framework Analysis and Global Environmental Benefits Assessment • Interviews with GEF Agency staff • Interviews with government officials, academics, and project staff • Project protocols	• Document review • Interviews and workshops • Field visits • Analysis of GEF portfolio
4.5 What are the synergies in GEF project programming and implementation with national institutions?	• Awareness and acknowledgement among institutions of each other's projects • Communication among institutions • Technical support among institutions	• Documents: Country Environmental Framework Analysis and Global Environmental Benefits Assessment • Interviews with government officials and ExAs • Interviews with IA staff, academics, and project staff • National environmental policy and plans • Project protocols	• Document review • Interviews and workshops • Field visits • GEF portfolio analysis

Key question	Indicators/basic data	Sources of information	Methodology
4.6 What are the synergies in GEF project programming and implementation with GEF projects and other donor-supported projects and activities?	• Explicit statements or evidence of deliberate efforts to maximize synergy in project documents • Coordination among projects • Alignment and levels of integration required for coherence in focal area or landscape achieved • Complementarity of GEF support • Relevant government plans integrate funding	• Documents: donor evaluations and Country Environmental Framework Analysis and Global Environmental Benefits Assessment • Interviews with GEF Agency staff • Interviews with government officials, academics, project staff, NGOs, and bilateral donors • Donor evaluations • Project protocols	• Document review • Interviews and workshops • Field visits • GEF portfolio analysis
4.7 What is the national mechanism for GEF implementation (such as the GEF focal point mechanism in the country)?	• Development of country strategy, approach, or priorities • Quality and adequacy of information on projects available and used • Role in ensuring alignment and coordination • Contribution to dissemination of learning • Changes in the DEAT's capacity to support project design, implementation, and monitoring and evaluation • Changes in time taken to process documents • Achievement of commitments and responsibilities related to focal point role • Clear communication with national stakeholders on GEF policies and procedures • Clear communication to GEF and its Agencies	• Documents: DEAT GEF MTPF, database, reports • Interviews with the DEAT, National Environment Committee, and other key GEF stakeholders • Project protocols and evaluations	• Document review • Interviews • Analysis of GEF portfolio and project documents
4.8 To what extent have GEF operations changed after the introduction of the RAF?	• Difference in average time taken in key phases of the project cycle pre- and post-RAF • Improved level of alignment between portfolio of projects approved based on the RAF and South Africa's potential global benefits, the GEF mandate, and South Africa's country priorities • Impact on allocations to the SGP • Impact on allocations for the PDF	• Project protocols • Analysis of relevance of project portfolio over time • GEF Evaluation Office evaluations, such as Joint Evaluation of Project Cycle • Interviews with DEAT and GEF Agencies	• Analysis of GEF portfolio over time • Analysis of relevance • Review of GEF documents on RAF and project cycle • Interviews
4.9 What is the sustainability of GEF support?	• Project documents adequately anticipate institutional, environmental, sociopolitical, economic, and financial risks and include adequate plans to manage, mitigate, or influence risks related to sustainability in the short, medium, and long term of gains made. • Level to which gains of projects completed more than a year before the evaluation sustained and evidence of future capacity to sustain available • Likelihood of financial and other resources required to sustain gains being available • Institutional commitment to maintaining the required capacity and resources to sustain gains • Level of stakeholder commitment, awareness, and ownership evident in relation to that required • Legal frameworks, policies, governance structures, and capacity to enforce compliance in place • Systems of accountability and technical capacity in place	• Reports: State of the Parks (SANParks review); Western Cape State of Biodiversity Report, CapeNature, 2007; Study on protected area financial cost; State of Environment Report • Project protocols and project evaluation reports • Officials and staff related to completed projects • Interviews with officials and ExAs • Interviews with NGOs and bilateral donors, and local communities and authorities	• Document review • Analysis of protocol data and project documents • Field visits and interviews • Interviews and workshops • Country Environmental Framework Analysis

Key question	Indicators/basic data	Sources of information	Methodology
5. Effectiveness of GEF support			
5.1 What are the aggregated results by focal area?	• Aggregated indicators from above • Overall catalytic and replication effect • Contribution by the GEF	• Project data in protocols and project documents • Reports: State of Environment Report; State of the Parks (SANParks review); Western Cape State of Biodiversity Report, CapeNature (2007); Study on protected area financial cost ; records of initial meetings • ExAs, government officials, project staff and other key stakeholders where necessary • Key informant: Barry Bredenkamp on solar water heating	• Analysis of project data and portfolio in terms of project protocol • Document review • Interviews, by phone if possible to supplement project documents, if necessary • Global Environmental Benefits Assessment • Field visits
5.2 What are the aggregated results at country level?	• Aggregated indicators from above • Overall outcomes and impacts of GEF support • Overall catalytic and replication effect		
5.3 What are the cross-cutting results in terms of catalytic and replication effects?	• Potential catalytic and replication effects of projects identified in project design and realized		
5.4 What are the cross-cutting results in terms of individual and organizational capacity building?	• Capacity needs assessment conducted with institution(s) with the mandate and addressed in project design and results		
5.5 What are the cross-cutting results in terms of improvements in the enabling environment?	• Set of required enabling factors, including strong partnerships, policy, strategy, and monitoring and evaluation frameworks, assessed and addressed in project design and in results		
5.6 What are the cross-cutting results in terms of increased awareness?	• Evidence of improved awareness as a result of project activities • Evidence of changed behavior attributable to project activities		
5.7 What is the likelihood that objectives will be achieved for those projects that are still under implementation?	• Ratings of relevant ongoing projects in terms of likely, moderately likely, moderately unlikely, and unlikely		

Annex C. Interviewees

Barry Bredenkamp, Central Energy Fund, Head, National Energy Efficiency Agency

Nadia Hamid, Central Energy Fund, Project Manager (solar water heaters)

James Jackelman, Consultant

Mandy Cadman, Consultant

Lynn Jackson, Consultant, Coastal and Environmental Consulting

Eugene Cairncross, Cape Peninsula University of Technology (chemical engineering)

Peter Lukey, DEAT, Air Quality Management and Climate Change

Sam Manikela, DEAT, Air Quality Management Directorate

Margot Richardson, DEAT, Atmospheric Studies, Climate Change

Leseho Sello, DEAT, Chief Director, Biodiversity and Heritage

Johann Augustyn, DEAT, Chief Director for Research, Antarctica and Islands

Joanne Yawitch, DEAT, Deputy Director General, Environmental Quality and Protection

Nolothando Vithi, DEAT, Deputy Director, International Governance

Pamela Yako, DEAT, Director-General

Muleso Kharika, DEAT, Director, Resource Use (land management)

Thomas Mathiba, DEAT, Education and Awareness Directorate

Joe Mosima, DEAT, International Governance and Relations

Judy Beaumont, DEAT, Policy Advisor

Brian Huntley, DEAT, Senior Policy Advisor

Merlyn van Voore, DEAT, Senior Policy Advisor, International Governance

Olga Chauke, DME, Deputy Director, Clean Development Mechanism

Sello Modise, DME, Deputy Director, Finance and Subsidy

Nomawethu Qase, DME, Director, New and Renewable Energy

Maphuti Legodi, DME, Energy Officer, Energy Appliance Labeling

Andre Otto, DME, Project Coordinator, South Africa Wind Energy Programme

Silas Malaudzi, DME, Renewable Energy

Naomi Mdzeke, Eastern Cape Parks, Wild Coast Project Coordinator

Nokulunga Maswana, Eastern Cape Parks Board, Chief Executive Officer

Reuben Ngwenya, Eastern Cape Parks, Executive Director, Conservation

Wendy Poulton, Eskom

Funke Oyewole, GEF Secretariat, Senior Operations Officer

Jamie Cavelier, GEF Secretariat, Senior Biodiversity Specialist

Mbekeni Chris Dhlamini, GEF South Africa SGP

Vuyisile Zenani, GEF South Africa SGP, National Coordinator

Stacy A. Swann, International Finance Corporation

Holly Dublin, International Union for the Conservation of Nature and Natural Resources, Biodiversity Specialist

Kurt J Morais, National Treasury, Director, International Economic Relations

Hermann F.W. Oelsner, NGO: World Wind Energy Association

Onno Huyser, NGO: Table Mountain Fund, World Wide Fund for Nature-South Africa

Rean Van der Merwe, NGO: Eco Africa, Information Technology and Communications

Steve Thorne, NGO: SouthSouthNorth

Steven Law, NGO: Environmental Monitoring Group

Kristal Maze, SANBI, Chief Director, Biodiversity Policy and Planning

Tanya Abrahamse, SANBI, Chief Executive Officer

Ingrid Nanni, SANBI, Conservation Science

Trevor Sandwith, SANBI, CAPE Coordinator

Anthea Stephens, SANBI, Grasslands Programme Manager

Hector Magome, SANParks, Executive Director, Conservation Services

Leticia Greyling, South African Ports Authority

Mohamed Abdisalam, UNDP–South Africa

Dirk Roos, UNDP–South Africa, Biodiversity and Climate Change

Eddy Russell, UNDP–South Africa, Monitoring and Evaluation Officer

Ademola Salau, UNDP–South Africa, Regional Team Leader and Coordinator for Climate Change

Nik Sekhran, UNDP–South Africa, Regional Technical Advisor, Biodiversity and International Waters

Estherine Lisinge Fotabong, UNEP, Country Coordinator, Division of GEF Coordination, South Africa

Anton Eberhard, University of Cape Town, Climate Change Specialist

Harald Winkler, University of Cape Town, Energy Research Centre

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Karsten Feuerriegel, World Bank–Pretoria, Natural Resource Management Specialist

Thandi Gxaba, World Bank–Pretoria, Senior Environmental Specialist

Annex D. Sites Visited

South African Wind Energy Project, Darling, Western Cape Province: Andre Otto, Project Coordinator, DME 24 January 2008

Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries: Leticia Greyling, South African Ports Authority, Cape Town Harbour 22 January 2008

Eastern Cape Parks Board site visit to Mkweati Reserve with Wild Coast project staff: Nokulanga Moswana (CEO of board), Naomi Mdzeke (Project Coordinator), Dolly Ganasue (Community Liaison officer), Dali Dyonase (Financial Manager), Reuben Ngwenya (Executive Director, Conservation), Zwai Kostauli (Regional Manager), and Sipholozi Msindo (Project Administrator) 18 January 2008

Annex E. Workshop Participants

The following people participated in the consultation workshop held March 5, 2008.

Claudio Volonte, GEF Evaluation Office

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Marlene Laros, Evaluation Team

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Nokulunga Maswana, Eastern Cape Parks Board

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Reuben Ngwenya, Eastern Cape Parks Board

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Chris Dhlamini, GEF-SGP

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Annex F. GEF Portfolio in South Africa, 1994–2008

GEF ID	Country/region	Project name	Focal area	Modality	IA	Executing agency	PDF/ PPG	GEF grant	Co-financing
							Million $		
Completed									
17	South Africa	Conservation of Globally Significant Biodiversity in Agricultural Landscapes through Conservation Farming	BD	MSP	WB	SANBI	0.000	0.750	0.965
19	South Africa	Concentrating Solar Power for Africa	CC	MSP	WB	Eskom	0.000	0.23	0.18
20	South Africa	Conservation Planning for Biodiversity in the Thicket Biome	BD	MSP	WB	Universities of Port Elizabeth and Cape Town	0.000	0.739	0.123
24	Regional (Botswana, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe)	Africa Community Outreach Programme for Conservation and Sustainable Use of Biological Resources	BD	MSP	WB	Zimbabwe Trust	—	0.75	0.19
134	South Africa	Cape Peninsula Biodiversity Conservation Project	BD	FSP	WB	SANParks–Table Mountain Trust Fund	0.085	12.385	78.900
246	South Africa	First National Report to the CBD	BD	EA	UNDP	DEAT	0.000	0.025	0.000
406	Regional (Burkina Faso, Cameroon, Ethiopia, Ghana, Kenya, Sierra Leone, South Africa, Tanzania, Tunisia, Uganda)	African NGO-Government Partnership for Sustainable Biodiversity Action	BD	FSP	UNDP	UNOPS	—	4.54	7.12
407	Regional (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, South Africa, Zambia, Zimbabwe)	Inventory, Evaluation, and Monitoring of Botanical Diversity in Southern Africa: A Regional Capacity and Institution Building Network	BD	FSP	UNDP	National Botanical Institute	—	4.73	4.69

GEF ID	Country/region	Project name	Focal area	Modality	IA	Executing agency	PDF/ PPG	GEF grant	Co-financing
							Million $		
465	Global (Côte d'Ivoire, Czech Republic, Kenya, Malawi, Mauritius, New Zealand, Poland, South Africa)	Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity	BD	MSP	UNEP	SCOPE	—	0.75	3.23
487	South Africa	Enabling Activities for the Preparation of Initial National Communication Related to UNFCCC	CC	EA	UNEP	DEAT	0.000	0.321	0.075
519	Global (Argentina, Peru, South Africa)	Efficient Lighting Initiative (Tranche I)	CC	FSP	WB-IFC	IFC	—	9.58	35.00
610	Global (Brazil, South Africa, China, India, Iran, Ukraine)	Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries	IW	FSP	UNDP	IMO	—	7.39	3.83
659	South Africa	Sustainable Protected Area Development in Namaqualand	BD	MSP	WB	SANParks	0.000	0.748	4.630
789	Regional (Angola, Namibia, South Africa)	Implementation of the Strategic Action Programme Toward Achievement of the Integrated Management of the Benguela Current Large Marine Ecosystem	IW	FSP	UNDP	UNOPS	—	15.46	23.45
836	South Africa	Critical Partnership Ecosystem Fund I (South Africa component)	BD	FSP	WB	CI	—	—	—
849	Regional (Côte d'Ivoire, Ghana, Kenya, Mozambique, Nigeria, Seychelles, South Africa)	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	IW	MSP	UNEP	Advisory Committee for the Protection of the Sea	—	0.75	0.98
1242	Regional (Burkina Faso, Botswana, Kenya, Mali, Namibia, Niger, Senegal, South Africa, Zimbabwe)	Desert Margins Programme, Phase 1	BD	FSP	UNEP-UNDP	ICRISAT	—	5.35	10.23
1311	South Africa	Pilot Production and Commercial Dissemination of Solar Cookers	CC	MSP	UNDP	DME	0.000	0.800	2.850
1376	South Africa	Development and Implementation of the National Biodiversity Strategy and Action Plan in South Africa	BD	EA	UNDP	DEAT	0.000	0.409	1.610

GEF ID	Country/region	Project name	Focal area	Modality	IA	Executing agency	PDF/ PPG	GEF grant	Co-financing
							Million $		
1394	Regional (Burkina Faso, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Niger, Nigeria, Senegal, South Africa, Zambia, Zimbabwe)	Climate, Water, and Agriculture: Impacts on and Adaptation of Agro-Ecological Systems in Africa	MF	MSP	WB	Governments, research institutions, NGOs	—	0.70	0.54
1472	South Africa	Best Environmental Practice in the Hosting of the World Summit on Sustainable Development	MF	MSP	UNDP	Gauteng Province	—	1.000	2.728
2098	Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania)	Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project	IW	FSP	WB	TBD	—	11.70	14.50
2344	Regional (Botswana, Burkina Faso, Kenya, Mali, Namibia, Niger, Senegal, South Africa, Zimbabwe)	Desert Margins Programme, Tranche 2	BD	FSP	UNEP	ICRISAT	—	5.62	12.25
2571	Regional (Angola, Namibia, South Africa)	Distance Learning and Information Sharing Tool for the Benguela Coastal Areas	IW	MSP	UNDP	UNOPS	—	0.77	0.80
Under implementation									
	Global	Small Grants Programme	MF	FSP	UNDP-UNOPS	SGP	—	1.920	
260	Regional (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe)	Southern Africa Biodiversity Support Programme	BD	FSP	UNDP	SADC Forestry Sector	—	4.50	4.84
564	South Africa	Clearing House Mechanism Enabling Activity	BD	EA	UNDP	DEAT	0.000	0.014	0.000
762	Regional (Lesotho, South Africa)	Maloti-Drakensberg Conservation and Development Project	BD	FSP	WB	Ministry of Environment Gender and Youth Affairs	—	15.55	17.70
299	Global	Climate Change Training Phase II – Training Programme to Support the Implementation of the UNFCCC	CC	EA	UNDP	UNITAR	—	2.7	0.5
805	South Africa	Solar Water Heaters for Low-income Housing in Peri-Urban Areas	CC	MSP	UNDP	DME	0.000	0.728	4.703

GEF ID	Country/region	Project name	Focal area	Modality	IA	Executing agency	PDF/ PPG	GEF grant	Co-financing
							Million $		
970	Regional (Botswana, South Africa, Mozambique, Zimbabwe)	Groundwater and Drought Management in SADC	IW	FSP	WB	SADC-Secretariat, through the SADC Water Division	—	7.35	6.90
1055	South Africa	Agulhas Biodiversity Initiative	BD	FSP	UNDP	SANParks	0.079	3.226	8.599
1056	South Africa	Conservation and Sustainable Use of Biodiversity on the South African Wild Coast	BD	FSP	UNDP	DEAT–Eastern Cape Parks	0.339	6.839	24.318
1082	Regional (Comoros, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania)	Southwest Indian Ocean Fisheries Project	MF	FSP	WB	Ministries of forestry and fisheries from participating countries; UNDP (WIOMEP); UNEP (WIO-LAB)	—	12.73	22.95
1167	South Africa	Greater Addo Elephant National Park Project	BD	MSP	WB	SANParks	0.039	5.839	34.442
1247	Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania)	Addressing Land-Based Activities in the Western Indian Ocean	IW	FSP	UNEP	UNOPS–Nairobi Convention Secretariat	—	4.51	6.90
1258	Global (Estonia, Hungary, Lithuania, Mauritania, Niger, Nigeria, Senegal, Gambia, South Africa, Tanzania, Yemen, Turkey)	Enhancing Conservation of the Critical Network of Sites of Wetlands Required by Migratory Waterbirds on the African/Eurasian Flyways	BD	FSP	UNEP	UNOPS	—	6.35	6.20
1338	South Africa	South Africa Wind Energy Programme, Phase I	CC	FSP	UNDP	DME	0.295	2.295	10.339
1348	Regional (Botswana, Cameroon, Côte d'Ivoire, Ethiopia, Lesotho, Mali, Morocco, Mozambique, Namibia, Niger, Nigeria, South Africa, Swaziland, Tanzania, Tunisia)	Africa Stockpiles Program, Phase 1	POPs	FSP	WB-FAO	TBD	—	25.70	35.00
1462	Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania)	Programme for the Agulhas and Somali Current Large Marine Ecosystems: Agulhas and Somali Current Large Marine Ecosystems Project	IW	FSP	UNDP	UNOPS	—	12.92	18.26
1516	South Africa	CAPE Biodiversity Conservation and Sustainable Development Project	BD	FSP	WB-UNDP	SANBI	0.320	11.320	44.450

GEF ID	Country/region	Project name	Focal area	Modality	IA	Executing agency	PDF/ PPG	GEF grant	Co-financing
							Million $		
1685	Global (Brazil, Chile, Mexico, Trinidad and Tobago, Philippines, India, Bangladesh, Egypt, South Africa)	Fuel Cells Financing Initiative for Distributed Generation Applications (Phase 1)	CC	FSP	WB-IFC	IFC	—	6.58	9.00
1782	South Africa	Richtersveld Community Biodiversity Conservation Project	BD	MSP	WB	Richtersveld Municipality	0.025	0.902	1.166
1785	South Africa	POPs Enabling Activities for the Stockholm Convention on Persistent Organic Pollutants National Implementation Plan for South Africa	POPs	EA	UNEP	DEAT	0.000	0.499	0.100
1894	South Africa	Renewable Energy Market Transformation	CC	FSP	WB	DME	0.000	6.000	11.300
2052	Regional (Lesotho, Malawi, Mozambique, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe)	Sustainable Management of Inland Wetlands in Southern Africa: A Livelihoods and Ecosystem Approach	LD	MSP	UNEP	IWMI, IUCN ROSA, and FAO	—	1.00	1.21
2123	Global (Ghana, Kenya, South Africa, India, Nepal, Pakistan, Brazil)	Conservation and Management of Pollinators for Sustainable Agriculture through an Ecosystem Approach	BD	FSP	UNEP	FAO	—	8.51	18.65
2173	Regional (South Africa, Mozambique, Zimbabwe)	Sustainable Land Use Planning for Integrated Land and Water Management for Disaster Preparedness and Vulnerability Reduction in the Lower Limpopo Basin	LD	MSP	UNEP	United Nations–Habitat	—	1.00	1.83
2261	Global (Algeria, Angola, Argentina, Brazil, Chile, China, Costa Rica, Côte d'Ivoire, Croatia, Ecuador, Egypt, Ghana, Guatemala, India, Iran, Jordan, Libya, Mexico, Morocco, Panama, Peru, South Africa, Sudan, Trinidad and Tobago, Turkey, Ukraine, Venezuela, Yemen)	Building Partnerships to Assist Developing Countries to Reduce the Transfer of Harmful Aquatic Organisms in Ships' Ballast Water	IW	FSP	UNDP	IMO	—	6.34	17.70
2479	South Africa	National Capacity Self-Assessment for Global Environmental Management	MF	EA	UNDP	DEAT	0.000	0.200	0.035
2604	South Africa	Sustainable Public Transport and Sport: a 2010 Opportunity	CC	FSP	UNDP	NDOT	0.197	11.197	323.942

GEF ID	Country/region	Project name	Focal area	Modality	IA	Executing agency	PDF/ PPG	GEF grant	Co-financing
							Million $		
2615	South Africa	National Grasslands Biodiversity Program	BD	FSP	UNDP	SANBI	0.350	8.650	37.262
2757	Regional (Benin, Botswana, Burkina Faso, Burundi, Eritrea, Ethiopia, Gambia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Sudan, Tanzania, Togo, Uganda, Zambia)	Strategic Investment Program for Sustainable Land Management in Sub-Saharan Africa	LD	FSP	WB, UNDP, UNEP, AfDB, IFAD, FAO	—	—	134.36	978.43
3022	South Africa	Subproject 1st Group: Plug Power under the Global Fuel Cells Financing Initiative for Distributed Generation Applications (Phase 1)	CC	FSP	WB-IFC	—	—	3.275	—
Pipeline									
2701	Regional (Botswana, Lesotho, Namibia, South Africa)	Development and Implementation of the Strategic Action Program for the Orange-Senqu River Basin	IW	PDF	UNDP	UNOPS	—	7.06	33.00
2924	South Africa	Development, Empowerment, and Conservation in the Greater St. Lucia Wetland Park and Surrounding Region	BD	PPG	WB	St. Lucia Wetland Park Authority	0.310	—	—
3118	South Africa	Building the Institutional Effectiveness and Efficiencies of Local Municipalities in Protected Area Management	BD	PDF block A	UNDP	SANBI	0.025	—	—
3305	Regional (Angola, Namibia, South Africa)	Implementation of the Benguela Current LME Action Program for Restoring Depleted Fisheries and Reducing Coastal Resources Degradation	IW	PDF	UNDP	UNOPS	—	5.14	18.22

Note: — = not available or unknown; BD = biodiversity; CC = climate change; IW = international waters; LD = land degradation: MF = multifocal; TBD = to be determined.

Annex G. Framework for Analysis of Results

Focal area	Expected impacts	Expected Outcomes
Biodiversity	Biodiversity resources are conserved or sustainably used, or genetic resources are shared	• On-site and sustainable biodiversity conservation in protected areas (catalyzing sustainability of systems) • On-site and sustainable biodiversity conservation in production landscapes (and seascapes): mainstreaming • Implementation of Cartagena Protocol on Biosafety and improved invasive alien species management • Knowledge generation, dissemination, and good practices
Climate change	• Reduction or avoidance of GHGs in renewable energy, energy efficiency, and sustainable transport • Increased resilience to the adverse impacts of climate change of sectors and communities	• Energy efficiency (residential and commercial buildings and industry sector) through market penetration and technologies • Growth in renewable energy markets • Innovative sustainable public transport systems promoted, created, and adopted • Sustainable energy production of biomass
International waters[a]	• Political commitments to improved multicountry cooperation supporting sustainable economic development opportunities, stability, and water-related security in transboundary water systems • The necessary ability by participating states to reduce overexploitation of fish stocks, reduce land-based coastal pollution, and balance competing water uses in basins and report subsequent water-related improvements demonstrated	• Restoring and sustaining coastal and marine fish stocks and associated biodiversity • Reducing nutrient overenrichment and oxygen depletion from land-based pollution of coastal waters in LMEs consistent with the Global Programme of Action • Balancing overuse and conflicting uses of water resources in surface and groundwater basins that are transboundary in nature • Reducing persistent toxic substances and testing adaptive management of waters with melting ice
POPs	• Reduce and eliminate production, use, and release of POPs	• Strengthening capacity for NIP development and implementation
Multifocal	Framework based on each project's own objectives	

a. Results based on five regional and national projects.

Annex H. Country Response

The following pages present the country response from South Africa's Department of Environment and Tourism to the GEF Evaluation Office country portfolio evaluation.

environment & tourism
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Environmental Affairs and Tourism
REPUBLIC OF SOUTH AFRICA

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Ms Monique Barbut
CEO and Chairperson
Global Environment Facility
Washington D.C 20433, USA

Dear Ms Barbut

GEF COUNTRY PORTFOLIO EVALUATION – SOUTH AFRICA (1994 – 2007)

South Africa welcomes the report on the GEF-South African Country Portfolio evaluation conducted from October 2007 to March 2008. We would like to extend our thanks and appreciation to the GEF Evaluation Office and their team for their efforts in this regard.

We believe that the report contains useful findings and recommendations that will enable South Africa to further improve performance of GEF-supported programmes to meet our national priorities. The report confirms many of the observations and the lessons that we as a country have learnt in the duration of GEF support to South Africa. We however believe that the significant progression and evolution of South Africa's GEF portfolio since GEF 1 and GEF 2 phases have not been adequately captured by the report. This may be attributed to the fact that the report was backward looking and that at the time of the evaluation only 11 projects out of 26 were completed.

The fact that only 11 projects were completed at the time of the evaluation, limited review of regional projects (5 international waters) and the limitations of time available and resources has resulted in somewhat of a skewed perception of the real progress that has been made in the GEF portfolio in South Africa since 1994. The overwhelming majority of the evaluated projects formed part of GEF 1 and GEF 2, the outcomes and reflections thereupon are, in our view, valid. However, it is important to note that the lessons that we had learnt during the earlier phases of the GEF were used to make strategic decisions in GEF 3 and 4 resulting in amongst other issues a greater emphasis on focal areas such as climate change with the inclusion of projects such as the 2010 transport project and the standards and labeling project. Furthermore the social and economic imperatives have become key elements of GEF projects as evident in the CAPE and Grasslands projects. Unlike in earlier projects under GEF 1 and 2, great pains have been taken to ensure that projects address the issue of poverty alleviation and sustainable development. These projects are examples of the robust action that has been taken by South Africa to act upon the lessons learned and experiences of the GEF 1 and 2 phases. In addition, it's true, as delineated in the report, that the National Framework for Sustainable Development is yet to be completed. This we believe however has not impeded progress in pursuing sustainable development goals.

Muhasho wa zwa Vhupo na Vhuendelamashango • LiTiko le Tesimondzawo netekuVakasha • Isebe lemiCimbi yokusiNgqongileyo noKhenketho Ndzawulo ya Tinhaka & Mbango • Department: Omgewingsake en Toerisme • Lefapha la Tikoloho le Bohanhlaudi • Lefapha la Bojanala Kgoro ya Tikologo le Boeti • UmNyango wezeBhuduluko nokuVakatjha • Umnyango Wezemvelo Nokuvakaha

***Batho Pele** - putting people first*

The evaluation report indicates in "Conclusion 4" that results in the other focal areas is limited. It is our belief that had the evaluation not excluded regional and global projects such as the African Stockpiles Programme or the Desert Margins Programme we would have had greater insight on the work that has been done by South Africa in these other focal areas.

Conclusion 5 contends that long term sustainability is uncertain and a major contributor to this notion is the perception that there has not being significant institutional capacity. We however believe that significant strides have been made in the area of national institutional capacity even through the GEF programme. South Africa has also made a significant contribution to institutional capacity within the SADC region as well as through the GEF funded Benguela Current Large Marine Ecosystem Programme (BCLME) and the Desert Margins Programme.

The evaluation report highlights that two of the largest recipients of GEF funding in South Africa has been the South African National Parks (SANParks) and the South African National Biodiversity Institute (SANBI). Both SANParks and SANBI are recognized as leading institutions within their respective fields and their institutional strengths and capacities are globally recognized. Furthermore, SANBI is a key resource for South Africa in terms of our national initiatives on climate change as well as in supporting South Africa in global climate change negotiations i.e. UNFCCC and Kyoto Protocol.
Capacity building and institutional capacity building are at the forefront of the South African governments' priorities and is a mainstay of national initiatives. Incidentally one of the key themes of the EU funding programme in South Africa is capacity development.

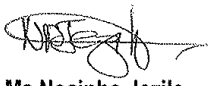
It is clear from the evaluation report that South Africa has shown its commitment and ownership of the various GEF initiatives through higher than average levels of co-financing. However, the assumption that the absence of a national strategy for sustainable development or a national climate change strategy is an obstacle to country ownership is in our opinion rather simplistic. The question of ownership is an important element of the South African government and this is also evident from the manner in which we are implementing the Paris Declaration on aid effectiveness, to which South Africa is a signatory.

South Africa fully agrees with the recommendation that the focal point mechanism should be strengthened. The focal point mechanism and the role of the focal point has been an issue that South Africa has been addressing since the development of our medium-term priority framework in 2002. We have engaged in the past with the GEF Secretariat on this issue with unsatisfactory results. It was the view of the GEF Secretariat at that time that, although they agreed that the focal point mechanism needed to be strengthened to fulfill the role as articulated in Recommendation 3, that such efforts were solely a country responsibility. Nevertheless on our part we have invested a tremendous amount of our own financial and human capacity towards achieving this recommendation. However, much work still needs to be done and we do hope that the GEF Secretariat would be able to support us in these efforts.

In closing, it is our view that the findings and recommendations contained in this report will be very useful for South Africa to scale up on future programming in order to enhance the overall impact of the GEF portfolio in South Africa.

South Africa remains committed to working in a collaborative partnership with the GEF in order to continue to improve environmental management in a way that protects and conserves our precious national resources.

Yours sincerely



Ms Nosipho Jezile
ACTING DIRECTOR GENERAL
DATE: 07/04/2008

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Number	Title	Year
Evaluation Reports		
44	GEF Annual Country Portfolio Evaluation Report 2008	2008
43	GEF Country Portfolio Evaluation: South Africa (1994–2007)	2008
42	GEF Country Portfolio Evaluation: Madagascar (1994–2007)	2008
41	GEF Country Portfolio Evaluation: Benin (1991–2007)	2008
40	GEF Annual Performance Report 2007	2008
39	Joint Evaluation of the GEF Small Grants Programme	2008
38	GEF Annual Performance Report 2006	2008
37	GEF Country Portfolio Evaluation: Samoa (1992–2007)	2008
36	GEF Country Portfolio Evaluation: The Philippines (1992–2007)	2008
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33	Joint Evaluation of the GEF Activity Cycle and Modalities	2007
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30	The Role of Local Benefits in Global Environmental Programs	2006
29	GEF Annual Performance Report 2004	2005
28	Evaluation of GEF Support for Biosafety	2006
	Third Overall Performance Study	2005
	GEF Integrated Ecosystem Management Program Study	2005
	Biodiversity Program Study	2004
	Climate Change Program Study	2004
	International Waters Program Study	2004
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